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The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 9.30 a.m. and read prayers.

NOTICES

Presentation

Senator Allison to move on the next day of sitting:

That the Senate—

(a) acknowledges that drug use within Australian prisons poses a considerable health risk to prisoners and the broader community;

(b) notes that:

(i) the Australian National Council on Drugs report, Supply, demand and harm reduction strategies in Australian prisons: Implementation, cost and evaluation, found that many injecting drug users spend considerable periods behind bars and that a history of drug use is far more common amongst prisoners than in the general population,

(ii) the report also identified a high prevalence of injecting drug use during incarceration and that high proportions of prison inmates report injecting drug use in the community once released, and

(iii) levels of hepatitis C in prisons are estimated to be up to 17 times greater than those in the general community;

and

(c) calls on the Government to work collaboratively with the states and territories to:

(i) ensure that all suitable prisoners are provided with free hepatitis B vaccinations,

(ii) ensure that testing for HIV and other blood-borne viral infections is available and voluntary in all jurisdictions, and

(iii) provide funding for the introduction and rigorous evaluation of a trial needle and syringe exchange program in an Australian prison.

Senator Stott Despoja to move on the next day of sitting:

That the following matters be referred to the Legal and Constitutional References Committee for inquiry and report by 30 June 2005:

(a) the overall effectiveness and appropriateness of the Privacy Act 1988 as a means of protecting the privacy of Australians and any legislative changes that may help to provide more comprehensive protection or improve the current regime in any way;

(b) the resourcing of the Office of the Federal Privacy Commissioner and whether current levels of funding enable the Federal Privacy Commissioner to properly fulfil her mandate;

(c) the potential implantation of human beings with microchips (for example, as recently authorised in the United States of America (US) by the US Food and Drug Administration) and the implications of such technology for individual privacy;

(d) proposals for a national ‘Smart Card’ identification regime, whether private sector or government proposals, any consultation that the Government may have undertaken in relation to such proposals, and the implications of such a regime for individual privacy;

(e) the extensive use of voter databases by political parties, including whether political acts and practices should continue to be exempted from the Privacy Act and/or whether voters should be afforded basic access to, and the right to correct information held about them by political parties;

(f) the extent of surveillance within the Australian community by both government agencies and the private sector, the purposes for which surveillance is undertaken and whether those purposes justify the significant invasion of privacy that results from surveillance;

(g) access by government agencies to stored communications such as e-mail, SMS and voicemail;
(h) telecommunications interception, including the increasing rate of interception by law enforcement agencies and whether or not the Australian Security Intelligence Organisation should be required to provide basic information regarding its interception activities to the Parliament;

(i) Australia’s participation in the global ECHELON interception program, as documented in the report of the European Parliament, dated 11 July 2001; and

(j) the lack of legislative protection for sensitive genetic information, including the Government’s failure to implement the recommendations of the Australian Law Reform Commission and the Australian Health Ethics Committee in their 2003 report, Essentially yours: The protection of human genetic information in Australia.

Senator Brown to move on Wednesday, 1 December 2004:

That the Senate calls on the Government to evaluate Tasmania’s Tarkine wilderness, including its temperate rainforest, coastline and Aboriginal heritage, for World Heritage listing.

Senator Brown to move on Tuesday, 30 November 2004:

That the Senate calls on the Government to give immediate protection to the 240 000 hectares of forests in Tasmania which have been identified by environment groups and experts as having high conservation value.

BUSINESS

Rearrangement

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (9.32 a.m.)—I have a hard act to follow, as Senator Ian Campbell did a very good job in this role. I move:

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

(1) general business notice of motion no. 13 standing in the name of Senator Conroy relating to the standard of telecommunication services in rural and regional Australia; and

(2) consideration of government documents.

Question agreed to.

NOTICES

Postponement

Items of business were postponed as follows:

Business of the Senate notice of motion no. 1 standing in the name of Senator Ridgeway for today, proposing the disallowance of the Aboriginal and Torres Strait Islander Heritage Protection Amendment Regulations 2004 (No. 1), postponed till 8 February 2005.

Business of the Senate notice of motion no. 2 standing in the name of the Leader of the Australian Democrats (Senator Bartlett) for today, proposing the disallowance of the Customs (Prohibited Imports) Amendment Regulation 2004 (No. 3), postponed till 29 November 2004.

General business notice of motion no. 2 standing in the name of Senator Allison for today, relating to human rights in Western Sahara, postponed till 29 November 2004.

General business notice of motion no. 3 standing in the name of Senator Allison for today, relating to high-intensity active naval sonar, postponed till 29 November 2004.

General business notice of motion no. 9 standing in the name of Senator Nettle for today, relating to Iraq, postponed till 29 November 2004.

YASSER ARAFAT

Senator NETTLE (New South Wales) (9.33 a.m.)—I seek leave to amend general business notice of motion No. 6, standing in my name for today, relating to the death of Yasser Arafat, before asking that it be taken as a formal motion.

The PRESIDENT—Is leave granted to amend the motion?

Senator Harradine—I have had neither sight nor sound of that amendment. I am not able to agree to its being considered.
The PRESIDENT—I understand that it was circulated, but perhaps we could come back to that after you have had a chance to consider it.

Senator Harradine—I am sorry; I had not noticed but it has been circulated.

Senator Nettle—by leave—I move the motion as amended:

That the Senate—
(a) notes the passing of the President of the Palestinian Authority Yasser Arafat;
(b) extends its condolences to the Palestinian people who mourn the loss of Mr Arafat; and
(c) calls on all parties to the Middle East peace process to renew their efforts as a matter of urgency for the negotiation of a just, enduring and comprehensive peace settlement based on the principle of two states—an Israeli state within secure and recognised borders and the right of self-determination for the Palestinian people, including their right to their own independent state.

Question agreed to.

COMMITTEES
Scranton Evidence Committee
Re-establishment

Senator Ludwig (Queensland) (9.35 a.m.)—I move:

That—
(a) the Select Committee on the Scranton Evidence, appointed by resolution of the Senate on 30 August 2004, be reappointed with the same powers and provisions for membership, except as otherwise provided by this resolution;
(b) the committee have power to consider and use for its purposes the minutes of evidence and records of the select committee appointed on 30 August 2004; and
(c) the committee report by 2 December 2004.

Question agreed to.

Finance and Public Administration References Committee
Reference

Senator Forshaw (New South Wales) (9.35 a.m.)—I move:

(1) That the following matter be referred to the Finance and Public Administration References Committee for inquiry and report by 22 June 2005:
(a) the level of expenditure on, and the nature and extent of, Commonwealth government advertising since 1996;
(b) the processes involved in decision-making on Commonwealth government advertising, including the role of the Government Communications Unit and the Ministerial Committee on Government Communications;
(c) the adequacy of the accountability framework and, in particular, the 1995 guidelines for government advertising, with reference to relevant reports, guidelines and principles issued by the Auditor-General and the Joint Committee of Public Accounts and Audit;
(d) the means of ensuring the ongoing application of guidelines based on those recommended by the Auditor-General and the Joint Committee of Public Accounts and Audit to all government advertising; and
(e) the order of the Senate of 29 October 2003 relating to advertising projects, and whether the order is an effective mechanism for parliamentary accountability in relation to government advertising.

(2) That the committee have power to consider and use the records of the Finance and Public Administration References Committee appointed in the previous Parliament.

Question agreed to.
UNITED NATIONS CONVENTION ON THE RIGHTS OF THE CHILD

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (9.36 a.m.)—I move:

That the Senate—

(a) notes that:

(i) 20 November 2004 marks the 15th anniversary of the United Nations Convention on the Rights of the Child (UNCROC),

(ii) UNCROC is the most widely ratified human rights convention of all time, ratified by 192 countries,

(iii) millions of children worldwide suffer from preventable diseases and malnutrition,

(iv) numerous children have no hope of even receiving a basic education,

(v) numerous children work in inhumane conditions and are exploited as cheap labour,

(vi) children are the sad victims of trafficking, including for heinous purposes of prostitution and sexual exploitation, and

(vii) children are affected by armed conflict and the ravages of war; and

(b) expresses the view that an important way for Australia to demonstrate its commitment to UNCROC is to ensure that Australia’s domestic laws comply with the spirit and terms of the treaty.

Question agreed to.

SPORT: RUGBY LEAGUE

Senator HARRIS (Queensland) (9.36 a.m.)—Before I seek leave to amend general business notice of motion No. 7 standing in my name for today, I seek leave to make a short statement. I will then seek to have that motion, as amended, taken as formal.

Leave granted.

Senator HARRIS—Several objections were received by my office in relation to the use of the term ‘Anzac’ during the proceedings of the rugby league games being played in Europe. The minister accordingly provided me with a brief history, which I will try to encapsulate as briefly as possible. It states:

• The Chief Executive of the ARL ... wrote to my predecessor on 25 June 2004 seeking approval to use the word ‘Anzac’ ...

• A brief to then Minister was being finalised when the Federal election was called. In line with caretaker provisions, it was considered that a decision on the use of the word ‘Anzac’ could not be made by the then Minister.

• In light of this, the Department telephoned the ARL in late September to advise that no formal decision would be taken ...

• Following that call, the Department wrote to the ARL on 8 October confirming the telephone advice, pointing out that this would necessitate finding an alternative name ...

• The Nine Network and other media outlets have not breached the Regulations by simply reporting the match.

That is a very brief encapsulation of the minister’s letter. I seek leave to amend the motion standing in my name.

Leave granted.

Senator HARRIS—I move the motion as amended:

That the Senate—

(a) notes that:

(i) the Tri-nations Rugby League series is currently being played in the United Kingdom,

(ii) one of the composite teams is made up of players from Australia and New Zealand, and

(iii) this team is being reported by Channel 9 and possibly others as ‘The ANZACS’;

(b) further notes that the use of the word ‘ANZACS’ is contrary to Commonwealth
legislation unless there is approval given by the Minister for Veterans' Affairs;
(c) requests the Minister for Veterans’ Affairs to advise the Senate whether an application for the use of the word ‘ANZACS’ has been received from Channel 9 and, if so, whether the Minister granted such approval, or, if not, whether the Minister will ensure that such reference by Channel 9 ceases immediately; and
(d) if the name has been used without approval, calls on the Minister to request a public apology from the Chief Executive Officer of the Australian Rugby League for the misuse of the word ‘ANZACS’.

Question agreed to.

HUMAN RIGHTS: DARFUR

Senator BARTLETT (Queensland—Leader of the Australian Democrats) (9.40 a.m.)—At the request of Senator Stott Despoja, I move:
That the Senate—
(a) notes:
(i) the briefing provided to the United Nations Security Council by the Secretary-General’s Special Representative for Sudan on 4 November 2004, indicating that ‘the Sudanese Government made no progress last month in either stopping militia attacks against civilians in Darfur, disarming those armed groups or prosecuting the individuals responsible for the worst atrocities’,
(ii) there are now approximately 1.45 million internally displaced persons within Sudan and the number of Sudanese refugees in Chad has risen to 200 000,
(iii) there have been fresh reports of attacks against internally displaced persons in the Darfur region,
(iv) UNICEF has reported that armed militias continue to rape women and girls in the Darfur region with impunity, including numerous reports of gang rapes,
(v) the suffering of those affected by the conflict is being prolonged, and the death toll is rising, as a result of international inaction,
(vi) the Secretary-General of the United Nations has called on all Member States to provide urgent and generous support to the African Union to enable it to expand its mission in Sudan, and
(vii) the Security Council has proposed to meet in Nairobi on 18 and 19 November 2004, at which time it will discuss the crisis in Darfur;
(b) welcomes the signing of humanitarian and security accords between the Sudanese Government and rebels on 10 November 2004;
(c) acknowledges the Australian Government’s provision of $20 million in humanitarian assistance to Sudan and its offer to assist the African Union mission by providing the use of two C-130 Hercules transport aircraft;
(d) calls on the Australian Government to:
(i) as a matter of urgency, provide additional, generous support to help facilitate the expansion of the African Union mission, and
(ii) make immediate representations to Security Council members, prior to the meeting in Nairobi, regarding the need for urgent action to prevent further loss of life and suffering within Sudan and neighbouring Chad; and
(e) calls on the Sudanese Government to take immediate action to disarm militia groups, prevent further attacks against civilians, and prosecute the perpetrators of atrocities.

Question agreed to.

BUDGET

Consideration by Legislation Committees

Additional Information

Senator HARRADINE (Tasmania) (9.40 a.m.)—I move:
That answers be provided by 31 January 2005 to:

(a) estimates questions on notice lodged with legislation committees in the course of the estimates hearings in May and June 2004; and

(b) estimates questions on notice lodged with legislation committees by 2 December 2004.

Question agreed to.

PETITIONS

Same-Sex Couples

Senator NETTLE (New South Wales) (9.41 a.m.)—I contacted all the whips last night about seeking leave to table a petition that is not in the correct wording. I have heard back that everybody was given leave, so I seek leave to table the petition.

The PRESIDENT—I understand that we only do this in exceptional circumstances. I presume that the whips understand that.

Leave granted.

CUSTOMS AMENDMENT (THAILAND-AUSTRALIA FREE TRADE AGREEMENT IMPLEMENTATION) BILL 2004

CUSTOMS TARIFF AMENDMENT (THAILAND-AUSTRALIA FREE TRADE AGREEMENT IMPLEMENTATION) BILL 2004

Second Reading

Debate resumed from 17 November, on motion by Senator Patterson:

That these bills be now read a second time.

Senator SANDY MACDONALD (New South Wales) (9.42 a.m.)—The implementation of the Thailand-Australia free trade agreement will be of importance to both Australia and Thailand and builds on the very close personal, economic and strategic partnership between Thailand’s 65 million people, with their economy growing strongly, and Australia’s 20 million people, with our economy also growing strongly. The implementation date is planned for 1 January 2005, which is also the day that the US-Australia free trade agreement is planned to start. This is not coincidental. It shows that while Australia pursues its multilateral responsibilities with vigour, particularly with respect to the WTO and APEC, it is also determined to create close personal bilateral relationships and agreements with like-minded trading nations—particularly with the United States, also now with Thailand, previously with Singapore and hopefully in the future with China and other countries in North Asia where Australia’s economic and strategic future lies in such strength.

Bilateral trade between Australia and Thailand continues to grow. Statistically, Thailand was our 12th largest source of exports in 2003 and our 13th largest source of imports, with two-way trade approaching $6 billion. Major Australian exports to Thailand include non-monetary gold, aluminium, cotton, wool, dairy products and copper. Major imports include motor vehicles, heating and cooling equipment, computers, crude petroleum and seafood. Unfortunately, relatively high tariffs and other market access restrictions have constrained export growth for Australian producers and primary producers. Thailand’s average applied tariff is around 15 per cent but with much higher peaks for some products, including various processed foods and beverages.

In order to implement the Thailand-Australia free trade agreement, two pieces of legislation require amendment—and that is what we are talking about today—firstly, the Customs Act 1901 and, secondly, the Customs Tariff Act 1995. Passage of these amendments is the primary process in our domestic implementation, and the prompt passage of this legislation will allow us to meet the target date, as I said, of 1 January 2005, which is the date we have agreed on
with Thailand for entry into force. The amendments of the Customs Act will incorporate the rules for determining whether goods originate in Thailand and are therefore eligible for preferential duty rates, and the product-specific rules are modelled on those applied in the Australia-United States free trade agreement. The amendments also allow Customs to conduct verification of Australian exporters to ensure that the goods they export to Thailand are produced in Australia.

I should make it very clear that these new rules have been endorsed by Australian business as a cheap and easy way to prove origin. I have to say that the negotiation of these FTAs is now pretty well covered by our Minister for Trade, the Hon. Mark Vaile, and by the trade negotiations in the Department of Foreign Affairs and Trade.

The Customs Tariff Act will need to be amended also to codify the preferential duty rates incorporated in the Thailand-Australia free trade agreement and the volume-triggered special safeguard mechanism which will apply to imports of Thai tuna and pineapple, two important Thai imports into Australia. This agreement was negotiated over eight negotiating sessions conducted in Australia and Thailand from August 2002 to October 2003. The agreement was signed by Mr Vaile and his Thai counterpart in Canberra on 5 July during the visit to Australia of Prime Minister Thaksin and nine of his cabinet ministers. That visit underlined the high priority that the Thai government accords to this agreement, as does the Australian government.

I have to say that this is an outstanding result. This is a very important agreement. It is a very important country; it is a very important neighbour to Australia. It demonstrates the government’s commitment to opening up new opportunities for Australian exporters and investors in East Asia, and it will link Australia to the second largest and fastest growing economy in South-East Asia. It is really a very special relationship. Thailand’s economic performance over the past few years has been strong and Prime Minister Thaksin’s government is promoting policies that are aimed at building a more open and regulated economy—and he is doing it very well.

The Thailand-Australia free trade agreement will be Thailand’s first comprehensive free trade agreement with a developed economy. It will be Australia’s fourth free trade agreement and the second with an ASEAN member. It is also the first FTA between a developed and a developing country in the region, and it sets the benchmark for future trade liberalisation in the region. I cannot state how pleasing it is that this free trade agreement has been signed. It really is very, very exciting. It is a good arrangement with good access, and our future and our trade links lie both in South-East Asia and in North Asia, so it is very important.

This agreement is a major marketing agreement. It will lead to the complete elimination of Thailand’s significant trade barriers across all sectors, for some tariffs are up to 200 per cent, and substantially improve the environment for services, trade and investment. The agreement will also create improved conditions for broad commercial and regulatory cooperation between Australia and Thailand and improved business mobility at a time when that is becoming increasingly important.

On entry into force, more than half of Thailand’s 5,000 tariffs, accounting for nearly 80 per cent of Australian exports, will be eliminated. Over $700 million of current Australian exports to Thailand will benefit immediately from tariff cuts in the first year alone, and it is estimated that Australian exporters could save around $100 million in customs duties. Tariffs not immediately
eliminated will be phased down, and 95 per cent of all current trade between Australia and Thailand will be completely free by 2010. Longer phase-out periods and special quota arrangements will apply to a small number of agricultural goods. Importantly, the tariff preferences contained in this agreement are only available to Australian exporters and therefore give them an enormous advantage over their competitors in an increasingly sophisticated Thai market. Many Australian companies formerly locked out of the Thai market by high tariffs and quotas will now enjoy new opportunities, particularly in areas such as agriculture, processed food and beverages, and automotive products.

I should say that the most important thing, particularly for agricultural producers, is market access. After you have market access, if you have a good product, you can succeed but if you have no market access you cannot. This agreement provides that market access. After that, just as in examples you can see in the United States with lamb, once the market is exposed to Australian product, it likes it and the product stands and succeeds on its own quality and price.

On industrial tariffs, Thailand will immediately eliminate its 80 per cent tariff on large passenger motor vehicles and will reduce its 80 per cent tariff on other passenger vehicles to 30 per cent, phasing to zero in 2010. Tariffs on all automotive parts, components and accessories, currently up to 42 per cent, will be immediately reduced to a ceiling of 20 per cent and then phased to zero in 2010. Thai tariffs on machinery and equipment currently up to 30 per cent will either be immediately eliminated or phased down to zero by 2010. Thailand will immediately eliminate the current tariff on wheat, ad valorem equivalent of between 12 and 20 per cent; barley, rye and oats, ad valorem equivalents of up to 25 per cent; and the tariff and tariff rate quota on rice. This means that the tariff on wheat gluten, which is exported to Thailand for its prawn industry—and I suspect that quite a few of the imported prawns that come into this country are fed on Australian wheat gluten—will be reduced to nought per cent. On beef, Thailand will immediately reduce the tariff to 40 per cent, down from 51 per cent, and, for beef offal, to 30 per cent, down from 33 per cent, and will phase these rates to zero in 2020.

As Australia already grants tariff-free access to many Thai products, Australia’s tariff commitments in the agreement are slightly more modest than those of Thailand. Of particular note is that Australia will grant improved access for Thai imports of automotive products, textiles, clothing and footwear, steel and plastics, and chemicals subject to tariff phasing arrangements. In all cases, these phasing arrangements were developed following extensive consultation with Australian industry groups.

In the long term, dynamic gains from the Thailand-Australia free trade agreement promise to yield even larger benefits to the Australian economy and to Australian families. The Centre for International Economics has estimated that the agreement will result in a boost to the Australian economy of at least $2.4 billion over the first 20 years of its operation. The agreement has other important economic effects on Australia. So overall it is a good story; it has been well negotiated.

I make the point that, apart from the direct economic benefits, the implementation of the Thailand-Australia free trade agreement will also enhance Australia’s broader trade, economic and security interests in the region—a region that is of such vital importance to us and a region, of course, in which this government has been able to build very, very
strong links. A substantive and comprehensive FTA between our two countries will signal strong support for multilateral, regional and bilateral liberalisation initiatives, and it will also create an open and regional trading environment and promote strength and stability in the region. I thoroughly support the legislation.

(Quorum formed)

Senator CONROY (Victoria) (9.56 a.m.)—I welcome the opportunity to participate in this debate on the Customs Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004 and the Customs Tariff Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004. Whilst this debate is about the Thailand-Australia FTA, it also provides an opportunity to highlight again the flawed trade policy that this government has been pursuing. It is apparent from Australia’s disastrous export performance that the Howard government’s trade policy has been misdirected. Australia has historically been a key contributor to and a great beneficiary of the multilateral trading system previously known as GATT and now known as the World Trade Organisation.

Incapable of rising to the challenge of multilateral trade negotiations, the Howard government immediately resorted to the suboptimal path of bilateral trade agreements. This has been to the detriment of Australia’s trading interests and the future prospects of Australia’s export industries. While critical of the direction of the government’s trade policy, Labor will support the FTAs if they are shown to be in the national interest and if they do contribute to our multilateral trading objectives. On these two counts, Labor is of the view that the Australia-Thailand free trade agreement is in Australia’s national interests.

However, while supporting these bills, Labor is concerned that the government did not take the opportunity provided in the Thai FTA negotiations to raise the issue of labour standards and the environment. Accordingly, I move:

At the end of the motion, add:

“but the Senate notes the Government’s failure to include provisions in the Thailand-Australia Free Trade Agreement covering labour and the environment”.

Labor’s overriding trade policy priority is the WTO Doha Round of multilateral trade negotiations. This is because the WTO offers the largest potential economic and trade gains for Australia and is the largest potential stimulus for world economic growth. Labor governments have a proud record when it comes to international trade negotiations. Labor established the Cairns Group of agricultural free traders in 1986. The Cairns Group put agriculture on the international trade agenda and has kept it there against strong resistance. Through smart, middle-power diplomacy, Labor governments tackled the difficult issues of international trade negotiations head-on. In contrast, this government has failed in its duty to play a key role in driving the Doha Round as Labor drove the Uruguay Round in the 1980s.

Confronted by the challenges and difficulties of multilateral trade negotiations, this government has chosen the less productive approach of bilateral FTAs. By their nature, FTAs are discriminatory against our other trading partners outside of the deal. They are also unable to tackle agriculture export and domestic subsidies that do so much damage to international markets. Last week, the IMF endorsed Labor’s view that bilateral agreements can reduce the political will for unilateral trade liberalisation in the region and dilute efforts to conclude successfully the WTO negotiations. That is the view of the IMF—an organisation not noted for being
rampant socialists or opponents of trade. And that is where this government gets it continually wrong.

We are all aware of how dismal the government’s achievements have been on the export front. Australian exports of goods and services have fallen over the past three years. Under Labor, average annual export growth was 8.1 per cent. Under this government, export growth is less than half that achieved by Labor at 3.6 per cent. Across the board, exports have plummeted and the government has used every excuse under the sun to try and deflect responsibility for this disastrous outcome. We have all heard that it was the drought or the international economic slowdown or our dollar was too high or our competitor’s dollar was too low—all those excuses never stacked up. It has always been clear that this government coasted off the back of a low Australian dollar for too long and never had the strategy to improve our export performance when the dollar strengthened.

Last year, Australia recorded its largest ever trade deficit—a massive $24 billion—and its largest ever current account deficit of $47 billion, which is equivalent to six per cent of GDP. With a huge current account deficit at a time of rising global interest rates, the task of attracting international capital to finance the deficit becomes increasingly harder, placing upward pressure on Australia’s interest rates. This is the direct fault of a government that promised to keep interest rates down. It is creating circumstances that will push interest rates up. Despite a stronger international economy, and our terms of trade being at their highest in 28 years, Australia has now recorded 29 monthly trade deficits in a row. So much for the government’s record as an economic manager! When the chickens come home to roost and interest rates start rising, the Australian public will know exactly where to put the blame. There will be no ducking, no weaving and nowhere to hide, Senator Minchin.

Australia and Thailand have been developing an increasingly broad based bilateral relationship, building on our mutual interests in a range of areas, particularly in relation to trade and investment. Australia and Thailand have also been working together cooperatively in regional and multilateral fora including APEC, which Thailand hosted very successfully last year, and the Cairns Group of agricultural exporters. The objective of TAFTA is to more closely integrate our two economies and to deepen Australia’s trade and investment links with the second largest and fastest-growing economy in South-East Asia.

TAFTA will liberalise two-way trade in goods between our two countries. It will also liberalise investment and services arrangements in a small number of sectors in which Australian business is pursuing opportunities. Labor’s assessment is that there are positive benefits in this deal for Australia, and that is why we are supporting these bills. TAFTA is comprehensive in that no traded goods sectors are carved out of the deal—as was the case with the exclusion of sugar in the Australia-US FTA. While TAFTA does not exclude any goods sectors, a great deal of disappointment has been expressed about the length of time it will take to reach free trade in many agricultural products. TAFTA will not achieve free trade in dairy until 2025—20 years down the track. That is an extraordinarily long time for an outcome in a trade deal. That also happens to be five years after the APEC Bogor goals of free trade and investment in the region are to be in place.

Other agricultural products are also subject to very lengthy lead-in periods before Thailand’s tariffs will be cut to zero. It will take 15 years to reach free trade in Australian exports of meat, sugar and potatoes. It will
take 10 years to achieve free trade in Australian exports to Thailand of fruit, seafood, wine and some industrial products. Other Australian exports will have to wait up to five years before they benefit fully from TAFTA. These include small motor vehicles, textile products, raw materials, pharmaceuticals and rubber products. These are extraordinarily lengthy phase-in periods to which the Minister for Trade agreed to conclude this deal. In contrast, nearly all of Australia’s tariffs applying to imports from Thailand will be eliminated on the first day of this agreement entering into force on 1 January next year.

This deal also includes very generous rules of origin arrangements applying to textile, clothing and footwear products arriving from Thailand. These rules will be difficult to enforce and have the potential to give rise to illegal transshipments of textile products through Thailand to Australia. They are a great concern to the Australian TCF industry, which is already under pressure from reductions in Australia’s TCF tariffs and greater international competition.

Concern has also been expressed about the potential impact of this deal on Australia’s quarantine arrangements. The Australian Chicken Meat Federation is determined to ensure the FTA does not in any way undermine the integrity of Australia’s quarantine system. Thailand’s recent experience with numerous avian diseases, including avian influenza, highlights the importance of ensuring Australia’s quarantine system is not compromised in trade negotiations.

It is disappointing the government did not use the FTA negotiations to raise with Thailand its failure to observe core labour standards. According to the International Confederation of Free Trade Unions, Thailand has not ratified the ILO conventions on the right to organise and collective bargaining, freedom of association, discrimination and minimum age. If it was good enough to include a chapter on labour in the US FTA, TAFTA should also set out the obligations of both parties on labour issues. The environmental obligations of Australia and Thailand are not addressed under TAFTA.

In stark contrast to the US FTA, TAFTA does not include any reference to the concept of sustainable development or the importance of assessing the environmental impact of the agreement. This is another major oversight on the part of Minister Vaile and is an issue that should be addressed further down the track as the bilateral relationship with Thailand continues to develop. In truth, I do not think it was an oversight. This government is not committed to core labour standards or to basic environmental protections. That is why they are not in the agreement—because this government does not care about them.

Concern has also been raised about the inclusion of an investor state dispute settlement mechanism in TAFTA. Investor state dispute settlement is often greatly misunderstood in international trade law. Some in our community see it as a stalking horse to challenge federal, state or local laws on all types of matters which may affect investment decisions, such as environmental, health, human rights and labour laws. It is entirely appropriate that the Australia-US FTA did not include an investor state provision as both parties to that agreement are developed economies with transparent and rigorous systems of law. However, Thailand’s status as a developing country necessitates the inclusion of an investor state provision to give certainty to Australian business about its legal rights when investing in Thailand. As a developed economy, Australia has a sound and transparent system of law, greatly reducing the prospect of Thai investors resorting to the investor-state mechanism to seek resolution of any dispute they may have.
I must also note for the record that the Joint Standing Committee on Treaties has not completed its inquiry into the Thai FTA. This is a poor reflection on the government’s commitment to transparency in the treaty making process and is indicative of their unwillingness to allow the parliament to undertake full scrutiny of treaties before they take effect. So they are already trampling over their claimed commitment to transparency—and that is before we get to 1 July. We have seen the government’s behaviour before 1 July—just walking over parliamentary procedures. Imagine what is going to be happening after 1 July.

Despite numerous problems with the content of the Thai FTA, it does provide benefits for Australian business. TAFTA will liberalise two-way trade in goods and in some important investment and services sectors. The majority of tariffs in both countries will be reduced to zero on implementation of the agreement. The reduction in Thailand’s tariffs—some of which are as high as 200 per cent—will provide considerable benefit to Australian industries pursuing business opportunities with Thailand. Under this deal, 49 per cent of tariff lines in Thailand will immediately go to zero and these account for 78 per cent of Thai imports. TAFTA will give Australian business an advantage over their competitors in a market that has traditionally been highly protected. It does not suffer from the exclusion of any sectors—such as the carve-out of sugar in the Australia-US FTA. It is therefore more comprehensive and, from a multilateral trade policy point of view, a better outcome than the US FTA.

The Australian automotive manufacturing industry, in particular, is strongly supportive of this deal and the opportunities it will provide to access the Thai automobile market. Notwithstanding the very long lead times for cuts to some agricultural tariffs, there are benefits in the deal for Australian farmers including in dairy, horticultural and other agricultural products.

It is for these reasons that Labor is supporting these bills. We are concerned about the failure of the agreement to deal properly with labour standards and the environment, and for that reason I will move a second reading amendment. However, the FTA will give rise to greater access for Australian business to the Thai market. It is comprehensive in scope—albeit with long phase-in periods for the abolition of some of Thailand’s tariffs. Importantly, it will contribute to trade liberalisation in the Asia-Pacific region and contribute to the advancement of Australia’s multilateral trade objectives.

Senator RIDGEWAY (New South Wales)

(10.12 a.m.)—I rise on behalf of the Australian Democrats to talk on the Customs Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004 and the Customs Tariff Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004. Whilst the Australian Democrats are not opposed to free trade agreements, we want to put on the record our regard for the need to ensure that trade agreements are fair and that there is an opportunity for Australia to observe both process and substance in terms of what is contained within these agreements and how they are arrived at. In this case, whilst I want to criticise some of the issues that are in the trade agreement, it is also relevant to highlight some issues that are not there. The government certainly missed an enormous opportunity to deal with issues that are of concern to Australians—certainly in places like Thailand—and to send a very clear message to other parts of Asia.

Only a few short months ago I stood in this chamber and fought hard to have the government face up to its responsibilities in the parliament about being accountable to
answer what were legitimate concerns of the people of Australia about a free trade agreement with the United States. We all know that that came to nothing and, thanks to the compliance of the Australian Labor Party, the government got away with it. A couple of months on, we are back in the same place. The government continues to try to assure us that it will not abuse its position of power when it gains control of the Senate in July next year. However, we already know that it will not think twice about avoiding scrutiny and accountability wherever possible. This legislation is yet another example of that. Here we are, in the first week of a parliamentary sitting, rushing through consideration of a bill so that the government can implement this free trade agreement by 1 January next year.

A while back the government introduced a system whereby the Joint Standing Committee on Treaties would consider any treaty action that was entered into by the executive and make recommendations to the parliament about whether or not any treaty should be implemented. That is a sound idea and one that the Australian Democrats have supported, because we believe that accountability and scrutiny are always welcome in this place.

Short of requiring parliamentary approval for treaties, which is the long, hard fought for position of the Democrats, we believe that there should be careful parliamentary consideration of any binding treaty instruments before they are ratified. However, the problem is that the government’s promises fall far short of reality. They have themselves established a process that they have little regard and certainly no respect for. It is not the first time that we are considering the legislative implementation of a treaty before the JSCOT report has been tabled, and I fear it will not be the last time that this practice occurs.

I remember that exactly the same thing happened when the Singapore-Australia Free Trade Agreement was voted on in this place last year. It was dealt with some time around 3 a.m. So, in essence, there was no debate and speeches were read into Hansard. When this government will not even give a passing nod to proper process and accountability you have to ask the question: ‘How can we trust them to use their power responsibly when they do take control of both houses of parliament next year?’

I now turn to some of the specifics of this agreement, because the Howard government has made clear certain policy choices when it comes to trade. Certainly Advancing the national interest: Australia’s foreign and trade policy white paper, which was released in March last year, makes only a token reference to the importance of multilateral agreements and clearly signals the government’s preference for bilateral initiatives. This is a fundamental problem, given Australia’s limited ability to devote resources to both labour intensive functions.

It is no secret that the Australian Democrats support a multilateral approach to trade negotiations. Multilateral trade agreements such as those negotiated through the World Trade Organisation can deal with a wider range of issues than bilateral FTAs. I think that is what needs to be criticised in this respect. We advocate the need for an international system of rules for international trade. The WTO needs reform to become more accountable, open and transparent, with clearly established rules and processes and certainly a publicly accountable dispute resolution process.

The focus on bilateral FTAs, which this government seems hell-bent on, will also contribute to the potentially devastating trade diversion effect. That has been confirmed and documented by the Productivity Com-
mission, yet it has been ignored. Given that the South-East Asia region is of critical importance in terms of Australia’s trade overall, it is a dangerous path to take and I think one that the government needs to be mindful of. Further, there are several specific features of this FTA that mirror similar commitments made in the free trade agreement with Singapore and the free trade agreement with the US that the Senate considered only recently. The Democrats’ opposition to the bills before us now is consistent with our approach to both of those previous agreements.

We cannot support the FTA unless some fundamental aspects are addressed by the government, and I will outline some of them. The first one is about a triple bottom line approach. It seems to me that the government once again commissioned the Centre for International Economics to model the impact of this agreement on the Australian economy and, not surprisingly, the CIE have reported in favour of the agreement. They have estimated that TAFTA will result in $US2.4 billion additional GDP to Australia over its first 20 years of operation. According to the CIE, the agreement will increase real consumption in Australia by $US1.6 billion over the same period. But you have to ask these questions about that assessment: ‘Where is the analysis of the impact of this agreement on the environment; where is the consideration of the price that may be paid in terms of the social goals—our social objectives—of the nation; and, if the provision of public services is eroded through this agreement, what impact will that have on Australian communities?’

In their submission to the JSCOT investigation of this FTA, the Australian Manufacturing Workers Union made the very valid point that the CIE report used a vastly over-simplified model that does not take into account the likely impact of the agreement on individual sectors in our economy. A further matter for concern is that the CIE report contains no analysis of the likely effect of the agreement by state or by region. As the Australian Fair Trade and Investment Network has pointed out, the manufacturing, TCF and agriculture sectors are of most significance in this agreement and are particularly important sectors in regional areas. The impact of trade agreements on regional areas should be examined publicly before negotiations are finalised to allow informed decisions to be made and to enable regional communities to have the opportunity to give input to the process.

This has been a consistent omission in DFAT’s analysis of trade agreements and it continues with the Thai free trade agreement. Wide-ranging FTAs such as this one will have an impact on every aspect of Australia’s future, not just on mere economics. It is time for the government to endorse a triple bottom line approach when analysing the benefits and costs of its actions. I think Australians deserve to know what those impacts are going to be.

The Thai-Australia free trade agreement uses a positive list approach for services, which is a vast improvement on the negative list approach that was taken in the Singapore and US free trade agreements. We understand that the agreement has a positive list only because the Thai government refused a negative list structure, presumably because the Thai government wished to retain some ability to continue to regulate services and did not want to go beyond the WTO-GATS framework, which has a positive list structure approach. It is interesting to note that in this respect the Thai government did have the strength to stand up to the Australian negotiators. I do not believe the same can be said for our negotiating team when it came to pursuing our objectives at the negotiating table for a free trade agreement with the United States.
The text of the free trade agreement includes an exemption for services supplied in the exercise of governmental authority. The agreement uses the same definition as the WTO General Agreement on Trade in Services—that is, any service which is supplied neither on a commercial basis nor in competition with one or more service suppliers. It is the same definition that is used in the WTO General Agreement on Trade in Services. As we have said in the past with respect to other free trade agreements, it is ambiguous given that so many essential public services either have been privatised or are in the process of becoming so and many are supplied in a nationally competitive environment.

The government has repeatedly assured us that public services will not be under threat from free trade agreements of any sort that it has entered into. If that is the case, why not include a specific exemption to that effect? Why leave us with a dangerously ambiguous definition which has yet to be tested at the WTO level and which may be subject to a far narrower interpretation than the government might be anticipating? If public services are not meant to be included then the text itself should be very clear and specific about that, yet we do not see that there.

Another matter of concern is the investor-state dispute resolution process. The FTA does set a very dangerous precedent in one particular respect: our government have agreed to allow for investor-state dispute resolution mechanisms in this agreement, just as they did in the case of the Singapore free trade agreement. What does this all mean? It is an alarming restriction on the ability of future democratically elected governments to regulate as they see fit. An investor-state dispute settlement mechanism essentially enables a corporation to take legal action if they can argue that any of our laws or regulations are inconsistent with the free trade agreement. They will have the power to sue the Australian government for damages, either in national courts or in one of the two international arbitration panels, UNCITRAL and ICSID, which do not provide the levels of openness of regular courts.

This is a serious limitation on national sovereignty. It gives multinational corporations an unacceptable right to interfere with the Australian democratic process. I think Australians deserve to know, and I think the government needs to be mindful of how it proposes to deal with these situations when they arise in the future. As we know from the North American Free Trade Agreement experience, US corporations have used the same mechanisms to sue the Mexican and Canadian governments for hundreds of millions of dollars. The examples that were quoted in previous debates, such as the US Metalclad Corporation and the Ethyl Corporation cases, are frightening examples of what can happen with investor-to-state dispute resolution mechanisms such as those that are likely to be put in place under this agreement.

Possibly the worst aspect of this is that our negotiators did not agree to a dispute settlement mechanism of this kind when negotiating with the United States. However, we are now seeking to impose this condition upon our Thai neighbours. DFAT itself says on its web site that this FTA:

... will link Australia to the second largest and fastest growing economy in South East Asia. It will be Thailand’s first comprehensive free trade agreement with a developed economy and Australia’s fourth free trade agreement. It is also the first FTA between a developed and developing country in South East Asia and sets a benchmark for future trade liberalisation in the region.

If this is the benchmark, the future looks bleak. I want to take a moment to consider the precedent that is being set with this free trade agreement.
The government likes to say that Australia has a definite commitment to specific development goals in our region. The purpose behind AusAID is to advance Australia’s interests by assisting developing countries to reduce poverty and achieve sustainable development. It seems to me that negotiating a trade agreement with a country such as Thailand does provide an enormous opportunity to incorporate our development goals with our trade policies and to ensure that the two objectives complement each other. AFTINET has made the point that:

Other countries have incorporated their development goals into their trade policies. For example Canada and New Zealand have adopted particular measures within their GATS strategies to take account of the impact of trade negotiations on least developed countries. Such an approach offers a more internally consistent approach to foreign policy, and ensures that development issues are not confined to questions of aid provision.

When it comes to dealing with issues like human rights abuses, the exploitation of children, child sex tourism and all of the things that we are familiar with, there was certainly an opportunity to reach out and deal with these in some form under the free trade agreement—at least to the extent of bringing our social policies and trade policies together.

Another opportunity that has been missed in this free trade agreement is to ensure, as I have said, that human rights in Thailand are promoted and respected. The Uniting Church stated in their submission to the Joint Standing Committee on Treaties in consideration of this FTA:

Thailand has not signed ILO Convention 87, ILO Convention 98 nor ratified the International Covenant on Economic, Social and Cultural Rights. Australia is the first developed nation to negotiate a FTA with Thailand. The Australian Government therefore had the opportunity to model an equitable agreement that does not promote the exchange of goods that have been manufactured in situations involving human rights abuses.

There is considerable evidence to suggest that garment workers, for example, in Thailand work in terrible conditions for very little pay. Tariff concessions in this free trade agreement will give manufacturers a price advantage in the Australian marketplace and will provide no incentive to redress the situation that occurs in Thailand. The Justice and International Mission Unit of the Uniting Church go on to say in their submission that the treaty action should:

... not be taken until human rights and labour rights standards are specifically recognised in the Free Trade Agreement and measures incorporated into the agreement that would ensure that these standards are upheld.

And, at the very least:

These measures should include:

Reciprocal agreements of monitoring for human rights standards in manufacturing be introduced.

Penalties should be applied where incidences of human rights violations in the manufacture of goods is recognised. This may be included in planned amendments to the Customs Tariff Act 1995 and the Customs Act 1901 to incorporate penalty tariff rates that will apply to goods imported from Thailand under the FTA where there is evidence of human rights violations in the manufacture of goods.

Penalties should be applied to Australian companies who knowingly import goods from Thailand, or produce goods in Thailand that have been manufactured with human rights abuses.

When we consider the absence of these issues being raised in the free trade agreement, we ought to be concerned about a great opportunity overlooked and missed by the government. It is not enough to say that we should just look at it from a single, bottom-line approach—that is, economic gains. We
have to look at both social and environmental outcomes. That analysis has not been done. On balance, the Australian Democrats believe that, while the agreement is set with the right intentions, the government has not gone far enough. The agreement does not go to the question of dealing with our national interest, nor does it deal with the question of what is in the best interest of regions right across the country—there simply has not been an analysis done. We do not know, for example, what the effect is going to be on many of our own manufacturing industries, particularly the textile, clothing and footwear industry. That analysis is really scant and, quite frankly, little assurance is given to Australian industries that they can be internationally competitive and compete with their counterparts in Thailand.

I note that there are two second reading amendments; one is being put forward by the opposition. On behalf of the Australian Democrats, I indicate that we will be supporting both amendments. The two bills before us, dealing with a free trade agreement with Thailand, fail on a number of fronts. For those reasons, the Australian Democrats will not be supporting them.

Senator LUNDY (Australian Capital Territory) (10.31 a.m.)—I welcome the opportunity to participate in this debate on the Thailand-Australia free trade agreement in my capacity as shadow minister for manufacturing. My colleague Simon Crean in the House of Representatives yesterday and, as you have just heard, my colleague Senator Conroy have discussed in great detail the broader issue of trade policy, contrasting Labor’s approach with the Howard government’s flawed trade policy, which is clearly not in Australia’s best interests.

The Howard government is unable to handle the challenges and difficulties of multilateral trade negotiations. This government has resorted to a suboptimal path of a range of bilateral trade deals, such as the Thailand-Australia free trade agreement which we are debating. Throughout the coalition’s term, the government has squandered the opportunity to drive the WTO Doha Round; been negligent in multilateral trade responsibilities; allowed the Cairns Group to drift and diminish in importance; and undermined regional trade by ignoring the capabilities of APEC. The Howard government has also been single-mindedly obsessed with the development of FTAs which have the effect of discriminating against our existing trading partners; offering fewer economic benefits than multilateral deals; being unable to tackle agricultural export and domestic subsidies; and dissipating limited trade negotiation resources that could be utilised to develop far more beneficial agreements through the WTO.

The government’s failure in trade is evident in its record, and it is worth having a look at it. The current coalition government is responsible for Australia’s worst trade performance in postwar history; a drop in the export of goods and services over the last three years; an average annual export growth of only 3.6 per cent, compared to 8.1 per cent growth under Labor; Australia’s largest ever trade deficit of $24 billion and largest ever current account deficit of $47 billion. This effectively places upward pressure on our interest rates, which the coalition has promised to keep low! Foreign debt has nearly doubled under its reign and now stands at $393 billion—and we have a Prime Minister who has promised to reduce that debt.

Labor have repeatedly said that we will support bilateral free trade agreements if they are shown to be in the national interest and are consistent with advancing Australia’s multilateral trade objectives. The government must ensure that the parliament and the
public are fully informed of the content and implications of these deals when they are announced. With this in mind, I note that once again the federal parliament is dealing with legislation which has been brought forward to this place before the tabling of relevant committee reports.

In this case, the Joint Standing Committee on Treaties—which affords the parliament an opportunity to undertake at least some level of scrutiny of treaties before they take affect—has not yet completed its inquiry into the Thai free trade agreement. This is arrogant in the extreme. The government’s disregard of the democratic processes afforded by the committee inquiry once again highlights the shallowness of the government’s commitment to transparency in the treaty-making process.

That said, Labor has examined the agreement, finding that it offers improved access to Thailand for Australia’s manufacturing, agriculture and services sectors. For this reason, Labor will be supporting the Customs Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004 and the Customs Tariff Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004, as has already been made clear. But consistent with the Labor amendment moved in the other place and in the Senate by my colleague Senator Conroy, Labor notes the government’s failure to include provisions in the free trade agreement covering labour and the environment. If it was good enough to include a chapter on labour in the Australia-United States free trade agreement, then this agreement should also set out the obligations of both parties on labour issues.

The Australia-Thai free trade agreement fails to address the environmental obligations of each party under the deal. In stark contrast to the US free trade agreement, it does not include any reference to the concept of sustainable development or the importance of assessing the environmental impact of the agreement. That is why Labor’s amendment is important, particularly in the context of this agreement not providing any protection for core labour standards, which are contained in the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work. These standards include the right of workers and employers to freedom of association and the effective right to collective bargaining, conventions 87 and 98; the elimination of all forms of forced or compulsory labour, conventions 29 and 105; the effective abolition of child labour, conventions 138 and 182; and the elimination of discrimination in respect of employment and occupation, conventions 100 and 111.

The failure of the Howard government not to ensure inclusion of a chapter on enforceable core labour standards is particularly concerning in this free trade agreement, because Thailand has not ratified three of the eight ILO conventions containing core labour standards, including the ILO conventions relating to freedom of association and the right to collective bargaining. This failure to commit to ILO core labour standards must be seen in the context of the Thai work force where it has been observed that wages and conditions are generally low for most workers. Collective bargaining is uncommon. Wage increases for the majority of workers come from rises in the minimum wage rather than through collective bargaining. Minimum wages are set by provincial committees that sometimes include only employer representation. In 2003 the minimum wage ranged from 133 baht to 168 baht per day. This equates to around $A4.60 to $A5.80 per day. The low minimum wages are themselves poorly enforced. As a consequence, around one-third of the formal sector workers receive less than the minimum wage and mi-
grant workers generally receive less than the minimum wage.

All members of the union executive must be full-time workers in an enterprise. This means that officials of a union must negotiate leave of absence with their employer to undertake any trade union work. Civil servants cannot join unions and are prohibited from taking strike action. Health and safety regulations are often poorly enforced and there is no law protecting employees who refuse to do dangerous work. The redress for workers injured in industrial accidents is not timely or sufficient. And so the list goes on.

All of these are genuine concerns. The coalition government had the opportunity to insert a reference to core labour standards in this agreement and they chose not to. The absence of such provisions is a damning indictment of the Howard government. The Australian government have a high level of moral obligation and responsibility to provide leadership, and this is one way they can do it. When engaging in free trade agreement negotiations such as this there is opportunity to assist those in other countries who are working in suboptimal standards.

In the context of these specific concerns I would also like to turn to the issues pertaining to manufacturing and the agreement’s impact on this sector. Labor points to the fact that there has been a distinct lack of consultation with key parties affected by the TAFTA and very little or no social or economic analysis of the effects of the tariff reductions to be made under this agreement. It is quite easy to recall—it was not that long ago—the efforts of the Labor initiated inquiry into the US free trade agreement to have that economic analysis work done. There has not been any work like that done on this agreement and that leaves a huge gap in our ability to assess its impact.

Submissions to the inquiry undertaken by the Joint Standing Committee on Treaties indicate that the consultation process was inadequate, with no nonbusiness community organisations or trade unions consulted on the contents of the agreement. The failure of the Howard government to properly consult with all stakeholders, including the unions—despite representing the interests of tens of thousands of members who would be affected—is disconcerting, to say the least. It shows a level of arrogance that is completely unnecessary. Stakeholder groups such as trade unions are always going to take an interest in these free trade agreements and they do represent many members. It is the height of arrogance to somehow pretend that they will not have a view and to ignore their views. I think it shows a level of pettiness that is completely unnecessary.

Also of concern is that no detailed economic analysis of the likely effects of the agreement has been undertaken. Certainly there is no publicly available analysis of the likely effects of the agreement on any sector of the manufacturing industry. The effects of the agreement by state or region have not been considered, nor does any analysis appear to have been undertaken of the likely effects on wages and/or employment in Australia or Thailand. While the Centre for International Economics did conduct the only economic study available, it appears seriously flawed, failing to assess the impact on individual sectors. This is particularly worrying in terms of the manufacturing sector, given that the automotive and textiles, clothing and footwear sectors will be specifically impacted.

I will make a few comments on the automotive sector before I turn to the TCF sector. Australian automotive manufacturers have been identified as significant beneficiaries of the agreement. This sector currently confronts a tariff of 80 per cent on passenger
motor vehicles and up to 42 per cent on automotive component exports to Thailand. Under the operation of the TAFTA on 1 January, Thailand will eliminate its tariff on large passenger motor vehicles that are above 3,000 cc and reduce its tariff for small and medium vehicles to 30 per cent. The tariff on small and medium vehicles will be phased down to zero by 2010 in five equal instalments. Thailand’s import tariffs on most auto parts and accessories will be reduced to a ceiling of 20 per cent and then phased to zero by 2010. In Australia the agreement will eliminate current tariffs on all passenger vehicles, off-road vehicles, goods vehicles and other commercial vehicles of Thai origin. These tariffs are currently 15 per cent for passenger motor vehicles and five per cent for other vehicles. The general rate is legislated to fall to 10 per cent on 1 January 2005 and five per cent on 1 January 2010.

The Australian tariff on automotive parts of between 10 per cent and 15 per cent will in most cases fall to five per cent on entry into force of the agreement and then be eliminated by 2010. Tariffs on auto parts of five per cent or below will be eliminated on entry into force of the agreement. The metal workers union have specifically expressed their concern about this aspect of the agreement. I think it is important in this debate to note their concern in relation to automotive components and that of parts manufacturers, whose views are varied—there is not one homogeneous view in that group. Again, the distinct lack of interest shown by the coalition in properly evaluating the effects of the agreement on industries shows little respect for this sector and the TCF sector, which I will make a few comments on now.

In Australia the TCF industry currently benefits from a range of tariffs depending on the product. Under this agreement general TCF tariffs will fall to 17.5 per cent, 7.5 per cent, 10 per cent and five per cent, depending on the product, from 1 January 2005. The TCF Union of Australia, the TCFUA, has expressed concern about increased imports from Thailand following tariff reduction as well as the possibility of illegal transshipments from neighbouring countries. These concerns of this industry also need to be taken seriously.

Labor certainly recognises that Thailand accounts for at least a small proportion of Australia’s textile imports. In 2002 Thailand accounted for only 1.3 per cent of all of Australia’s clothing imports and 2.8 per cent of its textile imports. Given the small amount of imports currently purchased from Thailand, any increase is expected to displace imports from other sources, including China. It is important that the safeguard provisions be closely monitored to ensure that they effectively protect local industry against any damaging import surges resulting from the reduction or elimination of tariffs.

A key concern for many affected industries during the development of the agreement was the integrity of Thailand’s borders. The concern is that Thai businesses could obtain cheaper goods from neighbouring countries, package them in Thailand and export them to Australia duty free. The TCFUA has also expressed concern about the rules of origin applying to TCF products. The agreement’s rules of origin use a change in tariff classification with a regional value content level of 55 per cent. At least 30 per cent of the regional value content for these goods must be sourced from Thailand, while the remaining 25 per cent may be sourced from a developing country, but any content from a developing country is required to undergo the same change in tariff classification that is required for non-originating inputs. These rules of origin are similar to those normally applying to developing countries and were demanded by Thailand to enable its TCF sector, which includes a large number of
SMEs, to access the tariff preference under the free trade agreement. The TCFUA is concerned that these rules of origin will be difficult to enforce and will enable large quantities of non-Thailand textiles to enter Australia under the FTA at the preferential rate. The government suggests that, given that the size of the tariff preference Australia has offered to Thailand for TCF is only five per cent or less until 2010, these rules of origin are not likely to lead to significant increases in imports from Thailand in the first five to 10 years after implementation.

What is also questionable is why the rules of origin in relation to the automotive sector are more lax in the Thai FTA than in the US FTA. In the US FTA, the rules of origin originally required a regional content value of 50 per cent. However, this has since risen to 62.5 per cent for automobiles, light trucks, engines and transmissions, and 60 per cent for other automotive products. It remains to be seen why, despite the Productivity Commission’s 2002 Review of automotive assistance, report No. 25, reporting that average local content of Australian produced vehicles is around 75 per cent, the trade minister agreed to such a low rule of origin for passenger motor vehicles.

Having noted these concerns in relation to the manufacturing industry, particularly the automotive and TCF industries, and in the context again of reiterating the generally flawed process to trade policy that has been pursued by the coalition government, Labor believes there are grounds for support for this free trade agreement. I certainly commend to the Senate the second reading amendment moved by my colleague Senator Conroy, and I look forward to hearing other contributions.

Senator NETTLE (New South Wales) (10.47 a.m.)—The Greens support multilateral trade agreements with rules that seek to address global inequity and which contain robust safeguards for labour standards, human rights and environmental protection. We support fair trade agreements; we do not support free trade agreements. The US FTA, which we have heard today the government intends to come into force on 1 January, is not a fair trade agreement. It is unbalanced and it is bad for Australia’s national interest. Similarly, the Thai-Australia free trade agreement that we are debating today is unbalanced and it will hurt some Australian industries. But it will also be bad for the Thai people, Thai society and the Thai economy. As the only international political party represented here, it is important for the Greens to speak out about the way in which we can use such agreements, when we enter into them, to address global inequity. It is something that this free trade agreement specifically does not do.

The Thai free trade agreement was negotiated during eight negotiating sessions conducted in Australia and Thailand from August 2002 to October 2003. It was signed by Minister Vaile and his Thai counterpart in Canberra on 5 July this year during a visit to Australia by the Prime Minister of Thailand and nine of his cabinet ministers. The trade agreement will be Thailand’s first comprehensive free trade agreement with a developed economy, and it is Australia’s fourth free trade agreement. It is also the first free trade agreement between a developed and a developing country in South-East Asia. According to the Australian government it will set a benchmark for future trade liberalisation in the region.

The agreement covers trade in goods, services and investment, as well as promoting cooperation and benchmarks in a range of areas, including competition policy, e-commerce, industrial standards, quarantine procedures, intellectual property, government procurement and dispute settlement. The
Thai free trade agreement will result in Thai tariffs on virtually all goods imported from Australia being eliminated by 1 January 2010. Agriculture, processed foods and beverages, mining and automotive products in particular will be affected. Controls on foreign investment in Thailand by Australian companies will be reduced in most sectors, allowing majority control of important industries by Australian companies in Thailand for the first time. The target date for the entry into force of the Thai-Australia free trade agreement is 1 January 2005 or as soon as possible thereafter following the completion by both countries of the domestic processes necessary for implementation. That is the debate we are having here today. In 2003 Thailand was Australia’s 12th largest market for exports and 13th largest source of imports. Two-way trade was worth $5.9 billion.

Moving on to the issue of tariffs, the legislation—the Customs Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004 and the Customs Tariff Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004—will have a negative impact on some Australian industries, as I said earlier. This is not reflected in the economic assessments of this trade agreement conducted by our government. Australian industries that will be most impacted on by the free trade agreement with Thailand are the automotive industry and the textile industry. Australia has very low tariff barriers—averaging around five per cent—except in the vehicle industry and the clothing, footwear and textile industry where tariffs vary between five and 15 per cent. There are schedules in this agreement for the reduction of tariffs on Thai imports, with 47 per cent of total Thai import tariffs being reduced to zero immediately. The vehicle industry tariffs will be reduced to zero by 2010 and TCF tariffs will be reduced to zero by 2015. Both of these industries in Australia employ large numbers of non-English-speaking workers in regional parts of this country where there is high unemployment. Regional employment studies are needed and should have been carried out to show the impact of these tariff reductions. This could be the very biggest impact of this agreement in Australia.

In Thailand, Thai farmers have demonstrated in protest against the agreement because of real concerns about the impact on their industries. They oppose the agreement because of the impact on Thai agriculture and food sovereignty, with the Thai dairy and beef industries leading the opposition in Thailand to this agreement.

In the services industry there is a big problem with the way in which services are defined in this agreement, which could negatively impact on public services in Australia and also Thailand in the future. The Australian Free Trade and Investment Network provided a submission to the JSCOT inquiry into this agreement, an inquiry which is still currently under way and which has not reported. The AFTINET submission states:

The TAFTA agreement contains the same flawed definition of public services as the GATS agreement—that is, the General Agreement on Trade in Services. The submission continues:

Article 803 clause 2 of TAFTA provides that the services chapter shall not apply to “a service supplied in the exercise of governmental authority... which means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers”.

This means that the Thai-Australia free trade agreement does not relate to services that are public services. The definition of ‘public services’ is very ambiguous. It is the same definition of ‘public services’ that is found in the General Agreement on Trade in Services
in article 1.3. AFTINET’s submission further states:

Ambiguity arises about which services are covered by this exemption because in Australia, as in many other countries, public and private services are provided side by side. This includes education, health, water, prisons, telecommunications, energy and many more.

However, in past discussion papers relating to GATS, the Department of Foreign Affairs and Trade has asserted that public services will not be caught under such a definition. It has drawn a distinction by way of example between public education services and private education services. However, no argument has been presented as to why these services should be seen as qualitatively different within the definition used. Comments by the WTO secretariat do not offer support for the Australian government’s assertion or interpretation; rather, they suggest a more narrow interpretation of article 1.3. We have a circumstance where the Australian government is saying, ‘Don’t worry, public services won’t be impacted.’ That is very different from what is being said by the WTO secretariat. I return to AFTINET’s submission:

The government has given assurances that it does not intend that public services or government’s capacity to regulate services be diminished. If this is the case, public services should be formally and unambiguously exempted from trade agreements, including TAFTA. If not, the likely resolution of this ambiguity will be through rulings of Dispute Panels, deciding on challenges by a government or an investor to a government’s public service arrangements.

That is the end of AFTINET’s contribution by way of submission. The Australian government asserts that public services will not be caught in definitions within these trade agreements, but the WTO secretariat does not support the Australian government’s view. Where there is a dispute that arises, it is not the Australian government that will be the determiner of whether ‘public services’ will be included. It will be the disputes panel—a process of the WTO. It is ridiculous for the government to claim, when there is a dispute, that public services will not be included when the decision maker has already said, prior to disputes coming up, ‘Yes, public services are included.’

I move now to the issue of foreign investment. The Thais are also very concerned about the loss of economic sovereignty by Australian corporate takeovers in Thailand. Most economic sectors in Thailand currently have a maximum limit of 49.9 per cent foreign ownership. The Thai-Australia free trade agreement will mean that many sectors will now be open to majority Australian ownership. This includes 100 per cent Australian ownership of distribution services for goods manufactured in Thailand, construction services and management consulting services. Other changes will allow 60 per cent Australian ownership of major restaurants or hotels, tertiary education institutions specialising in science and technology, provided they are located outside Bangkok, certain maritime cargo services and mining operations.

Thailand has given an undertaking to have further negotiations on services and investment within three years to further liberalise financial services and telecommunications services. These issues of investment in Australia and Thailand have prompted allegations of improper process and conflict of interest by the Thai government in relation to the agreement. I will expand on that now. The Thai public have not been involved in the negotiations and consultations necessary for this agreement. For example, the trade agreement was not translated into Thai. What capacity is there for the public in Thailand to understand and be involved in consultation and discussion about this trade agreement and the impact on the community if it has not even been translated into Thai? The English
The Greens note and share the concerns of non-government organisations in Thailand about a potential conflict of interest involving the Thai government. Members of the Thai cabinet are involved in the automotive industry and the Thai Prime Minister’s telecommunications company is a dominant player in the marketplace. Both these industries stand to gain from the free trade agreement and investors in them stand to benefit, whilst poor Thai farmers will struggle to survive against an onslaught of Australian farm export products. Thai groups are very concerned about the precedent the agreement sets for negotiations of further trade agreements—in particular, any free trade agreement they may negotiate with the United States and regional agreements, such as the proposed ASEAN FTA, which Thailand would be a party to. These Thai groups are worried, as the Greens are, that the agreement does not make reference to labour or environmental standards, and I note this is the subject of concern in the Labor Party’s second reading amendment which has been moved.

The Greens’ view is that trade agreements should not undermine labour or environmental standards and governments should abide by UN and ILO—International Labour Organisation—agreements on labour and environmental standards. I will touch on that issue later when dealing with Labor’s amendment. There is also serious concern about the investor state disputes mechanism that exists in this trade agreement, which was not a part of the US free trade agreement in the same form. The investor state disputes process, which is in this agreement, gives corporations the right to complain to a trade tribunal and to seek damages if their investments are harmed by government law or policy. The trade tribunal to be used is UNCITRAL, which is run by the United National Commission on International Trade.

The processes are not open and transparent. The Greens; groups such as AFTINET, the Australian Fair Trade and Investment Network; other civil society groups; and, indeed, the Labor Party on occasions have opposed this investor-state disputes mechanism as it gives corporations unreasonable legal powers to challenge government law and government policy. Thailand is a poor country, with agriculture the key to its economy and much of its population living in rural parts of the country. There are huge human rights issues in Thailand, with the recent killing by suffocation of over 80 people by the Thai security forces in southern Thailand being only the most recent example. Thai society is in the midst of quite intense civil conflict, and issues such as this need to be taken into account when pushing agreements such as these onto our neighbours. Unlike those of countries like Canada, the Australian government do not take into account the development needs and the goals of countries we are making deals with; they seek only to see what is good for certain sections of the Australian business market.

This deal is not fair. This deal is not balanced. It will not contribute to the economic security of Thailand and therefore will not contribute to security for Australia. The Greens are opposing this legislation, because what this free trade agreement does to the people of Thailand is very similar to what the Australian government agreed and allowed the US to do to us in the form of the US-Australia free trade agreement. There were unbalanced negotiations, where the country with the greatest economic power and the greatest negotiating power had the capacity to force upon the smaller country involved in that agreement a whole range of requirements to suit the profit margins of the com-
panies based in the larger country. In the case of the US-Australia free trade agreement, it is the US corporations; in the case of the Thai-Australia free trade agreement, it is Australian companies. That is not an equitable way to engage in negotiating such trade agreements.

In conclusion I want to deal with the opposition’s second reading amendment. The Greens will be supporting it. We have heard a number of speeches now from the opposition, and this debate is reminding me of the debate on the US-Australia free trade agreement. Criticisms were put forward, concerns were raised yet there was an intention to vote for the trade agreement anyway. There is the same circumstance here. We have heard Senator Lundy and Senator Conroy talk extensively about their concerns—that is, about the fact that environmental standards are not part of this agreement and were never a part of the process and about the labour standards that do not exist in this trade agreement but that they would like to see there. That is great; we agree. The Greens agree, and we are not going to support free trade agreements that do not have respect for international labour standards, that do not have as part of them adherence to stringent international environmental standards and requirements and that do not respect international human rights standards. We should be negotiating free trade agreements on a multilateral basis, in an open and transparent way and with respect for all of those international standards.

We are seeing a pattern. As I say, this is the fourth free trade agreement that Australia is signing onto. The degree to which we are or are not the dominant economic player in those trade agreements has varied, but we are setting up, being a part of and perpetuating a system around the world where unequal agreements which have nothing to contribute to dealing with global inequity—which could be dealt with through these trade agreement processes—are being made. We can deal with the issues of global inequity only when we do so in a multilateral forum with respect for international standards on labour, human rights and the environment. Whilst we continue to agree to these bilateral trade agreements, we are not improving the plight of disadvantaged peoples in communities all across the world. Whether it be with respect to the Thai farmers, who have been demonstrating and who have been out on the streets opposing this free trade agreement, or to the women who are working on community projects in India—wherever it may be that we are negotiating trade agreements—we are not being responsible global citizens. We are not being citizens who are committed to improving poverty and global inequity whilst we continually sign off on these uneven, unequal, unbalanced and inequitable free trade agreements.

I will foreshadow at this point that the Greens will also move a second reading amendment. I note that Senator Conroy’s amendment has been moved. The Greens amendment reads:

“(a) further consideration of the bills be postponed and the bills be made an order of the day for the next day of sitting after the Joint Standing Committee on Treaties reports on the Thailand-Australia free trade agreement ...

It then goes on. The reason the Australian Greens are moving this amendment is that there is currently an inquiry—that is, a parliamentary process—being conducted by the joint standing committee. It is made up of senators and members of the House of Representatives, who are looking at this free trade agreement and hearing from the community. They are asking, ‘What are your concerns about this trade agreement?’ The inquiry is part of a process of parliamentary accountability that exists within this parliament for the purpose of consulting and in-
volving the public in the discussion about the decisions that government is making. Yesterday we saw both of the major parties say: ‘Oh, that’s all right. We’ll just continue with this debate.’ That is why we are debating this issue now. We had debate yesterday on whether or not we should proceed. Both of the major parties, the coalition and the Labor Party, decided that, even though there is a committee inquiry—that is, a parliamentary process of accountability, scrutiny and involvement of the public—going on, we shall proceed with this debate anyway. So here we are today proceeding with the debate regardless.

The Greens’ second reading amendment, which I shall move after we deal with Senator Conroy’s amendment, says: ‘Let’s wait. Let’s hold our horses. Let’s at the very least wait until we hear what that committee has to say about the trade agreement.’ We know from past examples that, even if we did, it would not mean that the government would listen to the concerns that were raised by the Joint Standing Committee on Treaties. But let us at least wait until the committee provides its report to the parliament so that we can hear what the views of the public and the parliamentarians who have looked at this issue are. I have heard the Labor Party raise this issue during their contributions and I hope I can look forward to their support. Being here having this debate and the Labor Party having said, ‘Oh, no worries; we’ll support it anyway,’ is really ringing those bells about the US free trade agreement. The Greens are not going to support these inequitable trade agreements. We are going to work with the other greens parties in over 80 different countries around the world for multilateral trade agreements which respect international standards with respect to labour law, human rights and the environment.

Senator HARRIS (Queensland) (11.07 a.m.)—I rise to place on the record One Nation’s contribution to the debate on the Customs Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004 and the Customs Tariff Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004. These two bills are a further step in the undermining of the services that are provided within Australia by the Australian government. I will explain and clarify that statement not only for the school children that are witnessing this debate but also for the people around Ballarat in Victoria, where there are a substantial number of workers whose jobs will be put in jeopardy by the US-Australia free trade agreement. The entering into this agreement between Australia and Thailand will have an even greater impact, not only on those workers but also on workers in South Australia who work within our motor industry and on workers in Queensland who are currently providing some of those government services.

For those people who are listening today to have an understanding of the issues we need to go right back to where this process of trade agreements began, whether they are multilateral or bilateral. The history goes back to 1975, when Australia entered into the Lima declaration. It is interesting to note that that declaration is not even a document that is signed by countries. It is a declaration by countries to enter into and honour certain commitments. So what was Australia’s commitment? Australia’s commitment in signing the Lima agreement was to transfer our manufacturing base to the Third World countries to lift those countries and their people out of their abject poverty. I use the words ‘abject poverty’ because it is poverty of the gravest concern.

If we go back to 1975 and look at the conditions in those Third World countries, we see that people in Thailand were living on something like US$75c per day while at the same time the poverty level in that country
was $US1.50. In other words, the average worker in Thailand in 1975 was getting half of the income that was required to sustain them at the poverty level. Let us have a look at Thailand today. A person who is working in the agricultural industry in Thailand today—say, the equivalent of one of our jackaroos or jillaroos—receives the equivalent of $US250 per year. For a comparison, let us look at a person who works on a station in Queensland. They receive approximately $300 to $350 per week. So they receive more per week than a person working in an agricultural industry in Thailand earns in a year.

In 1975 we made the commitment to move our secondary industry, our manufacturing industry, into the Third World to lift them out of their abject poverty. The tragedy is that the majority of people in Thailand are still living well below the poverty level. Yes, you can sit in your five-star hotel in Bangkok and look down from your window on a Thai family eating their rice with their fingers. I am not implying that that is not their culture. I am implying that they are in as much poverty in 2004 as they were in 1975.

If people think that more jobs will be transferred into Australia as a result of this free trade agreement, then I would suggest that they have a really hard look, because what we will be doing will be exporting our Australian jobs to Thailand. For those people listening to this broadcast who have some concerns about the quality of product that is going to come from Thailand, let me reassure them that in a large number of cases the quality of the product that comes out of Thailand is equal, or even superior, to some other places in the world. I will give you a really intriguing example. I ask any Australian who has recently walked into Myer, DJs or their service providers and rocked up to the fine bone china counter and had a look at a Royal Doulton dinner set: where do you believe that item was manufactured? Logically you would say that it is Royal Doulton and that it has come out of England. You would be wrong; it is made in Thailand. If you go and buy a German Arzberg dinner set, you will find it is made in Thailand. So if there are people out there listening to this broadcast who think that this is only going to affect very minimal things like T-shirts and sandals, they are wrong. We are going to have all of those products that are produced in Thailand brought directly into Australia at zero tariffs or greatly reduced.

The difference between this particular free trade agreement and the Australia-United States agreement lies within the heart of the difference in our economic status. In America, to a large extent their wage structure is equal to ours or, if not, slightly better. So we are competing with products into a market where their labour costs are similar to ours, with the exception—and I make the exception—of the American products that are produced by Maquilador labour, and I raised that issue in the US free trade agreement. But the entire country of Thailand has the equivalent of Maquilador labour on the Mexican border in America. They do not have to shift their product as they have to out of America and Canada into the Maquilador area to access those wage structures of about one-third of what they are within the US and Canada. Thailand’s structure is already there. And therein lies one of the two reasons for this great push towards these either multilateral or bilateral treaties. The difference lies in having an export-import process that provides obscene profits—and I use the word ‘obscene’ purposely. You have to have this great disparity in the wage structure of the two countries.

Let us look at Thailand, and I am now going to go back probably 15 years to the time that Lacoste T-shirts were available in Australia. I saw them for sale in the Pier shop-
ping centre of Cairns, which is right at the top of Queensland where I live. The shirts were imported from Thailand. The company that imported them purchased them in Thailand for less than $A4, and the shirts retailed in Cairns for $A60—a $56 mark-up. And there lies another fallacy of free trade agreements. The government will tell you—and to some extent the Labor Party will support it—that free trade brings us cheaper goods, but nothing could be further from the truth. What is actually happening is that we are moving our manufacturing base into these Third World countries under this touchy-feely, lovely idea that we are lifting them out of poverty, and all we are doing is lifting huge amounts of money out of our pockets into the businesses that work on the import-export process. In Thailand, the T-shirt costs $A4 on the street; the same T-shirt from the same manufacturer, sold in Australia costs $60. How can our governments and the opposition look the Australian people in the face and say, ‘We’re doing this to get you cheaper products’? How can they say to the Australian people, ‘We’re moving our manufacturing base to lift these people out of abject poverty’? The two statements are absolute falsehoods.

Let us look at some other issues in relation to the trade between Australia and Thailand—and this is not a trade in products. The issue I want to focus on is the trade in services. We see on TV advertisements by Qantas—our Australian airline—featuring all those lovely children all around the world advertising Australia. Well, ladies and gentlemen, at the same time as placing those ads on your TV, Qantas is also placing Thai people in the back of their Qantas aircraft and dry hauling them from Bangkok to Sydney where they are crewing Australian flights out of Australia.

*Senator McGauran interjecting—*

**Senator HARRIS**—Yes, it is import and export. We are importing Thai workers and we are exporting our Australian Qantas workers’ jobs. Why is the government embarking on this process? It is simple economics and it is quite easy to explain for anyone who is interested in listening: the process is more focused on the provision of government services. Australia’s budget for 2005-2006 is approximately $800 billion—that is $800,000 million—of which roughly 50 per cent is attributed to services that governments currently provide. Therein lies the answer for what the government is doing: the government is moving that entire $400 billion worth of services currently supplied by government departments into the public arena. That movement will represent the greatest growth area for corporations in Australia, in the US or in Thailand. I notice there is stunned silence in the chamber.

**Senator McGauran**—They’ve stopped listening.

**Senator HARRIS**—Senator McGauran, you may not be listening, but I can assure you there are a lot of Australians out there who are. They are now aware of the reason why the government is moving this way. They are the same corporations who will benefit from the privatisation of those government services. They are the same corporations, Senator McGauran, that make the political donations to your party, the Liberal Party and the Labor Party. As I said earlier on, there were some concerns in relation to the US-Australia free trade agreement. Those concerns absolutely pale into insignificance when you consider the difference in economic structure of the workers in Australia and Thailand.

We have government departments that have publicly advertised that Australian companies can cut their IT costs by one-third by transferring IT functions to India. What
Chamber will be the ratio when either services or products that are currently produced here in Australia are transferred to Thailand? My guess is that it will be better than 0.1 per cent of what it costs here in Australia, and that is the tragedy. The Australian people need to be aware that a gradual erosion of government services is not an accident. It is a wilful intent by both the present government and the opposition, if they are ever to gain government, to transfer the provision of those services into corporate entities. Those corporate entities will then get the best legislation their money can buy when their lobbyists knock on the doors of the hallways of this building.

Senator Ellison (Western Australia—Minister for Justice and Customs) (11.27 a.m.)—I thank those senators who have contributed to the debate on the Customs Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004 and the Customs Tariff Amendment (Thailand-Australia Free Trade Agreement Implementation) Bill 2004. What we are talking about here today is the Thailand-Australia free trade agreement and the benefits that will flow from such an agreement. The Centre for International Economics indicated that the benefits for both countries would be substantial. People should remember this as the background to this debate because, according to that centre, there will be a $2.4 billion advantage for Australia and a $6.8 billion benefit for Thailand. The benefit to Thailand comes as a result of the tariff structure in that country. When people talk about the social and human rights implications, they need to remember the benefits that this will bring to the Thai people. Most importantly for Australia, we have an economic benefit for this country.

A number of issues were raised during the second reading debate and I will address each in turn briefly. Social policy, human rights and development issues were raised by Senator Ridgeway and Senator Nettle. I place on record that Australia believes that free trade agreements are one of the best mechanisms to address these issues. Australia is very active in international organisations dealing with human rights. We are a world leader in relation to human rights and there is nothing better you can do for people than give them a good, strong economy so that you can have the structure to provide schooling, hospitals and a future for children in that community.

Senator Ridgeway mentioned that the investor-state provisions of this agreement give corporations unreasonable legal powers to challenge government law and policy. Investor-state provisions have been common law in all of the investment agreements entered into. They provide investors alternatives to relying on domestic courts where there is a question about procedures in the domestic courts. It is common to include these provisions when a developed state is concluding an agreement with a developing state. To date, there has not been a single action brought against Australia under any of those 19 investment agreements or under the Singapore-Australia Free Trade Agreement. In practice, most investor-state issues are resolved by diplomatic means. That is an important point to remember in relation to the issue that Senator Ridgeway raised.

Senator Conroy dealt with the rules of origin, particularly as they relate to the textiles, clothing and footwear industry. The rules of origin for textiles, clothing and footwear are consistent with the rules of origin applied to imports from the least developed countries. Procedures are in place to prevent transshipments. To qualify for preferential rates of customs duty, Thai exporters will need to be registered by the Thai government. Furthermore, at the time of importation the Australian importer will need to possess a certificate of origin issued by the
Thai government. A certificate of origin is required for each shipment, and we believe that this provides the necessary safeguards.

Senator Nettle has moved a second reading amendment on behalf the Greens in relation to the consideration of this agreement by the Joint Standing Committee on Treaties. Of course, the joint standing committee was considering this agreement and was close to finalising its consideration before the calling of the election. In the normal course of events, we provide 20 sitting days as a period of time in which the Joint Standing Committee on Treaties deals with these sorts of international instruments. I understand that that was exceeded in this case. There were many submissions to the committee which the government have taken note of. We are not disregarding those hearings at all, but of course there is a time imperative with this agreement. Both the Australian and Thai governments are committed to implementing this agreement and to seeing the commercial benefits flow to the Thai people and the Australian people as a result. Any delay to the implementation of this agreement will disappoint Australian business and the Thai government and raise questions about our commitment to the agreement. The joint DFAT and Austrade seminars on this agreement across Australia in July this year found widespread support for this agreement.

I refer again to the substantial economic benefits that will flow through to the people of both Thailand and Australia. Therefore, we believe that to delay this agreement would be detrimental to both Australia’s and Thailand’s interests. We certainly acknowledge the work that the Joint Standing Committee on Treaties has done, but we cannot delay in this instance, and I believe there is a precedent in relation to the Singapore-Australia Free Trade Agreement where we did the same thing. The Joint Standing Committee on Treaties has a very important role to play. We are not ignoring or disregarding that. We have taken note of the hearings and the submissions that have been made, but in this case it is in the national interest to proceed as quickly as possible to the implementation of this agreement.

Senator Conroy touched on some issues relating to labour and the environment. We certainly do not believe that free trade agreements are the best mechanism for international labour standards. We are active as a country in the International Labour Organisation, and the government believe that that is the best way to deal with those issues. Environmental issues are best dealt with by the WTO Committee on Trade and Environment, and we are actively pursuing those aspects through that forum. Free trade can deliver great benefits, and bringing environmental and labour considerations into the agreement could well delay and in fact frustrate any free trade agreement that would see those substantial economic benefits being delivered to both Australia and Thailand. The government do not support the amendments to the second reading, and we will be voting accordingly. I commend these bills to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Knowles)—The question is that the second reading amendment moved by Senator Conroy be agreed to.

Question agreed to.

Senator NETTLE (New South Wales) (11.35 a.m.)—On behalf of the Australian Greens, I move the second reading amendment standing in my name:

Omit all words after “That”, substitute:

(a) further consideration of the bills be postponed and the bills be made an order of the day for the next day of sitting after the Joint Standing Committee on Treaties reports on the Thailand-Australia Free Trade Agreement; and
Bills read a second time.

Third Reading

Bills passed through their remaining stages without amendment or debate.

GOVERNOR-GENERAL’S SPEECH

Address-in-Reply

Debate resumed from 17 November, on motion by Senator Knowles:

That the following address—in-reply be agreed to:

To His Excellency the Governor-General

MAY IT PLEASE YOUR EXCELLENCY—

We, the Senate of the Commonwealth of Australia in Parliament assembled, desire to express our loyalty to our Most Gracious Sovereign and to thank Your Excellency for the speech which you have been pleased to address to Parliament.

upon which Senator Bartlett had moved by way of an amendment:

That the following words be added to the address-in-reply:

“, but the Senate is of the opinion that:

(a) Her Majesty Queen Elizabeth the Second is to be commended for her reported public support for implementation of the Kyoto Protocol; and

(b) the Government’s failure to ratify the Kyoto Protocol, to take strong action to reduce Australia’s greenhouse emissions and to urge the United States of America to do likewise, is putting at risk international efforts on climate change”

Senator MARK BISHOP (Western Australia) (11.45 a.m.)—I am pleased to speak on the address-in-reply today, and I will do so with particular reference to the welfare and recognition of Australia’s veterans. This is a responsibility I carry on behalf of the Australian Labor Party in this chamber. It might be observed from the outset that veterans affairs retains a very symbolic place in our democracy. Indeed, the opening of the
41st Parliament by His Excellency the Governor-General is indicative.

Firstly, His Excellency is a retired major general, having served Australia with distinction. He is by definition a veteran. Secondly, as a symbol of the importance of veterans in our democracy, this parliament is directly linked. When one observed across the head of the ceremonial guard assembled in front of the building on Tuesday, the parliament looked directly across the central land access to our capital, Canberra, to the sombre presence of the Australian War Memorial. The two buildings, flanked by the High Court and the National Library, form two key reference points. This is appropriate and illustrates the importance of not just national defence but the service of Australians throughout our history.

When considering veterans affairs we should and must remember that symbolism. It is not there by accident; it is part of our national ethos. It is there because, when all else fails, our independence as a nation, our national welfare and our personal safety rest in the hands of the military. This is not simply a platitude or a cliche. Overall, Australians young and old hold this ethos, this direction, and it is gaining strength. It is gaining strength not because of the decisions of governments that see our young men and women sent overseas but because of the human commitment on their part to do their duty.

We on this side respect that and, whatever the merits of the need for war, we will always support absolutely and without question the commitment and risks taken in honouring those decisions. Commensurate with that commitment, we as Australians have always respected the obligation to care for our veterans. This began with World War I, which saw so much horror and in which Australia suffered catastrophic losses. We have just observed Remembrance Day. This, along with Anzac Day, is now embedded in our national psyche. They are days on which we remember both the horror and the waste of war. They are also times to mourn the loss of so many young men and women.

Labor make the point that it is now appropriate that we also recognise the defence of Australia in World War II, which commenced in 1942. We believe that we should also commemorate the Battle for Australia; hence our suggestion that the first Wednesday in September each year be so dedicated. These days of commemoration, albeit from World War I, are stark reminders that of the 332,000 who went to fight in that European war in 1914-18, 61,000 were killed and of those 23,300 were never found. They remain interred beneath the soil of other nations. That marks the origins of our repatriation system. It is something that we should always remember, as veterans often remind us. They rightly remind us of that when we seek to glorify their deeds.

All Prime Ministers, whether cynically seeking their own limelight or not, always promise to look after those who sail from our shores to do their duty. We do not resile from that commitment. Indeed, we honour it without question. But we do deplore the cynical exploitation and glorification of that commitment for political outcomes. Veterans do too. It is therefore little wonder that emotions run high on veterans matters as pressure is brought to improve the benefits of veterans.

The assertion that our system is overly generous is frequently challenged. Nowhere is that question asked more frequently than by our World War II veterans and widows as they compare the rewards for their service with those available to the modern ADF. They recall accepting only what the nation could afford. They observed vocally during the recent election campaign the largesse
extended by the Howard government in what was such a blatant vote buying exercise. Put bluntly, the plea was simply: ‘If there is so much revenue pouring into the Treasury coffers, why is it so hard to survive on the pension? Why have programs of support to those in need been cut back?’ There is simply no answer to that question.

There is a huge gulf between the rhetoric of commemoration and the realities of budget outlays. However, it must be said that in budget terms veterans have collectively done better in recent years. As critical as we may be of individual policies and their administration, the budget for veterans affairs has grown enormously. It is only natural that the government seek credit for this, though it must be said again that a significant proportion of this growth has resulted from cost increases and indexation.

To this it must be added that the veteran population is now declining dramatically. The figures show that almost 9,000 World War II veterans are dying each year. There are now only four survivors from World War I. Almost 73 per cent of veteran pensioners are now over 75 year of age. The cost of income support might decline but, as we know, with age comes increasing frailty. Aged care and health care are now the top priority, which is showing in budget outlays. The task therefore is not diminished.

For our part, on this side of politics, we accept those priorities and we support them. However, having said all of that, the system of support and care for our veterans is not without its blemishes. May I make it plain that, despite those faults, we in the Labor Party have never failed to support government initiatives where additional benefits are given. The difference is simply in the means, the processes and the policies by which they are provided. The Howard government has regrettably scored a D on the latter. During the last three years, under the previous minister, we saw serial incompetence. For veterans, much of this is obscure. The pity is that, instead of providing simplicity to an overly complex system, the Howard government introduced inconsistency and contradiction. All of this could have been avoided with good policy.

Let me cite some examples. The process of the Clarke report was a classic. This was an enquiry designed to provide answers to a minister and a government who either had no clue or simply wanted to stall the veterans debate. As we know, the latter tactic succeeded but eventually backfired. The recommendations of Clarke were largely ignored, despite a backbench revolt, and the report has now been consigned to history—just like the reports of Justice Toose, Professor Baume and Justice Mohr. Then we had the continuing stalling of, and cuts to, the Veterans Home Care program. This is an excellent program which is, like HACC, designed to keep ageing veterans and widows in their own home and out of institutional care. This program saves money; it does not cost. Yet for three years services were cut, waiting lists grew and the purpose of the program was defeated. But—lo and behold!—on election eve, the promise to restore funding was made, just in the nick of time.

Next, veterans endured the saga of the gold card, for which another last-minute election promise was made. Without this promise to increase GPs’ rates to 115 per cent of the scheduled fee, it must be said that the gold card was rapidly being subsumed by Medicare. We now await the government’s action to make it happen. For medical specialists, however, the drama remains. Veterans are increasingly unable to use their gold card for specialists, and there is no sign of this abating. In fact, we know that in Tasmania the problem is so chronic that people are
being flown regularly to the mainland for treatment. Yet there is no sign of either remorse or remedial action. Veterans are being let down.

There is more. In the last parliament the Howard government legislated to exempt veterans disability pension from the means test at Centrelink. Instead of simply amending section 8 of the Social Security Act, it chose instead to pay an allowance from the Department of Veterans’ Affairs. This is called the Defence Forces Income Support Allowance, DFISA. By this means, the deduction made from Centrelink pensions resulting from the treatment of disability pension as income is now refunded. This is extraordinarily messy and unnecessary. No doubt it results from a stand-off between portfolios which has not been capable of resolution, even by the Prime Minister. The outcome does not change for veterans; it is just more complex. It is also expensive administratively, with some $18 million being wasted on unnecessary process.

We have also made the point about past policy failings where the Howard government seems to have been hell-bent on destroying the traditional distinction in our veterans law in favour of qualifying service. This is a distinction made in terms of both processes and levels of benefits provided to those who embark on warlike service in particular. Departmental officials in fact confess that this was the singular motive in effectively removing all the special rate from the means test at Centrelink. It was also a significant point of contention during the consultations on the new Military Rehabilitation and Compensation Act. Veterans still see this as the thin end of the wedge and as a diminution of their status.

Over the last three years we have been very critical of the government’s performance on veterans affairs. Today I have only cited a few examples. There are others, ranging from potential and threatened cutbacks to aids and appliances, including prostheses, to failure to properly deal with those exposed to hazardous chemicals in particular. This includes RAAF ground staff involved with the de-seal and reseal of F111 fuel tanks over the last 30 years. Our criticism also includes the expenditure of $6 million per year by MCRS on obtaining legal advice for the consideration of both primary claims and reconsiderations. Ex-service people without financial means naturally find they are considerably disadvantaged. Failure to properly investigate and prosecute fraud remains a continuing concern. All we ask for on behalf of veterans is clarity and consistency. Adhocery of the kind we saw in the last parliament should be replaced by careful and considered policy.

To that end it is useful to observe that the government in fact has no serious policy proposals on its fourth term agenda for veterans. Essentially the government’s election policy comprised expensive bandaids for the home care program and for the gold card. These attend to self-inflicted shortcomings flowing from previous decisions made over the last three years. Apart from a minor change to bereavement payments for TPI widows, there are no policy initiatives at all. In fact, the entire emphasis of the government’s future intent is focused far more on commemorations. That in fact was the only reference in the Governor-General’s address.

Let it be said at the outset that on this side we support this focus on commemorative activity. Commemoration of veterans deeds is an intrinsic part of our culture. We are all earnestly and seriously committed to remembering the past deeds of our veterans. We value our country and we are committed to its defence. But this has to be genuine; it cannot be contrived. It is not a public relations stunt. It should be serious, good public policy. To know and understand the conse-
quences of war is to understand our reluctance to engage in it. It should be the last resort, not the first. It comes at a horrible cost in human lives—and invariably they will be the lives of family and friends. That is what we commemorate. We commemorate their service, their duty, their courage and their sacrifice.

It is not enough to stop there, as it seems the government is now about to do. There are many outstanding and remaining problems in the veteran community. Not the least of these is concern for the intergenerational effects of service upon the health of children. I remind the Senate that in the last election Labor proposed to undertake a full health study of veterans’ children. The government mimicked this in a token way, promising merely a feasibility study of a study. Similarly, we addressed other needs of children, particularly for those in need of education and the added opportunity that provides, through a new program of bursaries. We also addressed other needs, such as widows denied access to the income support supplement who continue to suffer discrimination. The current policy is neither fair nor adequate.

Labor proposed a range of more minor changes, including more assistance to the estates of those who die without means, by extending bereavement payments. We proposed the full funding of a memorial to peacekeepers, not just a contribution as promised by the government. Labor promised a $150,000 contribution to the Ballarat City Council towards the upkeep of the prisoners of war memorial in that town. It should be noted here though that the Treasurer is on record as doubting that promise. We are happy to have been outbid, however we trust that that was a core promise. Sadly those initiatives are now lost, though we do hope that the government might graciously accept our suggestions.

I conclude where I began. We should always in this parliament remain aware of our obligations to veterans. We should not forget the axis which binds this parliament with the remembrance of our losses in war. We must continue to honour the commitments repeatedly made in this place by leaders of successive governments. At the same time we hope that administratively and in terms of policy we can introduce a more worthwhile outcome following a more professional approach. Veterans are entitled to be treated fairly and consistently and it is regrettable that in recent years this has not been the case.

Senator IAN CAMPBELL (Western Australia—Minister for the Environment and Heritage) (12.02 p.m.)—It is a true pleasure to be speaking on the address-in-reply. When I heard you open the debate, Madam Acting Deputy President Knowles, you said it had been some time since you had spoken on one. Not only is it a privilege to speak on an address-in-reply to a speech delivered by the Governor-General but also it is a true honour to speak in a debate on which you have opened the batting, so to speak. It is well known in the Senate that you will be retiring at midnight—Western Standard Time, I would hope—on 30 June 2005 and it is entirely appropriate that you opened with a most eloquent contribution to this debate.

Senator Ellison—Hear, hear!

Senator IAN CAMPBELL—I wish to make a contribution in relation to the amendment moved to your motion by Senator Bartlett, which relates to the government’s performance in relation to Kyoto. The government has had a world-leading policy on issues relating to climate change. It is very important that all Australians understand that the government’s record of action on climate change stands in stark contrast to other political parties such as the Greens, the Austra-
lian Labor Party and the Democrats who tend to have a one-line policy on climate change—that is, to squawk like a well-trained parrot that we should ratify the Kyoto protocol. They tend to get away with it with much of the Australian media who tend to think that the only way Australia can address climate change in this world is to have the government ratify this protocol. People need to understand that the Kyoto protocol is an important agreement. The Kyoto conference, at which Senator Robert Hill, the then Minister for the Environment, represented Australia, was very important. It has achieved an enormous amount, focusing the governments of the world, industry and the community on the enormous challenge of climate change.

Unfortunately—and it is well recognised by nations which have ratified the protocol and by others which have not, such as Australia—the Kyoto protocol by itself simply will not be sufficient to address climate change. There is, I accept, a consensus among expert scientists who say that to ameliorate climate change—to stop global temperatures increasing and impacts such as increased storm intensities, melting of the polar icecaps, more cyclones, the impacts on biodiversity, on forests and on flora and fauna around the globe and on agriculture—reductions of greenhouse gas emissions into the atmosphere of around 50 to 60 per cent are needed. That is very much the consensus, which I accept. Regardless of whether or not you accept that consensus, it is important that we all understand that climate change is now not something that can be left open to debate. It has occurred and is occurring and, as a government, we accept that it will continue to occur and that there is an enormous responsibility on governments to do something about it.

I say to the Australian Democrats, who have moved an amendment to the address-in-reply motion, that simply ratifying the Kyoto protocol and having the debate focus on that one issue—whether or not you tick it—creates a huge moral hazard for our nation because it means that people think that you can solve the problem by ratifying this protocol. The protocol—and all experts agree on this; the Prime Minister of Great Britain agrees on this—will deliver about a one per cent reduction in global greenhouse gas emissions and what is required is a 50 to 60 per cent reduction. What is required is a steadfast focus by governments, industry and the community on how we move to a new global paradigm, how we move to a whole set of new energy paradigms, how we move the transport sector, the stationary energy production sector, the household sector, heavy industry and industry across the world to a carbon constrained future.

How do we ensure that we have expanding living standards? How do we ensure that we have the increasing energy needs of the world met yet put less greenhouse gases into the atmosphere? Therein lies the challenge. That challenge is not solved by people who do not put the hard work, the energy or the policy work into this but just say, ‘Let’s just ratify this protocol.’ If you ratify the protocol, you get a one per cent reduction and the climate keeps changing, agriculture goes backwards and the icecaps keep melting but the Australian Democrats, the Greens and the Australian Labor Party would feel that they have salved their leafy suburbs guilt over climate change.

There is a huge dilemma. I want to see—and the Governor-General mentioned this in his address—us address these key environmental issues in a way that ensures that Australians in particular but also people around the world can aspire to better living standards. I have absolutely no doubt—and Australia has proved it—that you can have an expanding economy, that you can
have increasing numbers of industries in Australia attracted from other parts of the world and that you can achieve good greenhouse outcomes. You can have an expansion of the economy with a reduced environmental footprint. Why am I so confident about that? I am confident because Australia is already achieving it.

One of the things that frustrate me enormously is that, for all of the great achievements of governments around Australia, including state governments and many local governments, in terms of reducing greenhouse gases in industry in particular, we continue to have people who pour scorn on their countrymen who are working so hard to achieve these important environmental outcomes by saying that we have failed somehow because we have not signed this protocol, we have not ratified this protocol. They make Australians feel bad about themselves when in fact we are in the top three or four countries in terms of performance on reducing greenhouse gas emissions. We will be one of the few nations of the world that will meet their Kyoto target by domestic action. Some countries will meet their target through emissions trading and other offsets. We are on track to meet the target that was agreed to at Kyoto by the Australian government and negotiated by Robert Hill. I will put that into context.

I remind honourable senators that Kyoto asks nations to commit to a greenhouse gas emissions target based on the 1990 base year, that Australia’s agreed emissions target is 108 per cent of 1990 emissions and that the target period is between 2008 and 2012. In about 2011 the Australian economy will be a $1,000 billion economy. My Treasury friends tell me that is a $1 trillion economy—I will have to check whether that is right. In 1990 we were a $500 billion economy. In that Kyoto period the Australian economy will go from $500 billion to $1,000 billion, based on current estimates of economic growth. Based on the sort of growth that we have been getting over the last five years and based on the forward estimates of the midyear economic review and I think the pre-election economic review, Australia is on track to double the size of its economy from 1990 to 2011. We are also on track as we speak to achieve our 108 per cent target. We hope in the next few days through the Australian Greenhouse Office to release greenhouse figures on where we are at.

So we have virtually doubled the size of the Australian economy, massively increased the number of jobs, increased the number of exports, increased the size of our industries and yet virtually contained our greenhouse gas emissions to what they were back in 1990. There will be an eight per cent increase—so the target figure will be 108 per cent based on 1990—in a period where we will have doubled the size of the Australian economy. That is a fantastic achievement that people like the Australian Democrats should welcome. What a great achievement not only to have economic expansion, more jobs, higher productivity, better living standards, better health outcomes and better education outcomes but also to have constrained our environmental footprint and constrained our greenhouse gas footprint. It is a great achievement.

During the election, contrary to the impression that you would get from reading Senator Andrew Bartlett’s amendment, the Liberal-National Party coalition put forward a series of new, practical, sensible, achievable and very expensive measures to address greenhouse gas emissions. What did we get from the Democrats? ‘We would ratify Kyoto.’ What did we get from the Labor Party? ‘We would ratify Kyoto.’ There are no practical measures and no plans as to how they would reach their targets or how they would take Australia past 2012. There is just
this one-line policy. It was a bit like their policy on rivers. They said that they would find some extra gigalitres to put into the Murray. They did not say where they were going to get them from and how much that was going to cost. They had a policy for one river whereas the coalition had a policy for 1,750 projects on rivers right around Australia.

In relation to Kyoto, the government’s policy was firmly focused on how we achieve what needs to be achieved on climate change. We need this 50 to 60 per cent reduction sometime during this century to ensure that climate change is addressed as an issue. As I said, the reality of climate change is now not something that can be debated. It has occurred. We have had global warming. We have had climate change. The extent of the Antarctic ice has diminished by around 20 to 25 per cent already in the last 50 years. In my home state of Western Australia, the rainfall has reduced over the past 50 years by around 20 to 25 per cent. That is a fact for the farmers in Western Australia. The rainfall has reduced and you cannot argue about it. The climate is changing. It is a reality.

The Larsen B iceshelf, which had been a feature on the Ross Sea in Antarctica for 10,000 years, recently broke off into the ocean. The impacts of climate change are a reality. The Kyoto protocol does not address it in a way that is substantial enough to achieve an attack on climate change and yet Labor and the Democrats say, ‘Let’s sign the Kyoto protocol.’ The coalition, you would be proud to know, Madam Acting Deputy President Knowles, has a range of policies to make a substantial difference in Australia and around the world. There is about $1.7 billion of domestic investment in our climate change strategy, including $700 million under our new energy white paper. There are investments in alternative fuels, low emission technology and storage of energy created by renewable energy. There is substantial investment in renewable energy. There is the world-leading mandatory renewable energy target to ensure that we move investment towards renewable energies. There is the historic $75 million solar cities program, which will see us build, first in Adelaide and subsequently in up to three other locations around Australia, world-leading demonstrations of solar cities using solar energy to replace fossil fuel energy, solar passive housing design and a range of other solar technology to create a world-leading technological edge in using renewable fuels to power entire suburbs, tertiary institutions, technical colleges and industry. That is one of the exciting programs.

Furthermore, we recognise that it is very important to engage with all the other nations, both Kyoto protocol ratifying nations and those which have not ratified, to ensure that we get a comprehensive outcome in what we have called the ‘beyond Kyoto’ scenario. The Kyoto protocol aims at outcomes between 2008 and 2012; the reality is that we have to achieve this 50 to 60 per cent reduction in about 50 years time. What we do post the Kyoto target period is vital to the future of Australia. It is vital to Australian jobs, to the Australian economy, to the agricultural sector and, most importantly, to saving our very rare flora and fauna. We saw stories in the papers this morning about a very unique tree frog in the Daintree in the wet tropics region of North Queensland that has been confined to a very, very small part of this planet. If temperatures rise by another degree or so then this tree frog, for example, will have no habitat left. The case of that frog gives an example of what can happen to habitats around Australia.

In the interests of Australia’s economy, jobs, environment and incredibly unique biodiversity we have to address climate change and we have to ensure that there is a
comprehensive international agreement. We have to ensure that the United States of America is part of an agreement. We have to ensure that the developing countries are part of an agreement and that they do not feel threatened by the need to constrain their energy and industrial output or feel constrained in unfair ways about their carbon emissions. We have to address the fact that we have a couple of major challenges confronting the world at the moment. The leaders of the world got together at the millennium development conference and set the world some incredibly important and noble targets in relation to human development. They decided, for example, that we have to reduce poverty by 50 per cent and that we have to reduce starvation. We have to reduce the number of people living on less than one dollar a day by 50 per cent. We have to stop the hundreds of thousands of people around the world, many in sub-Saharan Africa, from dying every year of malnutrition—a condition which is caused when people do not have enough input into their bodies to match their output. They slowly starve and die. That is a condition that all of us would agree needs to be eradicated. We need development to achieve the reduction in malnutrition, poverty and starvation in our own region, in sub-Saharan Africa and in other parts of the world.

You do need development, you do need expansion of industry and you do need a developing world to develop more rapidly. On the other side of the ledger you need to ensure that you have less greenhouse gas emissions. We have this phenomenal historic problem to solve. And we do not do it by saying, ‘Let’s sign up to the Kyoto protocol,’ knowing full well that the protocol itself excludes huge sections of the world—most of the developing world, the United States of America and other major emitters. If we do not have a comprehensive international agreement to address the greenhouse gas emissions of the whole world—not just a part of it—and match that with a frank assessment of how we ensure that we get enough development in the developing world to ensure that starvation and poverty are reduced then we are not going to achieve what this generation can achieve.

That is why the coalition set down a series of international engagements: a ministerial conference to be hosted by Australia next year; engagement in the G8 conference chaired by Tony Blair next year; an APEC workshop to focus on practical measures within our region; and, of course, a very proactive and constructive engagement at the conference of the parties in Buenos Aires in Argentina, at which I will be representing Australia next month. That is in stark contrast to the one-line policy of the Democrats and the one-line policy of Labor. It is active engagement, it is constructive measures and it is a way forward. (Time expired)

Senator HOGG (Queensland) (12.22 p.m.)—I rise in today’s address-in-reply debate to speak specifically about the government’s move on industrial relations reforms, as a result of their re-election to office. None of what the government offered will do anything to make the lot of the worker better. It will not provide security in employment to many people who are desirous of it at this very moment. Security of employment, of course, is a basic and fundamental right, in my view. The proposals of the government will not in any way contribute to the dignity of the individual, and the dignity of the individual in my view is paramount in our society—again, a basic right.

A raft of legislation that the government will put forward in the industrial relations area is designed to place at risk the most vulnerable in our community—the young, women, the disabled, and particularly a
growing group of people, older men. The legislative reforms that the government are championing will do nothing but create a permanent underclass in our society, and that is a sad thing indeed.

I want to look at what has happened as a result of the government’s industrial relations reforms to date to see where they may well be taking us in the future. During the election campaign, whilst out on the streets one day, a person approached me at one of my mobile offices and raised with me their predicament. The man, an older person, over 50, had no options. He was given no choice but to accept the conditions that were offered to him in an AWA. He had no choice about it, no option—‘take it or leave it’. Of course the option of leaving it would mean that he would be unemployed. Clearly, the conditions in the AWA, whilst I did not traverse them, according to what he related to me, were substandard and below the basic safety net award conditions. The person was offered only casual employment of 30 hours per week—not enough to starve on, but certainly not enough to live on. No offer of a full-time job was made to the person. They were not given the opportunity of secure, full-time employment, only 30 hours per week—not 38, which is the standard working week, but 30.

After having spent 12 months as a casual, not even the slightest hint of an offer of secure full-time employment was made to this person. They were just left out on a limb—no holidays, no breaks, no sick leave. As a matter of fact, the person made the point to me, quite clearly, that if they took time off for any reason they ran the risk of losing their job. In my view, there was no humanity in the way in which the person was employed.

The person was given no access to stable employment and, not having access to stable employment, had no access to things—such as basic credit facilities, home loans and the like—that those who have the pleasure of enjoying a full-time job that is secure have access to. This person was trapped. He was isolated from mainstream Australians, isolated from those who have loftier expectations of having a dignified lifestyle in our community. This person was trapped in a low-skilled job. There was no way in the world that this person would be able to break out of the job that they were undertaking. There were no promotion opportunities.

There is no way these sorts of people could apply for different sorts of jobs that would lift them out of the insecure lifestyle that has befallen them, other than to hope that at some stage there might be someone to tap them on the shoulder and say that full-time employment would be available. This should not be the case, because the way in which people were employed was that everyone was casual and that everyone was on a day-to-day basis in terms of their employment, in spite of the fact that they turned up five days a week for 52 weeks of the year. In my view, these people have been sentenced to a quite despicable form of employment.

Of all surprises, the employer of this individual was a government department. Not just one individual was suffering; indeed, numerous individuals were. This government has over time, with the cooperation of a number of employers in our society, created a new class of citizens who have no fairness, no equity and no justice in their employment. Workers in this weakened position are often exploited in the name of efficient government or for corporate profits. Of course, this government has an ideological bent in the industrial relations area that wants to see these people even more disadvantaged than they currently may well be.
The only path this government can embark upon in its fourth term is to enact more regressive legislation which will diminish, and in some cases completely remove, the basic rights and conditions of the ordinary worker out there in Australia. If you are in a protected environment, if you are strong, then you are okay. But if you are vulnerable, if you are weak, then you are subject to exploitation by the legislation that has been offered by this government and rejected by this chamber on so many occasions. This is the same government that have sat by and watched corporate barons lavish bonuses upon themselves whilst in some cases their companies were failing or have sat by and watched companies reward directors or their CEOs with massive golden handshakes when made redundant or forced to leave their corporate empires. That does not lead to a fair and equitable society. It does not lead to a society in which individuals have a fundamental and basic right to the respect that they deserve as human beings.

One might ask, ‘What’s ahead?’ That is what is frightening, and that is what I want to go over briefly in the moments that I have left. Any sense of fair play seems to have gone out the door. What the future might look like is best summed up by an article that appeared in the *Sunday Mail* of 14 November. We are not talking about something that may happen or might happen; this is something that is happening now and will be encouraged to happen even more and in more diverse ways if the government’s legislation program takes hold, and it seems that that will be the case. The article was headed ‘Bum steer for trolley children’. I am going to look at a group of people who are disadvantaged, who are in low-paid work—very low-paid work, to say the least—and who are very vulnerable to being exploited by their employers. I am going to quote several paragraphs from this article, because I think it really gives a foreboding of what will be around with this government’s attack on the lifestyle of workers in this country. The article begins:

SUPERMARKET trolley boys are being sued for thousands of dollars for damage to cars and shops after their employers cut them adrift.

It goes on:

Legal Aid Queensland and the Young Workers’ Advisory Service have received complaints that children and disabled people are being forced to register as companies, rather than employees, in the latest abuse of disadvantaged workers.

I have worked in the retail industry and am still actively involved in the retail industry through my involvement in the SDA, which is Australia’s largest trade union, and I know how these people who are collecting the trolleys in these major shopping centres are subject to exploitation. We now have people complaining that these young people—and they are as young as 15 and 16 years old—and others who because of their disablement can find no other source of work in some instances than collecting trolleys, are now being cast adrift and forced into registering their own companies rather than be employees. This is an absolute disgrace indeed, but it is something that will be not uncommon if the ideological bent of the government takes over in the not-too-distant future. The article went on to say:

Both organisations have received complaints about employers offering to put young workers on as contractors—leaving them personally responsible for insurance, damages and taxation—rather than offering them the protection of employment.

That is what this is about; it is about offering people the right to be their own mini entrepreneur so that the employer can get around the need to provide basic terms and conditions of employment. The article goes on to quote advocate Simon Cleary as saying:
“It’s a difficult and dangerous job pushing trolleys around car parks with cars whizzing around corners.

“We would advise any young person, if they have a choice take any other job except this one.”

The article continues:

Mr Cleary said one boy had been told to work for months for nothing to clear a debt for his employer.

I do not think this really is what the Australian people want. I do not think they believe that there is equity and justice in this system. I do not think that the Australian people understand the import of some of the pieces of legislation that this government will put forward in its fourth term—that is, pieces of legislation that will deny fundamental and basic rights to the work force in Australia. If the government were putting forward legislation that created greater security of employment and greater opportunities for people then I would applaud that legislation, but legislation that denies people fundamental rights, denies them their basic rights, must be condemned indeed. The article goes on further to look at one of the complaints in particular and it states:

In one complaint, a young man had been employed at a landscaping company for about 2½ years when his boss told workers they had to get an ABN and were responsible for their own tax, equipment, WorkCover payments and superannuation.

This is absolutely scandalous. But this government’s ideological bent of going down the path of making people individual contractors, responsible for their own insurance, WorkCover, tax, superannuation and so on is going to leave those who are vulnerable, those who are in weakened positions, totally isolated. It is going to leave them in a situation where they will not reap any of the benefits that our buoyant economy and society have to offer. People have an inalienable right to take part in the benefits that society offers. The IR program that the government will push through this chamber by no later than the middle of next year will take away from these people, will deny these people, what are basic, fundamental rights that they should enjoy so that they can participate in a meaningful way in our society.

It was disappointing, but not unexpected, that with its program the government is hell-bent on proceeding down the path of making life a misery for more people in our community. Whilst many of these people are not visible in the community at this stage, they nonetheless are out there and it does not mean that they do not warrant some attention from people such as ourselves on this side of politics to defend their rights, to promote their cause and to see that they have the opportunities that others around us have and take advantage of in a very successful way indeed.

The government have created this notion that by lessening the conditions of employment of many people they will create more employment across the board. There is nothing to substantiate that that will happen. There is no precedent to show that weakening and lessening the conditions of some of the people in the work force in our community and making conditions below even the very basic standards that apply in awards are going to create employment at all. All that that will do is perpetuate an underclass in our society, an underclass that does not deserve this government.

Senator STOTT DESPOJA (South Australia) (12.41 p.m.)—I rise today to address a number of matters contained in the Governor-General’s address. One of the comments he made in his speech was that the government is committed to fostering a spirit of enterprise in Australia. One area of scientific research that has the potential to not only deliver new enterprises for this country but
also offer treatment for myriad diseases and conditions is stem cell research. While I acknowledge that the government has made significant investment into the stem cell research process in Australia through the Biotechnology Centre of Excellence, its commitment to this research is now under a cloud and certainly needs to be questioned as a result of recent developments.

During the recent United Nations debate on whether all forms of cloning or just reproductive cloning should be banned it seems that Australia cosponsored a draft proposal from Costa Rica that forbids the experimental use of embryonic stem cells. This appears to be at odds with previous representations by Australia to the United Nations on this specific issue. In October 2003 the Australian mission to the UN stated: Australia will therefore support proposals for a convention which would ban human reproductive cloning as soon as possible, but which leaves some flexibility concerning other forms of human cloning.

Madam Acting Deputy President Kirk, as you know, therapeutic cloning is currently illegal in Australia, but the impending review of the legislation—the Research Involving Human Embryos Act and the Prohibition of Human Cloning Act—will re-examine this issue, among many others I am sure, next year. Therefore, it is interesting that the government has supported the Costa Rican draft proposal, which allows no flexibility—a strange decision at this time. I am hoping that I can get some clarification from the government on this specific matter.

The second reading amendment that I moved to the Research Involving Embryos Bill, which established the recent ALRC investigation into gene patenting and human health, also called for the reviewers to consider and to comment on the ALRC report. The report recommended that the reviewers also examine the issues of the exploitation of intellectual property rights over stem cells when they consider the establishment of a national stem cell bank. Again, an amendment that I successfully moved during that debate related to whether or not Australia should consider—and it certainly should examine—having a national stem cell bank.

I understand that the terms of reference are still being finalised, but the intent of the Senate was very clear on this particular matter and I want to reinforce the importance of it. My amendment was agreed to by a conscience vote of the Senate, as noted by Senator Evans in his discussion of the amendment, and the minister should give greater weight to that second reading amendment, as the will of the Senate was very clear—arguably, more so than would perhaps normally be the case with a partisan second reading amendment. I look forward to the commencement of this review and to the announcement of its final terms of reference. The current legislation, while prohibiting therapeutic cloning, has allowed stem cell research to progress in this country, and we have seen the granting of several licences. The most recent licence was granted on 5 November to IVF Australia, who are working in consultation with the diabetes transplant unit at the Prince of Wales Hospital. I acknowledge that I have some involvement on that board. That will be the first public institution to derive new stem cell lines in its important research into the treatment of diabetes.

While the temptation is ever thus to talk about genetic privacy in the context of this issue, I will move on to another issue relating to privacy and one that also was in part of the Governor-General’s address to the opening of parliament the other day. In relation to the matter of national security, the Governor-General mentioned that the government intended to bring forward legislation to facilitate access to private SMS, email and voice-
mail communications without an interception warrant and establish a comprehensive surveillance regime. These measures, of course, represent just a small component of what I consider is an unprecedented, new assault on the privacy rights of Australians, an assault which incorporates widespread surveillance, intrusive identification measures, proposals for new data matching of personal information and the unregulated use of extensive databases by none other than political parties. I take this opportunity, therefore, to record my ongoing frustration at the way that both the Labor Party and the coalition continue to violate the privacy of Australians for their own political gain. While many voters were outraged at the receipt of a recorded voicemail message from the Prime Minister during the election campaign—

Senator Ian Macdonald—Don’t be so silly.

Senator STOTT DESPOJA—I am sure some appreciated it, but certainly it has raised incredibly dire issues of privacy rights and the use of electoral databases. But this is only one example—it is just mere example—of how political parties utilise the privacy of voters or are able to manipulate it in the context of an election campaign or any other campaign. Whether or not the people in this place want to deny it, there is now widespread evidence that political parties do rely on voter databases, and those databases contain very specific political views in relation to the voting habits of individual voters. I do not think anyone would dare deny it in this place. These databases provide a strong disincentive for some voters to participate in the democratic process, because every time they write a letter, make a phone call, send a fax, send an email or even ring up talkback radio they know that their views can be added to this personal file.

What makes these databases even more disturbing is the fact that voters do not have the right of access when it comes to being able to look at that information. They cannot actually look at the information that is contained about them in the databases or have the right of correcting it. These are fundamental privacy principles. They are what are enshrined theoretically in the Privacy Act that we have in this country, albeit the so-called soft, or light touch, regulation that we have in Australia. So voters are unable to access information, unable to check that it is right and unable to correct it, and that is a travesty in the context of privacy principles. It is almost impossible for voters to know what information is held about them and whether they are able to ascertain whether or not it is remotely accurate.

We have had attempts in this place to amend the Privacy Act in order to ensure that political parties, among others, are not exempt from those provisions, and those amendments moved by me on behalf of the Democrats have not been successful. But I think it is time for us to revisit that issue in the context of an inquiry or a debate in this place, and I think that, if people are so confident of those provisions, they should be willing to justify that more fulsomely than has taken place with regard to the Australian public.

I turn now to the issue of foreign affairs and Australia’s international relations. The Governor-General emphasised the importance of sustaining our strong alliance with the United States, which he said reflected the historical relationship between our two countries and our shared values. There is no doubt that Australia’s relationship with the US is important and that Australians and Americans share many values, but it is also important to point out that in recent years the United States has pursued some policies that have been inconsistent with Australia’s inter-
national obligations and that have been objectionable to many Australians. Many within the Australian community have had problems with some of the foreign policy agenda aspects of this government. For example, Australia proudly played a leading role in the establishment of the International Criminal Court, the ICC, but now it is negotiating an agreement, at the request of the USA, to grant US citizens immunity from prosecution before that court. As the alleged shooting of an unarmed Iraqi just this week, together with earlier evidence of Iraqi prisoner abuse, demonstrate, US citizens are just as capable of committing crimes against humanity as the citizens of any other country. Why are they, or we or anyone else exempt from that?

Meanwhile, Australians David Hicks and Mamdouh Habib—something that you, Madam Acting Deputy President Kirk, would know full well, as you have done a lot of work on this issue—continue to languish in US detention at Guantanamo Bay and will eventually be tried before a US military commission in a manner which, I think we can quite suitably argue, violates the most basic principles of not only our law but international law as well. It is difficult to understand why our government is willing to grant immunity to US citizens who commit heinous crimes while the US continues to violate the rights of two of our citizens. We have to acknowledge that. Here are two people who have yet to be found guilty—and may not be—of any offence, but these two people are our citizens and, whether the government likes it or not, it has an obligation to them. We are expected to trust America to bring to justice not only its own citizens but ours too.

I think Australia is paying a very high price—or at least it appears to be paying a very high price—to safeguard its relationship with the US at the moment. But do the benefits justify this cost? Perhaps it is time we took a very honest and frank look at exactly how Australia’s interests are being served by this relationship. I know that the government has attempted to polarise this debate—you are either for the US or you are against it—but it is not so simple. But it is not anti-American, or anti anyone else for that matter, to carry out a candid assessment of the extent to which the alliance is extending or benefiting Australia’s interests. In fact, it is among the foreign policy responsibilities of any government to undertake such an assessment. Of course our relationship with the US is important, but the way in which it is being nurtured by this government may actually be detrimental to Australia’s interests and security. A healthy relationship is one that is characterised by honesty, robust exchange and a bit of give-and-take, if you like, and we need to be vigilant to combat this government’s tendency to treat Australia’s relationship with the US as potentially a master-servant relationship rather than a firm and frank friendship.

One of the other issues to which I wish to refer today is the issue of women. That was a subtitle in the Governor-General’s address to us here on Tuesday. He said:

The government is committed to providing opportunity and choice for Australian women and will continue to build on its strong record in promoting women’s employment and participation in the workforce.

These are all commendable aims—do not get me wrong. I think they are not only laudable objectives but ones that we should all sign up to. However, we have to look at the facts as well. In Australia today we still have a number of outstanding issues that affect women, including unequal pay rates. We have a significant wage gap in this country between men and women and that is despite their doing equal work.
We still have one of the lowest work force participation rates for women among the OECD countries. We know that discrimination on the basis of pregnancy in the workplace has increased. We remain one of only two OECD countries without a scheme of national or paid maternity leave. Women continue to be underrepresented in senior positions, be that in business, industry or indeed in our decision-making bodies such as the parliament. While I acknowledge there are a record number of women in the cabinet, I am not going to get too excited. Three is a big number, but it ain’t big enough and it is certainly not equal representation. We know that women as single parents and mature age women face higher levels of poverty. We know violence against women is still prevalent.

All of us are sobered by the most recent domestic killing only yesterday in my home state of South Australia. It was a shocking attack in the Myer centre and just another of the reminders we get every week in this country that violence against women is still prevalent. A recent report commissioned by the federal government says services for victims of domestic violence are in a ’tragic state and getting worse’. So there is lots and lots to be done. While I appreciate the Governor-General’s comments, we have to ensure that these goals are met and that the rhetoric is matched with government action and, of course, resources.

I wish to put on record my concerns, and I am happy for the government and certainly Senator Patterson in her capacity to perhaps outline some of the plans that the government has, in relation to the Office of the Status of Women. As many in this place would know, the Prime Minister has announced that the Office of the Status of Women is to be removed from its central role of monitoring and coordinating policy in the Department of the Prime Minister and Cabi-
So where are the specific policies that will encourage women’s participation in the work force? The Governor-General certainly mentioned initiatives to help the unemployed, those on welfare and mature age workers, but there were no specific measures to assist women. I ask the government to address that particular issue.

The issue of work and family remains an outstanding concern for a number of Australians. I was glad to see that both the major parties had some commitments to this particular issue in their election platforms. But I once again put on record the fact that the OECD research and other research and surveys demonstrate clearly that Australia has some of the least family friendly policies for working mothers in the developed world. Once again, I reiterate the fact that we are one of only two OECD countries—the other of course being the United States—without a system of paid maternity leave. That means two-thirds of Australia’s working women do not have access to some form of paid leave on the birth of a child. That has to be something that this government seeks to address—I hope in the short term.

Evidence from countries in the OECD demonstrates that those countries that do provide support for working women actually have higher fertility rates than those which do not. Please do not get me wrong on this: I am not suggesting that family friendly policies necessarily lead to a fertility explosion or that it is one way of addressing the lower fertility rates that we have in Australia today, but I do think that is a basic issue of workers’ rights—the rights of women who are workers. It is not a benefit. It should be a workplace entitlement, not a welfare entitlement.

So, despite this data and the research, the government continues to not adequately address the needs and concerns of Australia’s working women in particular and women in general. I think moving the OSW into a different department is worrying because it risks defining the needs of women and issues of work force participation, skill shortages et cetera only within the context of the family and the community and not within any other context. There was an Australian Democrat amendment moved by Senator Bartlett to the address-in-reply motion earlier in the debate. I now seek leave to amend it in the new terms as circulated in the chamber.

Leave granted.

Senator STOTT DESPOJA—I move:
That the following words be added to the address-in-reply:

“, but the Senate is of the opinion that:
The Government’s failure to ratify the Kyoto Protocol, to take strong action to reduce Australia’s greenhouse emissions and to urge the United States of America to do likewise, is putting at risk international efforts on climate change”.

Senator JOHNSTON (Western Australia)—I thank you, Madam Acting Deputy President Kirk, for the opportunity to contribute to the address-in-reply debate being undertaken at the moment. I commence by congratulating those re-elected senators and those new senators elected at the last federal election who will take their place in the new year. I also congratulate reappointed and appointed ministers, parliamentary secretaries and of course re-elected whips. One of the clearest and most obvious areas where the government has an undeniable mandate for reform is the sphere of the commercial construction industry in Australia. The need for reform of this industry was evident as far back as 1990 when the then federal Labor workplace relations minister—and respected and moderate unionist and former secretary of the Western Australia Trades and Labor Council—Senator Cook said of the commercial construction industry:
Friends, this industry is going to have to bite the bullet at last. If this country wants to be efficient and productive, everybody has to undergo the reform process—and most especially an industry which has such pressing and demonstrable need for it.

Labor was in power for six years following that most accurate evaluation of the state of the industry and was, through all of that time, hostage to the corrupt vested interests of the then Builders Labourers Federation, the Building Workers Industrial Union and more latterly the CFMEU. The result of the appalling neglect of Labor in power was the entrenchment of high costs, corrupt work practices and low productivity in the commercial construction industry which we see today—a blight which every hardworking Australian pays for directly or indirectly in either their rents or their taxes.

That my account of the industry is true is supported by renowned economic consultancy and modeller Econtech. In 2002 Econtech research revealed that an arrest of inefficiency in this industry would result in a one per cent reduction in the national consumer price index. That is a most significant and alarming fact. Further to this, such reform would yield an annual direct saving of $2.3 billion with a GDP increase of 1.1 per cent and a rise in labour productivity of 10 per cent. In addition to this, we currently have a performance and productivity gap of 50 per cent against the performance of the commercial construction industry in North America, an industry with whom we are now in competition.

The government’s reforms will proceed for these and other very good reasons. They will proceed with the Labor Party being dragged along kicking and screaming. Labor’s ‘stand on the hose’ mentality will be to no avail and this realisation will come as a relief and to the satisfaction of long-suffering builders, contractors, state and federal governments, and the Australian public. They have all been paying through the nose for these outrageous industrial practices on commercial building sites in Australia. A further reason for reform has come from the CFMEU itself in the cries of its Assistant National Secretary, Mr John Sutton. He publicly complained that he feared notorious Sydney underworld crime boss Tommy Domican was getting a foothold inside the union. Mr Domican, who has been charged and subsequently cleared of several murders over a number of years, had apparently taken an interest in the supply to the industry of scaffolding and cranes. The Sydney Morning Herald reported widespread fear and intimidation within the industry in November 2000, saying:

“It’s a dirty industry,” said one source ... who said he had been approached to pay a bribe to a union official.

No-one spoken to by the Herald would go public for fear of physical or financial harm.

“I’ve got a wife and kids” and “I like my kneecaps the way they are” were constant refrains.

Further to this, in 2000 a senior CFMEU official was reported to have alleged that union delegates were engaged in a major corruption scam. The then state secretary of the union, Mr Ferguson, was reported to have referred a number of matters to police. The Sydney Morning Herald reported allegations of hundreds of thousands of dollars being paid to one senior union official for industrial peace, with the alleged recipient purchasing properties worth $721,000 during the period. Unionists were alleged to have pocketed cheques for sizeable sums which should have gone to contractors and subcontractors, to have demanded subscriptions of up to $25,000 for the union picnic fund to avert stop work meetings—and so the litany goes on.
Further to this, and more recently, Neil Mercer in the Sydney Morning Herald in March 2003 set out how a cleaning contractor on Sydney’s Angel Place project—a $200 million 35-storey development—was blatantly extorted of more than $54,000 in protection money. The Cole royal commission found that other contractors on the site had been hit for a total of some $460,000 in payments based on a threat of ‘no money, no contract’ from the union official involved. The union official involved was subsequently discovered to be the owner of a BMW, a Jeep Cherokee, a Harley Fat Boy, a Harley XLH Custom and a Commodore VT Executive sedan. These toys represented a substantial increase in his stable of motor vehicles during the period by contrast to the $1,400 green Toyota ute registered in his name in 1998. These examples are just the tip of a huge iceberg, providing justification as to why the Cole royal commission was conducted and why the government must act.

I might add that the ALP in this place has resolutely stood in the way of such reform. There are just too many snouts in the trough and too many beneficiaries.

The Labor Party’s capacity to condone and protect the CFMEU and to resist reform is now legendary. Many of the matters I have referred to were raised in and were the subject of a New South Wales royal commission conducted by Roger Gyles QC which, like the Cole one, disclosed a litany of corrupt, criminal and unproductive work practices and which led to the establishment of a building industry task force in New South Wales in the early nineties. The task force was promptly shut down by the Carr government immediately upon its coming to power in 1995. The very same thing happened in my home state of Western Australia when the Gallop government came to power in 2001, which brings me to the outrageous situation in my home state of Western Australia. Immediately following Labor’s election to power in WA in 2001, we saw ‘no ticket, no start’ banners on all commercial building sites in Perth. Immediately upon confirmation that the Howard government had been returned in the 2004 general election with an increased majority and control of the Senate, WA union heavyweight and CFMEU secretary Kevin Reynolds publicly declared war on the Howard government. Such is the power and professed invincibility of this union despot! Even as I speak the CFMEU’s national executive is meeting in Perth today, plotting and formulating strategies to combat the federal government’s plan to bring their industry into the 21st century.

So what is the CFMEU’s modus operandi in WA? The best lurk is a $16 per employee per week training levy imposed on construction companies. This money is imposed through the union EBA and yields the union somewhere between $1.5 million and $3 million annually. The training levy is a cash cow allegedly for the Construction Skills Training Centre, located in Welshpool, one of Perth’s eastern suburbs. The levy allows the CFMEU to employ up to eight union officials notionally identified as ‘trainers’, each with a vehicle. The general industry perception of the Construction Skills Training Centre is that it does very little, has very few qualified personnel and provides accreditation upon request with no surveillance or scrutiny by any objective third party.

The hopelessly politicised WA Department of Education and Training turns a blind eye to this scam as being politically sensitive. Indeed, during the recent Employment, Workplace Relations and Education References Committee inquiry into the building industry, a number of important revelations emerged. Firstly, the WA CFMEU secretary, Kevin Reynolds, had considerable difficulty in answering one particular question. I asked him whether he believed in and accepted the
rule of law. I would have thought that this would have been one of the most fundamen-
tal questions ever asked by an Australian senator of a union official. It took at least 20
seconds for him to bring himself to finally say that he did—but it was a battle. Sec-
ondly, I asked Mr Reynolds why he and his union delegates on the WA ALP’s state ex-
ecutive sought to defeat and prevent the pre-
selection of the ALP member for Armadale and state minister, Ms Alannah MacTiernan.
I believed this was a legitimate question as to the extent of the union’s power over my
state’s elected state representatives, particu-
larly within the labour movement, namely Labor Party state members. But guess what?
The chair of the committee, seeing where matters were leading to, quickly stepped in
and overruled the question as being outside the terms of reference, so a senator was not
permitted to explore in a Senate inquiry the extent of control of an elected parliamentary
representative in a state parliament, some-
thing the Labor Party wants to keep from the public.

This was a significant tick for union soli-
darity, patronage and protection by Labor senators in this place but a mighty blow to
justice and truth in disclosing the contempt the CFMEU has for elected members of par-
liament and what happens to those MPs that do not do the union’s bidding. Even more
contemptuous has been the conduct of WA’s CFMEU assistant secretary, Mr Joe McDon-
ald. This official epitomises what it is to per-
petuate union thuggery and standover tactics. His inglorious record speaks volumes for his
and his union’s contempt for the rule of law.

Recently he has been responsible for causing disruption on several Perth construc-
tion projects, including the Perth to Man-
durah rail project, the East Perth Terrace Road apartment complex, the Burswood Ho-
tel site and the Ellenbrook Shopping Centre, all with the acquiescence and blind eye of
the state Labor government. In July of this
year he was found to have wrongfully and illegally stopped a concrete pour on a Perth
construction site and was formally ordered
not to enter work sites. His response was to
declare that it was ‘business as usual’. Less
than two hours after the WA Industrial Rela-
tions Commission handed down its decision,
McDonald entered a work site and held a
stop-work meeting to inform the members of the decision—so much for contempt of court
and the rule of law. McDonald had previ-
ously been banned from federal work sites in
2001 for acting improperly. He was quoted
in the West Australian newspaper as saying,
just after he was banned by the court:

“Builders shouldn’t be having wet dreams about this because it hasn’t changed one thing. Nothing
has changed for me. I will still be servicing the
members at the coal face.”

Utter contempt for law—that is what the
CFMEU brings to the party. So he is back on
work sites in flagrant contempt of the court
ruling, and Labor in WA and indeed in this
place does nothing. The state Premier, Dr Gallop, has deliberately appointed a weak
and ineffectual minister in John Kobelke to
oversee industrial relations. Kobelke is an
apologist for union lawlessness and is kept
on as a convenience by the faceless union heavyweights who in reality control the La-
bor Party agenda in Western Australia.

Melbourne and Perth are the leaders of
this CFMEU commercial construction indus-
try anarchy. At Senate estimates this year a
nexus was identified between Melbourne’s
spate of gangland murders, police corruption,
organised crime and building industry trade
unions. Dominic ‘Mick’ Gatto, who is cur-
rently in custody on remand, has been a
prominent member of Melbourne’s commer-
cial construction industry. Nigel Hadgkiss is
one of Australia’s most respected and es-
teeomed crime fighters and is currently the
Director of the federal government’s Build-
In discussing lawlessness in the building industry at estimates, he nominated Melbourne and Perth as the worst cities. Director Hadgkiss further confirmed that in his view there were clear links between organised crime and building and construction unions in Victoria. Gatto is on remand for the alleged murder of a suspected Victorian hitman, Andrew ‘Benji’ Veniamen, in March this year. At or about the time of the killing, Gatto was apparently dining with associates, one of whom was Ronald Bongetti, a director of the Gatto company, Arbitrations and Mediations Pty Ltd, which apparently settles disputation in the commercial building industry. The Cole royal commission investigated Gatto’s involvement with a consultant who had been paid $250,000 to negotiate with building unions. Gatto was later quoted in the Age as saying: “Mate, I’ll join arm in arm with the union and fight them—

I take it that the ‘them’ is the Cole royal commission and the government—

all the way. The people of the union are beautiful people.”

I will tell the Senate a little later how beautiful they really are! Bob Bottom in the Sunday Age said that Gatto has links to Tom Domican, a former branch stacker and numbers man for the ALP in New South Wales, and to one of Perth’s Mr Bigs, John Kizon, who was a pallbearer at the funeral of Alphonse Gangitano, one of Gatto’s closest mates who was gunned down in Melbourne, commencing that city’s underworld crime war. They are all tied up in the commercial construction industry and all tied up and being protected by ALP parliamentarians.

But, more widely, this industry is peppered with union violence, often directed between officials as they fight and squabble over the spoils of their influence and power. In Melbourne last year two building union officials were in their Carlton office when every window in the building was shot out by a drive-by shooting. Very soon thereafter further shots were fired at the Swanston Street headquarters of the CFMEU, with bullets being fired throughout the building.

The Secretary of the AMWU, Mr Doug Cameron, has twice in the last two years been assaulted at his home. I put it to Mr Cameron, who appeared before our committee, that this was not a matter of him parking his car on a neighbour’s verge or having a tree overhanging one of his neighbour’s fences—in other words, not a domestic dispute—and that this was about industrial muscle and intimidation and threats against him, because he was the secretary of AMWU. His response was to say, ‘I don’t know. I have reported it to police and I don’t want to be drawn on what the reason is.’ Everybody knows what is going on and Labor seek in this place to defend it or cover it up. If they had any sense of decency they would pass the government’s legislative amendments to fix up this industry. What about Paddy McCrudden, a Victorian member of CEPU, who suffered severe facial and other injuries and spent nine hours in the emergency department of the Geelong Hospital after being viciously assaulted at a union strategy meeting? What about Peter Harris, a CFMEU member, who required several stitches to a deep facial wound as a result of a union related assault in Newcastle last year.

Lastly I bring to the attention of the Senate an act of gross hypocrisy and bastardry that has caused me great concern. The Employment and Workplace Relations References Committee inquiry received a submission from a well-known Australian religious fraternity called the Christian Fellowship Brethren. The brethren are an industrious, hardworking, good-living network of building contractors who have been given statu-
tory exemption from membership of both employer and employee associations and unions based upon their Christian religious conscientious objection. This exemption is in conformity with and pursuant to the terms of the federal government’s Industrial Relations Act.

Given the professed and often shrill predisposition to human rights and ILO conventions of Labor and the unions, you would think that a religious based contractor who on religious and human rights grounds had been given statutory exemption would be above union thuggery, extortion and standover. Not so. The evidence to our committee was that these good people are constantly harassed, bullied, coerced and victimised by CFMEU hard cases. These are men who knowingly understand the exemption and grounds therefore—grounds they choose to ignore and seek to circumvent. They are men who pay lip-service to human rights and labour conventions when it suits them but who will ignore all of those high-minded principles, covenants and conventions if they need to put the squeeze on a nonconformer—and that is what they did to these Christians. This is just disgraceful, un-Australian and another example of the depths which these union thugs in the commercial building industry will plumb. And, of course, Labor defends them.

The government will clean this industry up, and senators opposite should be in no doubt about the outcome. I remind them of the conduct of wharfies and their various unions, including the MUA, Waterside Workers Federation and the infamous Painters and Dockers Union since the beginning of the Second World War in this country. During World War II stevedoring unions were so anarchical and bloody minded that they sabotaged Australian military campaigns and regularly delayed and disrupted vital supplies to our soldiers fighting in New Guinea and elsewhere in the Pacific theatre. I had to check on my facts to come to the full understanding of the sort of length and breadth of the bloody mindedness of these people—to believe that they actually sabotaged our efforts of defence in our hour of need.

In 2001 the Federal Court found that the MUA had been extorting ship owners for years in a ships hold cleaning scam where ships were prevented from leaving Australian ports until thousands of dollars were paid for work never carried out. The union was fined $150,000 and a permanent injunction was granted restraining them from further harassment or coercion. Accordingly, Australian ports had one of the poorest comparative international performance levels in terms of ship turnarounds throughout the 1990s. While hard-working Australians were adapting to the global economy and increasing their productivity during this time, waterfront unions were living high on the hog, oblivious to the needs of exporting Australians and to the detriment of all save themselves.

The government cleaned that mess up. Granted, it took time and was done without the benefit of the support of the Senate in terms of numbers, but the clean-up job was done. Can I assure you, Acting Deputy President Kirk, that the job will be done again in the commercial construction industry. The job will be done and we will clean up this blight on our industrial relations record. For Australia to be truly competitive and to reach its full potential in the global marketplace, the reform of the building industry must occur. If it means dragging the Labor Party and its union master kicking and screaming into the 21st century, then so be it.

Senator HUTCHINS (New South Wales) (1.20 p.m.)—I would like to commence my contribution this afternoon by thanking the
Governor-General for his speech. I agree with the Governor-General that the government should use its mandate wisely. However, I am concerned that the government is more concerned about its mandate than the accountability that comes with governing our nation. I would also like to thank the people of New South Wales for returning me, John Faulkner and Michael Forshaw to the Senate. We were fortunate to be returned as three out of the six from that state. The only other state where the Labor Party had three out of six was South Australia. This afternoon I think it is appropriate that I comment on the rise of a new political party and also comment on some of the tactics that the Liberal Party used in last federal election in the seat of Greenway.

The Australian public need to hear the public policy implications that will now occur following the election of a Family First senator and what that election means for the relationship between religion and the state—as we will find when that new senator attends here. I am not sure what sorts of public policy debates we will be treated to but I hope we do not get treated to creationism from time to time. It is not something that I know a lot about; maybe there are others in here that do.

We should not be surprised that the Prime Minister has spent so much of his time meeting with Pentecostal groups. He has already opened the multimillion dollar Hillsong Convention Centre in Sydney and the Treasurer addressed thousands of Hillsong conference people in the election year. I might add that the Treasurer’s brother, the Reverend Tim Costello, remarked in relation to Hillsong:

The quickest way to degrade the gospel is to link it with money and the pursuit of money. It is the total opposite of what Jesus preached. These people have learnt nothing from the mistakes made by the American televangelists.

Peter Costello has been doing the rounds of a number of Pentecostal circles lately. One of the most memorable was his speech to the Christian group Catch the Fire Ministries. It was this same Christian group, Catch the Fire Ministries, that found themselves in trouble for vilification when their Victorian leader and Family First candidate for the Victorian Senate, Danny Nalliah, urged his followers to ‘pull down Satan’s strongholds’ such as mosques, Freemason, Buddhist and Hindu temples, brothels, bottle shops and gambling places.

When Kevin Rudd announced that we should be referring to Family First as the Assemblies of God party he was not far off the mark. In 1977 Pastor Andrew Evans, founder of Family First, took control of the Assemblies of God in Australia. At that time the Assemblies of God was a struggling denomination. Evans spent the next 20 years turning the church into one of the fastest growing denominations in the country. By the time Evans resigned in 1997, membership had exploded by 13 times the original number. Evans handed the denomination over to Brian Houston, chief pastor of Hillsong, who continued to grow the denomination, particularly in Sydney’s hills district. Andrew Evans left the national operation of the Assemblies of God in 1997 only to resurface in 2001 at the launch of his new venture, the formation of the Family First political party. Evans was elected into the South Australian upper house only to extend the party across the nation to contest the 2004 federal election.

Family First deny that they are a front for the Assemblies of God; however, the details speak for themselves. Pastor Andrew Evans, founder of Family First, has served for 30 years as the pastor of the Klemzig and Paradise Assemblies of God congregations. He was the Assemblies of God national leader for 20 years and at one time was the Assem-
bles of God world secretary. The current
leader of Family First, Andrea Mason, is a
member of the Paradise Assemblies of God
congregation. Family First’s candidate for
the Queensland Senate is also the Assemblies
of God national vice-president. He has been
a pastor for 30 years and is also the founder
and chairman of the student college at Ever-
ton Park run by the Assemblies of God. Peter
Harris is currently serving as the federal
party chairman of Family First and is also a
highly active member of the Paradise As-
semblies of God congregation. He is also a
partner in Business Generation Ministry In-
ternational with Jeff Penny, who is Family
First’s Queensland co-ordinator. BGMI is a
Family First based business that aims to tap
itself into the multibillion dollar Christian
business world. Of the Family First national
executive, almost half of the members attend
the same Assemblies of God church. Any
claims that Family First make about not rep-
resenting the Assemblies of God are, in my
view, not correct.

The current national leader of the Assem-
blies of God, Pastor Brian Houston, has re-
fused to be upstaged by his predecessor in
terms of political involvement. There is a
clear split in the approach by the Assemblies
of God to enter politics. Andrew Evans fa-
vours the establishment of a separate Assem-
bles of God political party whilst Brian
Houston prefers to work within the Liberal
Party. Both were successful in the recent
federal election as both houses of parliament
are being represented by their denomination.

In this year’s federal election, the Hillsong
church threw its support behind their own
candidate in the marginal Sydney seat of
Greenway. The Prime Minister was so im-
pressed by what he saw at Hillsong that the
Liberal Party was quick to overthrow a rank
and file preselection and invite Hillsong
member Louise Markus, who was not even a
member of the Liberal Party, to represent
them. From that moment on, estimations
have been made that the Liberal Party spent
over a million dollars on the campaign.
However, it was only three years earlier that
the local candidate had to beg the New South
Wales Liberal Party to provide him with
$40,000 to contest the 2001 federal election.

The Liberal Party campaign in Greenway
not only had the funds; it had the supporters,
as volunteers flooded the area, who were not
afraid to deny that the Hillsong church had
sent them. The Hillsong congregation were
also encouraged to support and to pray for
the Family First Senate candidates for New
South Wales. In the Greenway campaign we
witnessed the most disturbing aspect of this
new trend in Australian politics. Eddie Hu-
sic, a hardworking local Labor candidate was
targeted during the election because of his
Bosnian Muslim heritage. Residents awoke
the day before the polling to find their letter-
boxes crammed with a flyer with a fake ALP
logo emblazoned with a photo of Ed and the
slogan ‘Ed Husic is a devout Muslim, Ed is
working hard to get a better deal for Islam’. I
have a copy of that document here.

The pamphlet was professionally designed
and printed at great cost by a party desperate
to win votes on the eve of the election. As we
all know, the Greenway campaign had one of
the tightest of margins in the country and the
direct beneficiary of this pamphlet was the
new Liberal MP for Greenway, Mrs Louise
Markus. This sort of campaigning should
have no future in our country. I hope that in
the next three years Louise Markus will work
hard to heal the un-Australian sectarianism
that has occurred in Greenway.

So what are the beliefs driving the Family
First Party? Hillsong, part of the Assemblies
of God base, clearly state on their introdou-
tyory website, ‘Jesus Christ came from
Heaven and earth to bring life more abun-
dant.’ That was from John 10:10. Jeremiah 29:11 says:

... God gives expression to His heart towards humanity—

and further—

For I know the thoughts and plans that I have for you, says the Lord, plans to prosper you and not to harm you, plans to give you hope and a future.

The asset-rich Hillsong denomination draws upon the popular American Pentecostal trend of tithing to fill the church coffers. The Assemblies of God in Australia also encourage this practice. The Internet is full of sites outlining people’s complaints about Assemblies of God pastors pursuing individuals for money. There are also many young people on the Internet who defend Hillsong and the Assemblies of God on the grounds that ‘prosperity preaching’, once applied to life, provides financial rewards.

Also evident in Australia are accounts of pastors putting pressure on individuals to increase their tithes to more than 40 per cent of their incomes. Some evangelical pastors have also been known to link salvation and the afterlife with their ability to increase tithes. Tithes are the most abused Christian financial practice in this country. It is for this reason that the mainstream Christian denominations such as the Catholics and Anglicans refuse to be involved in this practice. Pentecostal churches, such as Hillsong and the Assemblies of God, have been known to force tithing upon their congregations if they wish to be actively involved in practising their faith. This is an abuse upon individuals that the mainstream Christian churches see as an outdated Old Testament practice that has no relevance in the following of Jesus Christ. Most Christians do not see their entrance to heaven as a financial investment or a one-off transaction, and any faith that proposes salvation as such is ignoring the very foundations of Christianity.

I draw attention to some mainstream religious leaders who have expressed concern about Pentecostal practices. Cardinal Pell of the Catholic Church has recently said that there is nothing in the gospel to say that if you followed Christ you would be more prosperous and successful. He said:

We know from Christ’s teachings that riches are no great advantage in moving towards heaven.

Anglican Archbishop Ivan Lee has also expressed concern that the extreme emotion of Hillsong services could be manipulative, saying ‘the worship is in danger of being experience centred rather than Bible teaching centred’. With the election of a Family First senator, the church and state are no longer separate entities. I try to practise my religion as best I can; however, I would be disturbed if my church, the Catholic Church, was exclusively represented by a political party. The strength of our democracy is that it is inclusive and not sectarian.

Family First need to come clean to the nation and reveal their agenda and policies rather than hide behind the smokescreen of their pro family rhetoric. Given the Prime Minister’s cultivation of the Pentecostal vote, it is time that the Prime Minister was accountable for his dealings with Family First so that he can help reinforce the continued separation of religion and the state. The Prime Minister has invested too much in the Pentecostal churches to avoid scepticism. I look forward to asking our Prime Minister in three years time if the price was right.

**Senator Barnett (Tasmania) (1.33 p.m.)—**For a moment during the lead-up to the United States elections I felt this uncanny experience of deja vu: same style and margin of victory, same identities, same issues and the same lessons learned less than a month before when John Howard thrashed Mark Latham at the polls. Naturally some of the comparisons were obvious: two conservative
leaders, seemingly divided community opinion, a steady and buoyant economy, the terrorism threat and national security. Both George W. Bush and John Howard won by handsome margins. In percentage terms, President Bush won by 51 per cent to 48 per cent and Prime Minister Howard by 52.75 per cent to 47.25 per cent. The Republicans increased their vote in both houses of congress and retained control of both houses while in Australia the coalition increased its majority and regained control of both houses of parliament for the first time in more than 20 years. Both leaders faced a challenge by opponents who ran vigorous but failed campaigns against the incumbency of Bush and Howard. These opponents also enjoyed the fascination and at times considerable support of the mass media, and both were still resoundingly defeated.

Why? Like the coalition in Australia, the Republican Party in the United States won control of both houses of congress because, like the Australian experience, a clear majority of voters in the United States knew who to entrust their support to on issues such as the economy, national security, the fight against terrorism and moral issues. In both Australia and the United States the elections have demonstrated a complete failure of the Left in mainstream politics to produce and promote policies, governance and a leadership style which are broadly acceptable to the majority. The issues, however, were similar. In the US elections, the issue of gay marriages and gay adoptions took their place along side the economy, national security, world terrorism and Iraq. One report showed that 22 per cent of US voters put moral issues as the most important. These same issues resonated with Australian electors. In all of the 11 state based referendums on gay marriage in the United States, they received a resounding no. The Democrat candidate, Senator John Kerry, even though a Catholic, was seen as soft on the issue.

Likewise in Australia, the ALP was and still is split. It initially refused to support government legislation to ban gay marriage. The strength of feeling within the church and in middle Australia was and is underrated. You know where John Howard stands, but Mark Latham is equivocal. Those general issues resonated with both US and Australian voters. The healthy condition of the economy in both countries became a massive hurdle against the voters either changing horses or opting for unknown quantities. In the US last month unemployment was 5.5 per cent, while in Australia it is currently 5.6 per cent. In the US, growth in GDP stands at 3.7 per cent, while in Australia the forecast for 2004-05 is 3.5 per cent. Inflation in the US is around two per cent and in Australia the May budget forecast for 2004-05 is also for two per cent inflation.

Against these signs of strong economies with low interest rates the challengers had neither credible arguments nor credible alternatives. They certainly had little scope for philosophical flexibility and versatility. Both Mark Latham and Senator John Kerry suffered from well-founded accusations of being complicated individuals who were fickle and made flip-flop decisions. Both Latham and Kerry suffered from their equivocation over Iraq and the need to finish the job—and even Hillary Clinton voted to support the war in Iraq.

George W. Bush and John Kerry each had a war chest of more than $400 million. John Kerry’s was thanks partly to his wealthy wife. In Australia the ALP enjoyed an historical advantage of funding from affiliated unions, which has allowed the party to at least match or outspend the coalition in election campaigns. The parity of funding between the two American contestants and La-
bor’s inherent advantage in Australia was still not enough to produce close contests. In short, the Left in both countries was routed at the hands of two disciplined parties with leaders who stuck by their policies and core values while exuding a leadership style that was both reliable and resolute. John Kerry flip-flopped over Iraq, initially voting against it and then for it. Similarly, Mark Latham pulled a shallow stunt of a policy by saying that he would bring Australian troops home from Iraq by Christmas. This policy had no bearing on the reality of the Iraq conflict. It was a crude Whitlamesque exercise based on the decision to ‘bring home’ Australian troops from Vietnam in 1973.

According to newspaper reports, Mark Latham even poached cliches such as ‘ease the squeeze’ and ‘ladder of opportunity’ from the Democratic Party in the US. John Kerry was seen as weak on terrorism and national security. Mark Latham flip-flopped over issues such as the Pharmaceutical Benefits Scheme when Labor dropped its two-year opposition to an increase in co-payments. This was sheer electoral expediency which was exposed on another front when Latham dramatically flip-flopped over the environment and betrayed Labor’s own constituency by telling timber workers in Tasmania what they wanted to hear on one day, and then telling environmentalists and the Greens what they wanted to hear the very next day.

The moral of the story from both elections is one about leadership. John Howard and George W. Bush may be hated by the Left and ridiculed by cartoonists but they are in no doubt about what they both stand for. They are resolute, they share commonsense values and they are prepared to stay the course with tough decisions when they believe it is in the country’s best interest. Such qualities, especially proven qualities, are untroubled by the challenge from opponents who might debate well and remember their lines.

I find the US presidential elections a fascinating celebration by Americans of their culture and their democracy. They certainly know how to make an election a major entertainment event. At the Tuesday, 2 November US election, Americans chose not just a president, but one-third of the 100-member senate, all of the 435-member House of Representatives, most of the 7,000 state members of congress, 11 of the 50 state governors, and thousands upon thousands of local mayors, councillors and officials. But there is more—much more. Americans also elected school board members, the boards of fire departments, county auditors and, in many states, the local sheriff. Then there were the judiciary, county court, appeal court, and state supreme court justices. Washington political consultant Earl Bender says that the US has more than 170,000 elected officers. According to one report there are at least 83,000 units of government in the US. The US founding fathers designed the system this way to ensure power devolved down to the people rather than being centralised in Washington, DC. With so many elections on one day the political party on the ascendancy in the race for the White House could expect a certain amount of this popularity to flow through the system down to local governments and counties. This is the winner-take-all capacity built into the US electoral system, and the recent elections reflected this capacity.

On funding the election campaigns the story was always big. One recent report estimated the cost of the elections, plus the referendums that go with them, to be $US3.9 billion, or $A5.3 billion. The Centre for Responsive Politics said it represented a 30 per cent increase on the cost of elections held four years earlier. US politics requires big money, big donors and big IOUs. A standard
Senate campaign cost over $5 million in 2002 and a House of Representatives campaign cost around $1 million. A New York Senate race cost an estimated $28 million and in California the cost was $20 million. The bigger the state, the higher the cost. In the House of Representatives approximately $8.5 million was raised in Texas District 32 and $5.7 million was raised in South Dakota District 1. Interestingly, in 2002, 98 per cent of the House of Representatives incumbents won and 85 per cent of the incumbent senators won. US elections are held every two years on the first Tuesday after the first Monday in November. Presidents and state governors are voted in for four years; senators, federal and state, are voted in for six years, as in Australia; and members of the House of Representatives, federal and state, are voted in for two years.

I campaigned for former Republican Governor Jim Rhodes in Ohio in November 1986 when I was working with the Taft law firm in Washington, DC. My boss was former Republican Senator Bob Taft Jr, whose father was ‘Mr Republican’, also a senator. His grandfather was William Howard Taft, the US president from 1908 to 1912. President Taft was responsible for introducing income tax and, as the largest President in history, for getting stuck in the bath at the White House. My boss’s son is Bob A. Taft II, current governor of Ohio.

The US places a limit of two consecutive terms, or eight years, on presidents and governors. Former Governor Rhodes from Ohio created history by winning two terms, having four years off, then winning two more terms. Then, after having another four years off, he attempted another term and lost. As you may have noted from the TV coverage, the US campaigning techniques are far more in-your-face than in Australia. There are huge rosettes and buttons on lapels and megaphone politics in the streets. Pre-recorded phone calls from politicians are commonplace. Australians are far more guarded. Australians put up with a few weeks of hard and heavy campaigning and being bombarded with TV and other media advertisements as well as heaps of direct mail. The US public, however, have to endure up to two years of campaigning for the presidential elections, with the campaign proper going for at least three months following the national conventions of each party.

The US presidential campaign will cost the protagonists and their allies the equivalent of the entire budget of my home state of Tasmania, just for advertising, direct mail and travel costs. In 2004 we saw the first billion dollar—US dollars—presidential campaign. According to one report, President George W. Bush raised $US360 million and Democrat candidate John Kerry raised $US320 million, and a further $US450 million was raised by associated entities and what are called political action committees or PACs. A recent article noted that 50 per cent of the campaign budget was spent on advertising and that the bulk of the remainder was spent on direct mail and travel related costs. In addition, an estimated $US200 million of the campaign expenditure is taxpayer or publicly funded, and this includes funding for the Republican and Democratic national conventions. These are the party conventions that formally choose their presidential and vice-presidential candidates. Every state has a certain number of delegates. The conventions these days serve as a public relations fiesta designed to ‘sell’ the candidates and their policies and to energise the campaign. Thankfully, in Australia you do not have to be a millionaire or have big-money backers as they do in the US. It does help if you are a sporting hero, pop star or cultural identity. Australians appreciate being able to relate to their MPs in a genuine way.
So many people ask me how the US electoral system works. In Australia it is compulsory to register to vote, and given that less than six per cent of Australians vote informally this shows how compulsory voting has successfully encouraged engagement with our political system. Unlike Australia, voting in the USA is voluntary. In 2000, 54.5 per cent of the voting age population turned out to vote, and only 49 per cent in 1996. In the 2 November election the voter turnout across the US was much better than expected and was closer to 60 per cent. Contrary to public perception, the US President is elected not directly by the people but via what is known as the electoral college. Each of the 50 states in the US has electoral college votes equal to its number of senators, which is two per state, and its number of members of the House Of Representatives, which depends on the size of its population. For example, California has 55 electoral college votes, while the seven smallest states and Washington, DC have only three. So 100 senators, 435 members of the House Of Representatives and three representatives from Washington, DC make up the 538 electoral college votes. Thus, a majority of 270 is required to win.

The candidate who wins the popular vote wins all the electoral college votes in that state. The electoral college voters are real people who cast their 'electoral college' votes on 13 November, by convention according to how they were chosen from the popular vote. Historically, none of these people have ever broken ranks and voted for the other candidate, but if they did it would no doubt spark some sort of constitutional crisis. This is the ‘winner takes all’ system. Although Democrat Al Gore won the popular vote in 2000, with 48.4 per cent to George W Bush’s 47.9 per cent, he lost the election because Bush won a majority of the electoral college votes, with 271 to 266. This has occurred on three other occasions in US history: John Quincy Adams in 1824, Hayes in 1876 and Harrison in 1888. This system encourages the presidential candidates to focus their efforts on the major city or population centres in each state that are marginal or ‘not in the bag’. Not since 1960, when Richard Nixon visited every state, has this occurred, and he lost anyway. Clearly it would not be a clever use of time. Similarly, in Australia it is the marginal seats that receive the most attention. The winner of the election is inaugurated, officially takes office, on 20 January following the election, in this case 20 January 2005.

In Australia public funding was first introduced at the federal level in 1983 by Labor Prime Minister Bob Hawke, with the support of the Liberal Party. Funding for the political parties some years ago doubled from $15 million to $30 million per election. In 2001 the parties received $1.79 per vote, and in 2004 they received $1.94. The total amount paid to eligible candidates for the 2001 election was $38.5 million.

Australia has to some degree followed the US experience because, more than ever, the contest is promoted by the media as a gladiatorial battle between two protagonists, as seen in the 9 October elections between John Howard and Mark Latham. I do not think that presidential style elections are necessarily a good thing. I believe that policies rather than the charisma or otherwise of one person ought to be the defining criteria for ballot box appeal, but I expect that with the mass media mentality prevalent in both countries it is here to stay. Thankfully, voters in Australia tend to judge contestants by their policies at least as much as by their personalities. From the time he was elected as Leader of the Opposition, Mark Latham was afforded celebrity status in the media by journalists who wanted a contest, a change of government or both. The media swallowed his political message of being the youthful agent of
change while happily portraying the PM and the coalition as being on the reform backfoot. Thankfully, voters did not buy this superficial hype and the better leader, the better team and the better policies won the day. As I have argued, they got the same result in America—for similar reasons.

Senator CROSSIN (Northern Territory) (1.50 p.m.)—I am pleased to have this opportunity this afternoon to begin my contribution to the address-in-reply to the Governor-General’s speech following the federal election on 9 October. I begin by saying that I have always felt it very humbling and a privilege and an honour to be elected to the Senate. It is times like this when you reflect and think that it is quite an opportunity to be one of only 76 people out of the nearly 10 million people who voted nationally to be able to represent your constituency in a place like this. So I do want to begin by again thanking the people of the Northern Territory. This is the third federal election I have faced and I want to pay tribute to the people in the Northern Territory, and particularly my constituents on Christmas Island and Cocos (Keeling) Islands.

As a result of this election, we have seen a swing to the Labor Party in the Northern Territory in the Senate spot—a swing of 2.15 per cent compared to a swing of only 1.33 per cent to my opponent in the CLP. I also want to take this opportunity to pay tribute to my colleague Warren Snowdon, who managed not only to retain his seat of Lingiari but to retain it with an overwhelming majority by getting more than 50 per cent of the primary vote. I also want to use this opportunity to acknowledge the work of our candidate in the electorate of Solomon, Jim Davidson, for the contribution that he has made to both the party and the people in Solomon and also personally in the time that he spent as a candidate.

The opening of parliament on Tuesday was, I think, another missed opportunity for this government to acknowledge Indigenous Australians. The opening of parliament provided a great opportunity to hold out a hand of reconciliation to Indigenous people and to include them in part of the ceremony. I remember in my contribution to an address-in-reply debate some years ago mentioning when Clare Martin’s first Labor government was elected in the Northern Territory. What a fabulous day it was when, for the first time ever, Indigenous people were invited onto the floor of the parliament and opened parliament along with Clare Martin and the Labor Party. They participated in their own spiritual and ritual way and contributed to the opening of the parliament on that day. It is something that people in the Northern Territory have never forgotten. It was a huge symbolic sign of reconciliation, and I think it made the opening something special.

When I think back to Tuesday, I do not particularly remember anything special about that day. There was nothing different from the opening of parliament following the 2001 election or following the 1998 election. It is another missed opportunity by this government to actually acknowledge Indigenous Australians by involving them in the opening of parliament—no didgeridoo, no flag flying, no senior Indigenous leaders here in this gallery to enjoy that moment with us.

But of course in the new Howard ministry the title of ‘reconciliation’ has just vanished, disappeared—amazing, really, when you think that after the 2001 election that was the platform on which this Prime Minister said he would base his following three years work. In fact he went to great lengths to mention his agenda for reconciliation, yet three years later we find that it is off the agenda and not even mentioned in the title of one of the ministers.
I will turn to some of the events of the federal election. In relation to Lingiari, I think the endorsement of both Warren Snowdon and me shows overwhelmingly that Indigenous people have again supported the policies of the Australian Labor Party when it comes to Indigenous affairs. Quite clearly, in the lead-up to the election we know that Indigenous people were telling us they did not like the new agenda of Indigenous affairs under this government. They wanted a nationally elected body. They wanted the mandate, to speak on their behalf, to be given to Indigenous people in this country. They did not endorse an Indigenous advisory council appointed by the minister. They have no problem with senior Indigenous leaders with expertise in their field advising ministers in particular portfolios or even being on a national body—but not solely being the appointees of a national body. Perhaps, as the people in North Queensland said to us during the Senate Select Committee on the Administration of Indigenous Affairs inquiry, they endorse standing side by side with people who are nationally elected but to totally disregard the will and voice of Aboriginal people was not something they could endorse.

There are nearly 25,000 Indigenous people on the roll in the electorate of Lingiari, and it is interesting to note that only about half of those people voted. I think that goes to a number of issues. I think it reflects the fact that this government has abandoned the information and education section of the Australian Electoral Commission, so it makes it a much more difficult task to get Indigenous people on the roll and teach them about the voting system. It also means that although the Australian Electoral Commission does a great job—and I want to say a bit more about that in a moment—it is very difficult for Indigenous people to vote. If they are not actually at their outstation or community on the day the mobile polling system arrives, they can miss out. That is unfortunate, and perhaps we need to be a bit more creative in thinking about the ways we can ensure that Indigenous people get an opportunity to vote, given the nomadic nature of their communities.

That leads me to say that, certainly in the Northern Territory, I thought the Australian Electoral Commission had done a terrific job this time. They started mobile polling two weeks out from the date of the federal election on 9 October. They managed to get to over 200 communities, if my memory serves me right. I travelled with the mobile polling in the week before the election and went to communities of only 28 or 42 people. I do believe that we have one of the best systems in the world whereby we can manage to mobilise the Electoral Commission system and get it onto small aircraft or trucks—or even on boats in the case of the Australian Electoral Commission heading out from Borroloola to an island in the Gulf of Carpentaria—to ensure that we try as hard as we possibly can to make sure that each and every Australian has the opportunity to vote. I take this opportunity to pass on my congratulations publicly to the Australian Electoral Commission and to all the officers who worked at the Electoral Commission in the Northern Territory on the work that they have done. I want to also pay tribute to the members of the Labor Party in the Territory. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES
Legislation Committee
Reference

Senator LUDWIG (Queensland) (1.59 p.m.)—by leave—Subject to the Scrutiny of Bills Committee, I move:

That, subject to the appointment of committee members, the Workplace Relations Amendment (Agreement Validation) Bill 2004 be referred to the Employment, Workplace Relations and Edu-

Question agreed to.

QUESTIONS WITHOUT NOTICE
 Federal Election: Member for New England

Senator CARR (2.00 p.m.)—My question without notice is to the Leader of the Government in the Senate, Senator Hill, and the Minister representing the Prime Minister. In relation to the electoral bribery allegations made by the member for New England, I ask whether the minister recalls the Prime Minister on 21 September this year stating, ‘I have made inquiries, and I’ve been able to discover no evidence of it.’ Has the Deputy Leader of the National Party in the Senate responded to the Prime Minister’s inquiries on this matter? Has Senator Sandy Macdonald confirmed to the Prime Minister whether he attended any meeting with Mr Greg Maguire where discussions included Mr Windsor and inducements for him not to stand for New England? Has Mr Anderson’s Chief of Staff, Wendy Armstrong, confirmed to the Prime Minister whether she attended part of any such meeting? If they have done so, when did Senator Sandy Macdonald and Ms Armstrong make these statements to the Prime Minister? Was it before or after the Prime Minister’s statement of 21 September?

Senator HILL—I am not personally aware of the nature of the inquiries conducted by the Prime Minister. I will refer that to the Prime Minister. I suspect his response will be that this matter is the subject of a police investigation and that the police should be allowed to do their job.

Senator CARR—Mr President, I ask a supplementary question. Have Senator Sandy Macdonald and the Deputy Prime Minister’s Chief of Staff, Ms Armstrong, availed themselves of the opportunity to swear statutory declarations regarding their knowledge of and/or involvement in any such meetings or discussions? Given the very serious nature of the allegations made against Senator Sandy Macdonald, is the Leader of the Government in the Senate aware of why Senator Sandy Macdonald has not yet taken the opportunity to make a personal explanation to the Senate?

Senator HILL—The matter is subject to a police investigation, and the police should be allowed to do their task.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the gallery of the Iraqi ambassador designate, His Excellency Mr Ghanim Taha Ahmad al-Shibli, and party. We welcome you to the Senate and we trust that your visit will be both enjoyable and instructive.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE
 Economy: Policy

Senator FIFIELD (2.03 p.m.)—My question is to the Minister for Finance and Administration. Will the minister inform the Senate of the government’s approach to sound economic management? Is the minister aware of any alternative proposals?

Senator MINCHIN—I thank Senator Fifield for his question and acknowledge his strong interest in the economy. I think the most significant commentary on the state of the economy came on 9 October, of course, when the Australian people expressed very clear support for the Howard government’s strong record of managing the Australian economy. Since the election, we have had further confirmation of that strength. There was the ABS report that the CPI rose by only 2.3 per cent in the year to September, putting inflation right at the low end of the Reserve Bank’s band. Then there was the ABS report that unemployment has fallen to just 5.3 per
cent—the lowest rate since 1977. I note that was also a year in which the coalition governed this country. The IMF has also recently praised the government:

... Australia’s strong performance, with six years of budget surpluses, falling public debt, low inflation, high and rising productivity, and a long period of uninterrupted growth that has underpinned a dynamic job market.

The IMF also sensibly called for further reform, particularly in areas like work force participation and improving productivity. There was a time when those opposite in the Labor Party used to champion such reforms—and we have always given credit for that where it is due—but the Labor Party in opposition has basically wasted the last nine years, opposing virtually every government proposal aimed at improving the performance of the Australian economy. If the Labor Party is serious about earning some economic credibility, a good start would be to scrap the industrial relations policy that it took to the last election. A very respected former Labor pollster, Mr Rod Cameron, said in today’s Age:

... the ALP took into the recent campaign an industrial relations policy that was backward-looking and totally out of step with community and workforce trends.

He went on to say:

Unarguably, a considerable part of the economic success of the past decade is related to the deregulation of the economy and the labour market. In addition to scrapping the policy which Rod Cameron sensibly calls for, Labor could do a lot of things to improve their economic credibility. They should start by supporting an unfair dismissal exemption for small business so it can create jobs. They should support reforms to the disability support pension so we can encourage work force participation. They should support the full privatisation of Telstra just like they honourably and sensibly privatised the Commonwealth Bank and Qantas. They should support our policies to address skill shortages, particularly through the creation of the new Australian technical colleges. They should support our tax cuts for entrepreneurs and small business. They should support our policy of providing legal protection for independent contractors. They should also support our tariff reforms and assistance package for the TCF sector where the industry itself wants them to act, and they refuse to.

In addition, we await Labor’s abandonment of some of the most irresponsible and antibusiness policies that they have had and took to the last election, like signing the deeply flawed Kyoto protocol, their policy to implement a bottomless pit called Medicare Gold, their policy to abolish Australian workplace agreements, their plundering of superannuation savings in their policy and their proposed increased taxes on computer software, business migration, the tourism industry and the mining industry. We welcome the rhetoric from the Labor Party, but we want to see some action.

Regional Services: Program Funding

Senator O’BRIEN  (2.07  p.m.)—My question is to Senator Ian Campbell, representing the Minister for Transport and Regional Services. Can the minister confirm that the Regional Partnerships Program of Minister Anderson’s own department is responsible for providing a grant of $6 million to the National Equine and Livestock Centre during the federal election campaign? Can the minister also confirm that Minister Anderson had refused a $3.5 million grant to the National Equine and Livestock Centre in 2002, when he relied on an independent assessment by Professor John Chudleigh which found that there were serious concerns about the project’s viability? Can the Minister explain to the Senate the basis for the stunning reversal on this funding and exactly what
involvement the Deputy Prime Minister had in the assessment of both applications and in the final decision to make the grant? Were any representations made by Senator Sandy Macdonald in relation to this very significant grant announced during the election campaign?

Senator IAN CAMPBELL—I do not have information on that particular grant or that program, but I would be happy to get whatever information I can and report back in due course.

Senator O’BRIEN—Mr President, I ask a supplementary question. I thank the minister for his assurance. I would urge him to report back to the Senate today on those matters. That information must be easily available. What action will be taken to safeguard all departmental documents and records regarding all consideration of funding for the National Equine and Livestock Centre, including the unsuccessful applications on previous occasions and the successful funding bid during the recent federal election campaign?

Senator IAN CAMPBELL—I have already given an undertaking to bring relevant information back in due course.

Workplace Relations: Policy

Senator JOHNSTON (2.09 p.m.)—My question is to the Special Minister of State, Senator Abetz, representing the Minister for Employment and Workplace Relations. Will the minister outline to the Senate the level of union involvement in the Australian workplace? Will the minister further outline how that Howard government’s industrial relations policies are contributing to real jobs growth, real wages growth and less industrial action? Is the minister aware of any alternative policies?

Senator ABETZ—I thank Senator Johnston for his question and acknowledge his longstanding interest in these matters. The latest figures indicate that only around 17 per cent of private sector employees now belong to a trade union—or, in the case of those opposite, 100 per cent. Indeed, the latest figures indicate that there are now more self-employed entrepreneurs in Australia than there are trade unionists.

Labor asserts that we on this side are somehow antiunion. I assure the Senate and the Australian people that that is just wrong, as was seen shortly before the federal election in those wonderful scenes at the Albert Hall in Launceston, in the seat of Bass—now so ably represented by Mr Michael Ferguson. We could have crowd surfed the Prime Minister across all those trade unionists—at a rally where there was not a single Labor senator in sight.

The Labor Party wonders why trade unionists are no longer interested in their trade unions and why they are deserting the Australian Labor Party. Ask those workers who were at the Albert Hall in Bass just before the election. You and I were there, Mr President, as were all the Tasmanian senators. We are very proud to be Liberal senators. I must correct myself—only Liberal senators were there; the Labor senators did not feel comfortable in the presence of so many workers. The reason is that the Australian people are now recognising that it is the Howard government that looks after the workers’ interests. That is why, after 8½ years of the Howard government, we now have the lowest rate of industrial disputation since records were first kept in 1913. The average worker is now $280 a fortnight better off in real terms since 1996 because we have been able to combine jobs growth with real wages growth. Those on the other side suggest you cannot do that. That is why they want to abolish the junior jobs rate, the junior wage, which would throw thousands of young Australians on the unemployment scrap heap again. We as a government have broken that
circuit because we wanted to ensure that as many Australians as possible could get employment.

Since former senator Graham Richardson put Green preferences before jobs, the Labor Party have been losing support. Once, the trade union movement was the cream of the workers of Australia. Today, you will find union officials who have never had any dirt under their fingernails but who have been university educated—middle-class apparatchiks—and I am sure Senator Conroy would agree with me that that is now the archetypal trade union official. All they are concerned about is their preselection to get into this place, rather than the interests of the workers. The fact is very clear, as shown on 9 October, that the Howard government is the government for the workers. That is why the workers of Australia supported us in such unprecedented numbers. (Time expired)

Senator Johnston—Mr President, I ask a supplementary question. Could the minister further provide to the Senate the reasons for the generous ovation the Prime Minister received from Tasmanian CFMEU members shortly prior to the last federal election?

Senator Chris Evans—You were just telling us they were all thugs. Now you’ve changed your mind.

Senator Abetz—Isn’t it amazing how sensitive those opposite get when you are able to point to examples where trade unionists and workers are supportive of the Howard government and its policies? Unlike Mr Latham, who snuck in and out of Tasmania to deliver a policy that he was too scared to tell the workers about, Mr Howard announced his policy, not to a media contingent but to the workers and those affected by the policy. That is why he got the ovation. Mr Latham will not be able to make up for his misdeeds in Tasmania by trying to employ the defeated member for Braddon on his staff, because Mr Sidebottom’s failure as a federal member will now simply be translated into Mr Latham’s office, which will make it even worse for Mr Latham and the Labor Party.

Senator Chris Evans interjecting—

The President—Order! Senator Evans, I remind you that it is not in order to turn your back on the chair and verbal people in the chamber. I cannot hear what you are saying.

Telstra: Privatisation

Senator Stephens (2.15 p.m.)—My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. Is the minister aware of comments made earlier today by National Party MP De-Anne Kelly in which she said: ‘We still have a significant presence in the Senate and obviously as a party to the coalition our views at the end will predominate’?

In light of this unequivocal statement by the National Party minister, will the National Party’s view on the sale of Telstra ‘predominate’ the coalition’s position, or does the minister expect The Nationals to roll over again, just as they did on the GST?

Senator Coonan—I thank Senator Stephens for the question. The government will pursue its longstanding policy for the full privatisation of Telstra. As I said yesterday, Telstra’s future sale will be contingent on adequate telecommunication service levels and appropriate market conditions. Unlike the Labor Party, the government has demonstrated its commitment to improving telecommunication services and ensuring service levels for telecommunications across Australia. This has been particularly relevant to improving services in rural and regional Australia. As I said yesterday, an exhaustive investigation into telecommunication services has been carried out by Mr Estens. The inquiry
made 39 recommendations, all of which the government has accepted. We announced a $181 million package of initiatives to respond to the inquiry.

The government is continuing to implement responses to all the Estens recommendations. The government remains committed to the sale of Telstra because it believes it to be in the best interests of the company itself, its 1.8 million shareholders, the wider telecommunications industry and, most importantly, all Australians. Competition, as we know, drives new services and lower prices, and regulation provides safeguards to protect consumers. The government does not need to own Telstra to achieve those outcomes. The sale will proceed on those contingent conditions of implementing all of the Estens requirements and the market conditions being correct. As was said yesterday, this is a policy that the government will pursue.

I would suggest that, if anyone is looking for some political split, the very best example, as Senator Abetz alluded to, is Labor’s forestry policy. It was extremely diverting, to say the least, to see not only Labor tear itself apart over a policy but also a whole lot of people walk off and sulk and not even be prepared to back their leader and serve on the front bench. The Labor Party had to practically conduct a raffle to get people to sit on the front bench. The Labor Party had to practically conduct a raffle to get people to sit on the front bench. The government will continue to implement all of the Estens requirements and the market conditions being correct. As was said yesterday, this is a policy that the government will pursue.

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Senator STEPHENS—Mr President, I ask a supplementary question. I thank the minister for her response. I am concerned that perhaps she does not really understand what the recommendations of the Estens inquiry mean in terms of service delivery. Is the minister aware of comments by the Prime Minister that telecommunication service standards in the bush are ‘up to scratch’? Can the minister inform the Senate what the term ‘up to scratch’ really means? Minister, now that Barnaby Joyce’s parents have the phone back on in Danglemah, do you consider that telecommunication service standards right across the bush are up to scratch?

Senator COONAN—I thank Senator Stephens for the supplementary question. I am grateful to her for reminding me of the issue to do with Senator elect Joyce’s parents. Despite the fact that it is said that their telephone service was a problem, in a report in a newspaper Mr Joyce apparently denied that there was any Telstra deal for his parents.

Opposition senators interjecting—

Senator COONAN—I am just going on what has been reported in the newspaper. Contrary to what was put yesterday, it does not seem that there was any special deal whatsoever for Mr Joyce’s parents. The Labor Party can stop trying to join dots that do not exist with the suggestion that Senator elect Joyce’s parents received some sort of special deal. As I said in response to Senator Stephens, we will continue—(Time expired)

Child Abuse: Compensation

Senator ALLISON (2.21 p.m.)—My question is to the Minister representing the Minister for Health and Ageing. Is the minister aware that child victims of sexual and physical abuse who have been given out-of-court compensation by churches responsible for that abuse are now being asked to pay some of that money to the government? Can the minister explain why these people are being asked to pay for the health services that helped them deal with that abuse, provided under Medicare many years before? Minister, as we approach the 15th anniversary of the Convention on the Rights of the Child, don’t you think a little generosity is
appropriate for the people whose plight your government and others have ignored for decades?

Senator PATTERSON—I thank Senator Allison for the question. The question she has asked is about compensation recoveries from abuse victims. I do have some information here that the Minister for Health and Ageing provided me with, and I will provide that to the Senate. Several articles have appeared in national newspapers over the weekend and on 16 November outlining the perceived situation faced by abuse victims. The HIC is currently examining this matter and is proposing to hold discussions with representatives of the Tasmanian Anglican Church. The health and ageing portfolio have not had any discussions with the parties involved in this action. All discussions to date have been with representatives of the HIC. There is no reason to believe that current laws should be changed. Claimants for compensation really should not be allowed to double-dip, and this applies in other areas as well as within this one. In situations where their compensation and the settlement have allowed for medical expenses there is provision in existing legislation for an exemption for criminal injuries compensation. Legal advice is that this provision is only available where a person has been injured through the commission of a crime and where a government or government agency is making a payment to the victim—for example, the state and territory crimes compensation acts.

Senator ALLISON—Mr President, I ask a supplementary question. Minister, isn’t it the case that the victims were unaware that the government would be demanding its cut when the compensation sum was in fact agreed with the churches? Does the minister agree that these cases are special, including the fact that at the time of the abuse the children were minors and unable to prevent that abuse, that governments at the time failed in their duty to protect children from this abuse—and, in some cases, played a role by sending those children to institutions in which the abuse occurred—and that forcing victims to go back to retrieve records contributes to further victimisation? Minister, isn’t compassion for these people much more important than recovering what is, to the government, a very small amount of revenue?

Senator PATTERSON—I think I have given the answer to Senator Allison. Of course there are always difficult situations when you are involved in compensation cases, whether it is somebody who has had an accident or in the tragic circumstances of child abuse. But the advice that I have here is for a situation where people have been compensated for medical expenses and that it would be being paid for twice. If there is any further information, I will provide the honourable senator with it.

Telstra: Service Charges

Senator MOORE (2.24 p.m.)—My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. Can the minister confirm that since January 2000 Telstra’s standard line rental charges have risen from $11.65 per month to between $26.95 and $29.95 per month? Is the minister aware that, in its recent draft report on Telstra’s price control arrangements, the Australian Competition and Consumer Commission stated that it was ‘particularly concerned about future price increases for line rental’ and recommended that line rental prices should be subject to an ‘additional form of price control’? Can the minister give a commitment to the full implementation of the ACCC’s recommendations for tougher price controls to prevent Telstra from using its market power to rip off us, the consumers?
Senator COONAN—I thank the senator for the question. Telstra’s ability to raise line rentals is, of course, constrained by price controls imposed on it by this government. We built the consumer safeguards around telecommunications, and we are going to maintain them. The government impose retail price controls on Telstra in order to drive efficiency improvements to lower overall prices for consumers in markets where competition is not yet fully developed. Within these constraints, Telstra—like any other company—may vary its prices as it considers appropriate, but it is subject to a cap.

Telstra’s compliance with the price controls is assessed annually by the ACCC. A breach of the price controls is a breach of Telstra’s licence condition and can be penalised by a $10 million fine. The government has accepted ACCC and Productivity Commission advice that gradually increasing line rental charges to reflect the costs of providing phone lines is in the long-term interests of consumers, and the government is very conscious of the need to protect low-income consumers from the impact of line rental increases. To protect low-income consumers, the government has imposed a licence condition on Telstra requiring it to offer a $170 million annual package of assistance measures for low-income consumers. This package of measures is assessed by the Low-Income Measures Assessment Committee, LIMAC, that is made up of representatives from peak welfare bodies. So I am pleased to be able to tell the Senate that LIMAC’s assessment of this low-income protection arrangement is that Telstra has responded genuinely and comprehensively to the licence requirement to provide a program assisting low-income Australians to access telecommunications services. And, looking to the future, the government has directed the ACCC to review the existing price control arrangements. Once the ACCC has reported in final form, the government will consider its advice and put in place an appropriate arrangement for price controls for Telstra by 30 June 2005.

But the problem, of course, with Labor’s approach to this issue is that you would completely stifle Telstra if you were going to freeze line rental charges. In fact, I think that was the policy that was put forward by the former spokesperson, Mr Tanner, without any plan at all as to how you would keep these controls frozen, whether it would be in perpetuity or how you would ever assess the situation. The government, of course, will be very carefully looking at the ACCC’s recommendation. I say this to the opposition and I say this to anyone listening to the broadcast: the government take very seriously the need for a robust system of price caps. We built these guarantees for consumers, and we will maintain them.

Senator MOORE—Mr President, I ask a supplementary question. Does the minister accept that the ACCC’s report convincingly demonstrates the inadequacy of the price control regime presided over by the Howard government and outlined by the minister in her response? In light of this report, will the government now focus on looking after consumers of telecommunications services rather than just boosting Telstra’s profits to fatten it up for the necessary, as stated by the minister, privatisation?

Senator COONAN—As usual, that is an entire misrepresentation of what I said. What I have said, in fact, is that this government has built safeguards for consumers. We understand that it is important to have a robust system of consumer safeguards embodied in price caps and, of course, we will retain untimed local calls, as we have said consistently. In those circumstances, I will be closely considering the ACCC’s final report with a view to putting new price control ar-
rangements in place, as I said, before the current price controls expire in June 2005. The report is due to be delivered, I think, in January 2005.

**Trade: Free Trade Agreement**

**Senator HARRIS (2.30 p.m.)**—My question is to Senator Robert Hill, representing the Minister for Trade. As reported in an article in the *Australian Financial Review* on Tuesday, 16 November 2004:

The federal government has bowed to pressure from the US to toughen Australian copyright law as part of the free-trade agreement between the two countries.

... ... ... ...

The bill would also clarify the liability of internet service providers where alleged breaches of intellectual property were carried out online.

Minister, can you give the Senate an assurance that a person who is making a temporary copy of a program will not incur any criminal liability? Will the minister give a commitment that there will be no additional liabilities incurred on Internet service providers and a commitment to consult with the industry prior to the development of the legislation?

**Senator HILL**—The good news, which we all heard today, is that Australia and the United States have now exchanged letters to bring the historic Australia-US free trade agreement into force on 1 January 2005. That is good news for all Australians who have an interest in a growing economy and all the benefits that flow from a growing economy—something the Labor Party knows nothing about. As part of this process, the government indicated to the US that it would introduce some amendments to the Copyright Act 1968 to remove ambiguities and improve its practical operation for all affected stakeholders. That was announced in Australia earlier this week. As I understand it, the bill has not yet been introduced but will be shortly. We are looking forward to it being debated and resolved before the parliament gets up at the end of this session. Therefore, the detail will obviously be subject to debate within this chamber and Senator Harris, who took an interest in these matters on the last occasion, will no doubt ask detailed questions in relation to those changes when the bill comes before the Senate.

**Opposition senators interjecting**—

**Senator HILL**—I do not know about the Labor Party. I said ‘Senator Harris’. The Labor Party I do not think has an interest in matters related to economic growth. The amendments do not represent a change in government policy in relation to the Copyright Act, nor any change to our agreement under the Australia-United States free trade agreement. I understand the amendments are largely of a technical nature designed to clarify Australia’s implementation of its copyright obligations under that legislation.

**Senator HARRIS**—Mr President, I ask a supplementary question. I thank Senator Hill for his answer. He omitted to indicate whether the government will give an assurance that for the home viewer there will be no criminal liability for making personal temporary copies. Also, the other area of concern relates to the providers of innovative and open source software that is accessible today. Will the minister ensure that this type of software, which communicates between different types of Internet language, remains available to providers of innovative and open source software?

**Senator HILL**—Mr President, as I said, if we are going to debate legislation it is better to have the legislation before us at that time. As Senator Harris will remember, on the last occasion the concern we had, which we are seeking to guard against and which will be reinforced in these amendments, re-
lated to commercial copyright privacy activity. Senator Harris, I am sure, would acknowledge the important copyright laws which protect against commercial abuse. It is in that area that the emphasis can be expected.

Crime: Australian National Child Offender Register

Senator LUDWIG (2.35 p.m.)—My question is to Senator Ellison, the Minister for Justice and Customs. I draw the minister’s attention to the 2003-04 CrimTrac annual report and the Auditor-General’s audit report on the implementation of CrimTrac. I ask why last November there was a shortfall of capital funding for the development of the Australian national child offender register. Can the minister advise whether this capital funding shortfall delayed the implementation of the register which replaced the national child sex offender system? Is it not the case that CrimTrac advised the Auditor-General that there were insufficient staffing resources in the CPRS capability development team to progress this report? Was it not also the case that the Commonwealth guaranteed $50 million for the establishment of CrimTrac under the intergovernmental agreement and, at the time of the last audit, $17.1 million of the $50 million remained unspent?

Senator ELLISON—The Australian National Child Offender Register requires the cooperation of all jurisdictions and we had hoped to have it in place by the end of June this year. I launched it on 1 September, with the agreement of all states and territories. If Senator Ludwig wants to look at any delay with this register, he needs to look at the fact that all states and territories, with the exception of New South Wales, have yet to pass legislation. CrimTrac has in place the Australian National Child Offender Register—it is there, set up and ready to go—but we do need legislation in the states and territories.

I fully appreciate that the states and territories are willing to take part in this—that the intention is there—but if the opposition is going to say that it is the fault of the Commonwealth government, then let us look at it and see just why there was that delay. In arriving at an agreement as to how this should be run, there was a difference between the attorneys-general of the states and territories and the police ministers. I can go further into that. I had a meeting with a state Attorney-General and a state Minister for Police to broker an agreement between the Standing Committee of Attorneys-General and the Australasian Police Ministers Council. I am not about to divulge confidential discussions, but attorneys-general and the police ministers, who are all state and territory ministers, were trying to come to agreement on how this register would work. I can tell you that there was no problem at the Commonwealth level, none at all—we were quite set in what we wanted from this register—but if the opposition wants to pursue this we can go further into the issues that the Labor governments in the states and territories had internally about setting up this register.

Senator LUDWIG—Mr President, I ask a supplementary question. Minister, isn’t it the case that the ANAO audit report found major irregularities with project management, including a lack of policies and project management guidance, an inconsistent application of the project definition and a lack of clarity in the roles and responsibilities for the project partners? Minister, in light of these criticisms by the Auditor-General, can you explain to the Senate how your lack of ministerial oversight contributed to the delay in implementation of the Australian National Child Offender Register?

Senator ELLISON—There was no lack of ministerial oversight in the setting up of the Australian National Child Offender Register. It is something that we have been push-
ing at the federal level for some time now, and it is a matter which I pursued at police ministers’ councils and the Standing Committee of Attorneys-General. We set up CrimTrac with a $50 million capital injection, and we always said that the states and territories would have to look at running costs into the future because they would be the recipients of the benefit of a national DNA database, of a national automated fingerprint base, a national automated palm print base, an Australian National Child Offender Register, a possible national register for firearms as well as other aspects. CrimTrac is doing a great job. There is no question about that. I totally reject that the Commonwealth has been responsible in any way for the delay of the Australian National Child Offender Register. (Time expired)

Telecommunications: Services

Senator EGGLESTON (2.41 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Coonan. Would the minister please advise the Senate how the Howard government’s commitment to telecommunications is helping to connect rural and regional Australia to services such as high-speed Internet? Is the minister aware of any alternative policies?

Senator COONAN—I thank Senator Eggleston for the question and I do note his very keen interest and hard work on the committee that he chairs in the great state of Western Australia with respect to connecting rural and regional services. I know all senators on this side of the chamber are committed to delivering affordable telecommunications services to all Australians regardless of where they live. I am pleased to be able to report today that Australia is experiencing exponential growth in the take-up of broadband services. This is due in no small part to the government’s push for greater competition in telecommunications. Despite a lot of nay-saying from senators opposite, the news on broadband take-up in Australia is very good. The latest data from the Australian Competition and Consumer Commission shows that the number of broadband Internet subscribers increased by 102 per cent to 1,047,800 in the 12 months to June 2004, and the good news continues. The Sydney Morning Herald reported this morning that Australia has now overtaken Sweden in broadband home penetration figures, and the latest Nielsen NetRatings survey shows we have the fastest growth of the countries surveyed.

The figures show the number of Australians with broadband at home has topped 3.3 million—that is, 41 per cent of all home Internet users. Estimates by analyst IDC suggests that at current growth rates we will have 1.5 million broadband subscribers in Australia by the end of this year. Even more exciting is that this exceptional growth in broadband access and use is not just happening in our cities. I know that Labor does not care about rural and regional Australia, but this government does. Through targeted government funding initiatives such as the $108 million Higher Bandwidth Incentive Scheme or HiBIS, more and more Australians living in rural and regional areas are getting faster Internet access.

In the last few months I have had the great pleasure of visiting many rural and regional communities across Australia to announce new broadband services. Broadband is now connected or will soon be connected in towns and centres including Walgett, Bourke, Boggabri, Nimmitabel, Warren, Nyngan, Berridale, Cobargo, Bannockburn, Waurn Ponds, Mount Low, Mission Beach and Mount Pleasant, in South Australia, just to mention some. Wherever I go in rural and regional Australia to launch these new services, the response is very positive. Commu-
nities and businesses are ready to grasp the opportunities that broadband Internet access can offer. To ensure that there are not pockets left behind in our cities, particularly in outer metropolitan areas, the Howard government has committed $50 million over three years to address broadband black spots in metropolitan areas.

Senator Conroy, who is the current opposition spokesperson, should let the Senate know now whether or not he supports Mr Stephen Smith’s vision for a Snowy Mountains scheme for broadband and whether the Labor Party have costed such a scheme. This side of the chamber will remember that it was only the coalition who provided any additional funding for broadband during the election campaign, aside from some vague rhetoric about improving broadband. True to form, there is a lot of rhetoric from Labor but never any detail about how to achieve it; in fact, Labor seem to be so wedded to their telecommunications policies—

Opposition senators interjecting—

The PRESIDENT—Order! Senator Coonan, have you completed your answer?

Senator COONAN—No; I could not hear. In fact, Labor are so wedded to their ideas for telecommunications and IT in Australia that any shred of evidence or policy disappeared from their web site a week after the election because they were so embarrassed about how inadequate it was. This government will continue to provide good regional and rural telecommunications services for Australians.

Fisheries: Great Barrier Reef Marine Park

Senator WONG (2.45 p.m.)—My question is to Senator Ian Macdonald, Minister for Fisheries, Forestry and Conservation. Can the minister confirm that the Queensland National Party annual conference has passed a resolution calling for a more equitable distribution of the fishing entitlements under the government’s Great Barrier Reef Marine Park Representative Areas Program? As the minister responsible for both fisheries and conservation in the coalition government, what action does he propose to take in response to that resolution? Was the minister involved in any discussions with a representative of any political party on this issue before or during the recent election campaign? If so, who was that person or persons and what was the agreement arrived at during those discussions?

Senator IAN MACDONALD—Whilst I have the greatest regard for the Queensland National Party, I was not at their conference, I am not aware of their resolutions and certainly I would not want to speak for them—and I suspect they would not want me to speak for them either. Senator Ian Campbell has responsibility for the Great Barrier Reef Marine Park Authority, but as a Queensland senator and a senator responsible for fishing in Australia, I have quite a bit to do with it. I can say that the Representative Areas Program is a great step forward for conservation, preservation and proper management of the Great Barrier Reef—a world icon—and it is really a good initiative.

We have acknowledged that that particular action by the Howard government has caused some hurt to the fishing industry and we have made a decision to try to help that hurt with quite a generous structural adjustment package—unlike, I might say, the Queensland government, which has been making some quite dramatic decisions that impact on fishermen in the Queensland waters but is not giving one cent of compensation to those fishermen. The structural adjustment package from the Commonwealth is very generous. It closed a couple of days ago. There have been 584 applications for some form of assistance and they are being processed at the moment. We hope to ensure
that the money starts flowing to fishermen prior to Christmas.

As for the boundaries, I think Senator Ian Campbell and the government have made it quite clear that there will be no change to the boundaries in that particular area. That is government policy.

*Opposition senators interjecting*—

**Senator Ian Campbell**—Your policy is to tear up the boundaries!

**Senator IAN MACDONALD**—As Senator Ian Campbell is indicating to you, the Labor Party policy seems to be to tear up those boundaries altogether and leave the fishing industry in great uncertainty and those interested in the conservation of the reef wondering what might happen.

Senator Wong, I think you asked me whether I had been spoken to by any particular political party prior to the election. In public news releases I did invite the Fishing Party to come and see me about their proposals. They did not take up that offer so I was not able to speak to them. No other political party apart from my own party dealing with our election policies spoke to me about it. I can indicate to you, Senator Wong, that at some time I was in the electorate of Hinkler with Mr Neville, the excellent National Party member for that area. He did get me to speak to a group of recreational fishermen who were very concerned that in their area some 74 per cent of the Great Barrier Reef had been locked away. They indicated that they were prepared to accept one-third of the reef being locked away but they thought 74 per cent was a bit unfair. I did indicate to them that after the election I would approach Ms Chadwick, the chairman, to discuss that. As I said to them, I thought there was very little likelihood of that being changed, and that remains my view. I think that has covered all of the questions you asked me. If there are others I am sure you will have them in the supplementary question.

**Senator WONG**—Mr President, I ask a supplementary question. Minister, you have confirmed that you had one meeting with the Fishing Party.

**Senator Ian Macdonald**—None!

**Senator WONG**—Perhaps you could clarify whether that is in fact the case. When will the review of the Representative Areas Program commence? Which department will oversee the review—the Department of the Environment and Heritage or the Department of Agriculture, Fisheries and Forestry? What will be the criteria used in conducting the review? Were these criteria part of the preference agreement between the Queensland National Party and the Fishing Party?

**Senator IAN MACDONALD**—I am sure Senator Wong did not listen to my answer at all. I said neither the Fishing Party nor any other party approached me in relation to that so I cannot answer that question. There is to be no review of the Representative Areas Program. I have forgotten what portfolio Senator Wong is representing, but if it is anything to do with fishing, agriculture or environment she is way off track. There is no commitment by anyone to review the Representative Areas Program. The Prime Minister announced in Townsville that, because the Great Barrier Reef Marine Park Authority had been in existence for more than 10 years and because statutory authorities are usually reviewed around the 10-year mark, he would institute a review of GBRMPA. He went on to say that he has no particular problem with the authority but it would be reviewed in the normal course of events. That has not progressed. When it is I am sure it will be done by Senator Ian Campbell, the responsible minister.

**Senator Ian Campbell**—Very responsible!
Senator IAN MACDONALD—The very responsible minister, as he interjects, and as I agree. I am quite uncertain as to where Senator Wong’s question is coming from. The supplementary question seems quite nonsensical. (Time expired)

Iraq

Senator NETTLE (2.52 p.m.)—My question is to Senator Hill, the Minister for Defence. Is the minister aware of Red Cross estimates that at least 800 civilians have been killed by the multinational forces military assault on Fallujah? Can the minister explain what role Australian defence personnel have played in the assault, including in the planning as well as the execution of the attack?

Senator HILL—The operation in Fallujah obviously is the result of attacks by insurgents and terrorists within Iraq. We have seen many horrible examples of that in recent times, particularly of insurgents attacking Iraqis, and—if at all possible—anyone who is associated with the development of the instruments of a new and free Iraq and also not at all being concerned by the killing of innocent civilians in the course of their attempt to derail efforts to provide freedom and better opportunity for all of the Iraqi people. Fallujah was obviously being used as a safe base from which to mount such actions. There was no alternative but to face up to the insurgents and terrorists within Fallujah and thus the operation was launched. It was launched on the authority of the interim Prime Minister of Iraq and after he had made strenuous efforts to seek a resolution short of that by requesting the people of Fallujah who were not involved in this illegal behaviour to turn over the criminals. With such an operation there will unfortunately always be deaths of some civilians. Every effort has been made by the Iraqi and American forces involved in the operation to minimise civilian casualties. That has been consistent with the whole approach of military operations within Iraq and it was certainly the case once again.

In relation to the role of Australians, Australia certainly has some personnel within the multinational force headquarters. It is reasonable to assume therefore it had some role in planning or incidental support of the operation. Australia did not have ADF troops operating as part of an Australian force within the Fallujah operation itself, although there may well have been a small number of Australian forces who were assigned to forces of our allies who were operating as such within Iraq that could have been engaged in the military operations.

Senator NETTLE—Mr President, I ask a supplementary question. Can the minister confirm the number of ADF personnel operating under the control of the US military who were engaged in the military assault in Fallujah? Could he explain a comment that he made on 15 October, when he announced the appointment of ADF Major General Molan to the role of Deputy Chief of Staff, Strategic Operations of the Multinational Force in Iraq? At that time, the minister said that Major General Molan would be ‘responsible for advising the multinational force general commander, General Casey, on all aspects pertaining to the planning and conduct of operations, which may range from civil assistance through to conventional war fighting’. He also said, ‘The restructured headquarters will be responsible for security and anti-insurgency operations in Iraq.’ Can the minister explain what role, if any, Major General Molan played in the ongoing assault on Fallujah?

Senator HILL—I will seek advice on how many Australians may have been serving in the forces of the United States and participated in the operation within Fallujah. I think it would be a very small number. In
relation to the role of Major General Molan, his current position is Deputy Chief of Staff for Strategic Operations. He operates within the multinational headquarters, and he has some responsibilities therefore in relation to strategic operational planning. There is no secret about that. I indicated in my answer to the honourable senator that a number of Australian personnel operating within that headquarters would have been involved in the planning or indirect support of the operation and such is the case.

Communications: Television Sports Broadcasts

Senator CONROY (2.58 p.m.)—My question is to Senator Coonan, the Minister for Communications, Information Technology and the Arts. Is the minister aware of reports that, for the first time since 1972, the Ashes cricket tests between Australia and England will not be shown on free-to-air television next year? Can the minister confirm that, if the Ashes series is covered only on pay TV, three out of four Australian households will not be able to watch this great sporting contest? Does the government believe that this is acceptable? Given the popularity of cricket in this country, will the government act to ensure that all Australians are able to watch the battle for the Ashes in 2005?

Senator COONAN—I thank Senator Conroy for the question. I am aware of concerns that have been raised about free-to-air broadcasting of the 2005 Ashes test cricket series. The current antisiphoning list includes all cricket test matches involving the senior Australian team. The revised antisiphoning list, which protects events taking place between 2006 and 2010, includes all test matches involving the senior Australian team played in Australia or the United Kingdom, and this includes the Ashes. I am aware of claims that Fox Sports have acquired both the free-to-air and the pay TV rights to the 2005 Ashes series. However, I have been advised that Fox Sports has acquired only the pay TV rights, which means that the free-to-air rights for Australia are still available should the free-to-air broadcasters wish to purchase them from the England and Wales Cricket Board. This means that it is open to the free-to-air broadcasters to negotiate with the English cricket board to acquire the free-to-air broadcast rights for this event should they so choose. The acquisition of broadcast rights is, I am sure, all would agree, a commercial decision for the relevant broadcasters. They would take into account various factors such as the cost of the rights and the network’s programming priorities, such as what time it can be shown, whether it is going to be held against the gate and a number of other issues.

Ultimately, the government would not as a matter of principle dictate day-to-day decisions on programming which are taken by either the national or commercial broadcasters. The antisiphoning scheme, the rationale for which remains an important one—that is, that as many people as possible can see these events—continues to provide free-to-air broadcasters with access to free-to-air rights to the 2005 Ashes tour. There is no evidence to suggest that the antisiphoning rules are being infringed or are otherwise not working in the way they were intended.

Senator CONROY—Mr President, I ask a supplementary question. Has the country’s self-confessed No. 1 cricket tragic, the Prime Minister, raised this matter with the minister? In light of the threat of popular events such as the Ashes not getting free-to-air coverage, do you seriously stand by your comment that you believe that there is no evidence to suggest that the antisiphoning scheme is not working as intended? Have
you approached the ABC, Channel 31 or SBS about taking up these rights?

Senator COONAN—I think the only tragic person here is Senator Conroy. He appears to not really understand that the commercial television stations are free to acquire the rights. They are still available. Giving advice to the ABC and SBS in relation to programming and editorial matters is something this government would certainly not do. There is no issue about whether or not the antisiphoning rules are working the way they were intended to. There is no infringement of the antisiphoning laws.

Federal Election: Member for New England

The PRESIDENT (3.02 p.m.)—Senator Carr, as part of his question, the first question today, asked whether or not another senator had made a personal explanation. I would remind the Senate that that is not in order and that whether or not another senator has made a personal explanation does not fall within the responsibility of any minister. I remind senators of that.

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator WONG (South Australia) (3.03 p.m.)—I move:

That the Senate take note of answers given by ministers to questions without notice asked by opposition senators today.

Haven’t The Nationals done well this week in the parliament? Liberal senators on the other side must be shaking their heads and wondering just how much trouble the junior coalition partner can cause in just a few days. If this continues, they might want more than cigarette paper between The Nationals and themselves. I am not going to comment at this stage on some of the serious allegations that have been made. I want to deal with some of the serious issues—the real concerns—that were raised in question time today about some of the political activities of The Nationals. Those questions do not appear to have been answered as yet by the relevant ministers. There are facts which need to be explained; there are facts that give rise to some concerns about what The Nationals are doing. If it is all above board, which it all may be, let the ministers explain. In fact, let the leader or deputy leader of The Nationals explain and clear the air. So far we have not had sufficient explanation of these issues.

There are two areas I want to deal with briefly. The first is the question that Senator Ian Campbell was unable to answer regarding the grant during the federal election campaign of $6 million to the Australian Equine and Livestock Centre. The issue here is that in 2002 a $3.5 million grant for the equine centre was refused by the Deputy Prime Minister, who relied then on an independent assessment by a Professor Chudleigh which found there were serious concerns about the project’s viability. It seems strange, given that assessment, that some two years later we have an even bigger grant being given to the same centre. There may be very good reasons for that other than the fact that it happened during a federal election campaign. I look forward to Senator Ian Campbell’s response, which he indicated he would give after he was briefed on this issue, as to why there was this reversal of the government’s position.

I turn now to the Great Barrier Reef Marine Park Authority’s Representative Areas Program. There was an interesting set of answers today from Senator Ian Macdonald. He said, ‘Look, there’s no review of the Representative Areas Program,’ and indicated as I
understood it that he had not met with the Fishing Party. My question to him goes to whether he has actually spoken to Senator Boswell or Senator elect Joyce about that. It seems clear from national newspaper reports that The Nationals in Queensland have a very clear view about the subject of their discussions with the Fishing Party and what was promised to them in return for their preferences. Whether or not Senator Boswell and his colleagues can deliver on any such commitments obviously remains to be seen. I refer to an article in the Australian of 27 October, where it is stated:

The Fishing Party has claimed a review was promised by the Nationals in return for its preferences in the election ...

As we all know, those preferences were crucial in electing Senator elect Joyce to the sixth Queensland Senate spot. We await some indication from either the relevant ministers or Senator Boswell to cast light on whether that was in fact the case. If a review was promised then obviously The Nationals have not been able to deliver that, because I understand from Senator Ian Macdonald’s answers today that we will not be having a review of the Representative Areas Program. We might have a view of the authority, as is normal, but we are not reviewing the program. The Nationals are quoted in the same article of 27 October as having ‘confirmed they “probably” offered a review’. I look forward to hearing from Senator Boswell if that is the case. Did they offer a review and was that review important in garnering preferences for Senator elect Joyce? If so, was that an appropriate thing to do? Given Senator Ian Macdonald’s answers today it appears that it might have been a useful thing to do in order to get Senator elect Joyce elected to this place. But if the minister’s answers today were correct, it does not appear that The Nationals have actually been effective in delivering any outcomes on that front. The minister was quite clear that there would be no review of the Representative Areas Program.

So there are a couple of issues that we in the Labor Party say that The Nationals should respond to about what was promised in the election campaign and what role The Nationals had in arranging for those things to occur. I am particularly interested to hear whether or not a review of fishing rights in what is a very important conservation area in Australia, the Great Barrier Reef Marine Park, was in fact the subject of preference negotiations between the Fishing Party and The Nationals. (Time expired)

Senator IAN CAMPBELL (Western Australia—Minister for the Environment and Heritage) (3.09 p.m.)—The Labor Party’s indignation over this issue is entirely false and it seeks to draw a veil, a blind or even a red herring, to use a fishing analogy, across one of the most disgraceful political backflips and pieces of environmental policy in the history of Australia. During the federal election campaign the Australian Labor Party promised to the Australian people that they would tear up the plan that delivered historic protection to the Great Barrier Reef; confirmed it as a multiuse park; ensured that both recreational and commercial fishermen and other users of the park such as tourism operators knew where the boundaries were and what the uses were; ensured, very importantly, that the unique environmental and biodiversity features of the reef were protected in perpetuity; and moved the protection of areas within the reef from, I think, around four per cent to close to 34 per cent. It was a massive environmental achievement and a great credit to two great environment ministers in Australia’s history, Senator Robert Hill and Dr David Kemp, who put in place this historic protection for the reef.
The Labor Party during the campaign, in the very small print of their policy—and I hope other Labor senators will read this—tore up that plan and said that they would reopen the protected areas. They did not say whether they were going to have a review, how they were going to do it or what the criteria were going to be. They were prepared to jettison the entire multimillion dollar structural adjustment package that was put in place to assist fishing and other related businesses. They were going to throw that entire structural adjustment package into turmoil. Luckily, the Queensland population had figured that Labor were not going to get elected so they were not bothered about their policy.

But what a shame that organisations like the World Wide Fund for Nature, and particularly the Australian Conservation Foundation, would not criticise Labor for tearing up this historic protection. The Australian Conservation Foundation spent the entire election campaign running around criticising the coalition. Regardless of what Mr Latham or Mr Garrett said about policy, or how hopeless it was, they came out and supported them. But when Labor came out and tore up the historic protection of the reef and said, ‘We’ll reopen the whole thing, tear the plan up and throw it out the window,’ where were the Australian Conservation Foundation? They stayed in bed that day, I think. That was Labor’s first environmentally disastrous policy that went entirely unnoticed by the so-called conservation groups like the ACF, who seem to be far more enthusiastic about cheering on Mr Latham, Mr Thomson and Mr Garrett, regardless of what they say. The ACF were missing in action. You wonder whether they do care about conservation.

The other backflip that went unnoticed was when the Australian Labor Party said 12 months ago that they were going to extend the marine park out to the economic zone—a massive increase in the marine park. Clearly, the oil industry or someone got to them and said, ‘Hang on, this isn’t a very good policy.’ So quietly but surely, in the fine print, Mr Thomson and Mr Latham jettisoned that policy as well. Again, was there a single word of criticism from the so-called Australian Conservation Foundation? They should be called the ‘Australian Labor Party Foundation’, shouldn’t they? That is their policy; the conservation element of it has dropped out. To conservation organisations I say: cheer the Liberal Party when we make a good policy and give us hell when we do not, and do the same to Labor. Labor’s policies on the environment were a disgrace. I wondered what Kelvin Thomson was doing for the last 12 months. What he was doing was taking the Great Barrier Reef Marine Park protection and tearing it up. His one big policy was ‘let’s take the marine park out to the economic zone’. He tore that up too and cut funding to crown of thorns starfish research. What does Senator Wong do? She comes in today and turns the guns on Senator Boswell. Senator Boswell has made his position clear. He supported the coalition policy in all of his discussions, public and private. I table a press release from Senator Boswell of 25 October reiterating the government’s policy and making it quite clear that that is what he said to anyone who asked him. Well done, Senator Boswell; thanks for the support.

Senator LUDWIG (Queensland) (3.14 p.m.)—I rise to take note of the answers given by Senator Ellison in respect of CrimTrac. All he did was simply try to sheet home blame to the states, but unfortunately he has been caught out. The CrimTrac report is worth going back to. At paragraph 3.73 it says: The ANAO notes that CrimTrac’s link to the AGD is through the Chairman of the BoM—that is, the board of management of CrimTrac—
and that the agency provides briefings to the department, the Minister for Justice and Customs—that is, Senator Ellison—or the Australian Government Attorney-General when requested to do so. The ANAO considers there is a distinction between providing briefings and having in place a framework to elicit support for action.

It seems that the minister does not have what the ANAO is telling us about explicitly—a framework for action.

There are a couple of other issues that have been highlighted in the report on the implementation of CrimTrac, and it is certainly worth going to each part of it. I am not going to get time today to do that but I might elsewhere. May I say that CrimTrac is an extremely valuable agency. It allows Commonwealth, state and territory law enforcement agencies to overcome difficulties in jurisdictional data sharing. It is also a relatively new agency, established in the interests of fighting crime right across our nation. That is why it is absolutely vital that CrimTrac has a minister who is prepared to engage with and be willing to give the organisation the significant ministerial support and priority that it deserves. But I am sorry to tell senators here in this chamber that the audit report contains not just one finding, not just a couple of findings but a litany of findings that together point to the reasons why the implementation of the Australian national child offenders register has been delayed.

First of all, it was mooted to start in July, and that is when they signed off on it. Then it was going to start in September, and now it looks as though it may start in January. But the minister did not confirm it and did not say, ‘I’ve got a definite start-up date.’

The ANAO audit found the following problems with project management, and they are worth going through one by one. There is not one; there are many. The audit found inconsistent application of projection definition, a lack of policy and project management guidance, a project that has been approved, a project that has even been approved without a budget, a lack of clarity in the role and responsibility for the project partners, gaps in the project coordination committee’s role as coordinator of projects and a lack of timely provision of project management skills development. It is a managerial problem that CrimTrac is suffering from—a lack of direction by this government. Is it any wonder that CrimTrac is experiencing delays in delivering outcomes? It requires support. It is a good agency and it deserves not to be abandoned by this government.

I am sure that all senators and, indeed, all Australians will agree that it is a terrible state of affairs. The minister needs to come to the table, sit down with CrimTrac and work through the difficulties. He needs to go to the states, find out what the problems are, resolve them and come back to CrimTrac. That is his job. He should not sheet it home to CrimTrac or to the states. In fact, it looks as though CrimTrac has been struggling to deliver outcomes like the national child sex offenders register. If the minister were genuine in his desire to fight crime, wouldn’t he engage with CrimTrac and become fully aware of these issues as they arose and address them one by one, rather than letting them continue to fester away? Yet it seems nothing has been done.

But there is more. The audit also found that last November there was a shortfall of capital funding for the development of the Australian national child offenders register. CrimTrac also advised the Auditor-General that there were insufficient staffing resources in the CPRS capability development team to progress this project. It seems that at the time of the audit the Commonwealth had guaranteed $50 million for the establishment of CrimTrac under the intergovernmental
agency but that $17.1 million of the $50 million still remained unspent. They were not spending the money. They needed to spend the money but they needed direction from the minister to do that, and the minister has clearly failed in his task. It is clear from the audit that CrimTrac was, and probably still is, struggling against the odds to deliver projects, but it is equally clear that the minister is either unaware of these problems or incapable of intervening. Indeed, one of the key things CrimTrac needs in overcoming the jurisdictional difficulties of dealing with nine different areas of law is a lead minister who is prepared to take up the fight and sort out the difficulties so that CrimTrac can become what it was designed to be—the lead agency.

(Time expired)

Senator BOSWELL (Queensland—Leader of The Nationals in the Senate) (3.19 p.m.)—I wish to respond to the question asked by Senator Wong of Senator Ian Macdonald regarding a more equitable distribution of the fishing entitlements under the government’s Great Barrier Reef Marine Park Representative Areas Program. Senator Wong made some allegations today that I promised a review to the Fishing Party. She is perfectly right. I did offer a review of the Fishing Party, which was exactly the policy of the coalition. I said that we will have a review of the process. The coalition’s election policy says:


That was the review process. It was a review of the process, not a review of the boundaries.

Senator MOORE (Queensland) (3.22 p.m.)—I rise to take note of answers made this afternoon. In Minister Coonan’s responses to several questions about telecommunications, she reaffirmed the government’s commitment to ‘first-class communications for all Australians’. Then we heard about the alternative measuring level that we have to ensure that regional and rural Australians have effective communications before the government can make a decision to sell
Telstra—that much published and long promised sale of Telstra. The measuring stick for that group is adequate telecommunications. This is a really interesting contrast. For all Australians the commitment from the government seems to be first-class telecommunications, which is something that everybody in this place must support. But for that other important issue that we have been talking about for many years in this place, the sale of Telstra, the measuring stick has changed over the various reviews of Telstra. It seems now that the measuring stick is not up to scratch, appropriate, strong or efficient but is going to be ‘adequate’.

The minister went on to say that our party on this side of the house was ‘long on rhetoric but short on detail’. What we have been asking and continue to ask the minister is: can you give us the detail? If ‘adequate’ is your measure, how then do you measure ‘adequate’? It seems to be stumping a lot of people. We have had reviews of telecommunications by this place—we have had the ACCC reviews—but what we have not been able to work out is absolutely what constitutes adequate telecommunications for Australians. In the recent election, the issue of telecommunications was raised in a number of places. People from all parties talked with the community, and of course it did not turn out to be a major deciding point in the election, as we have been told by Senator Boswell, but what we do know is that in regional Queensland people are still deeply concerned about their telecommunications. They want their representatives from all parties to work out exactly how they can get the best possible telecommunications. This is not a recent argument; it has been going on for a long time. The senator elect from Queensland, Barnaby Joyce, has received wonderful publicity. In my hometown of Toowoomba, the Chronicle has labelled Senator elect Joyce as ‘the hero’. I hope, Senator Boswell, that they also call you a hero, but at the moment Senator elect Joyce is getting the media. In the Chronicle—that wonderful regional newspaper—Senator elect Joyce has been talking about “going in to bat for our people”.

Obviously, the political dynamics suggest that you have to go to your communities and give them a reason to understand a whole range of things but, in particular, why Telstra must be sold. We hope that the evidence that we have received in recent committee hearings in this place will be discussed in working out the reason. I remember—and I am sure Senator Eggleston remembers the recent community consultations of the Senate Communications, Information Technology and the Arts Committee—people from regional Queensland coming to meetings on the Sunshine Coast and talking about their despair that their telecommunications were neither adequate nor up to scratch. One gentleman sat before our committee and said: ‘Why are you people not fixing our telecommunications? Don’t you understand our need?’ This gentleman also publicly proclaimed that he had been a long-term National Party voter, but he was distressed and outraged that he could not have a commitment that they had this particular issue under control.

We hope that the issue of telecommunications is not just passed over, that it will not just be a numbers game. Certainly, Senator elect Joyce has been making it clear that when he comes down here there will not be any automatic guarantee, that he will be here to represent all the people who actually want to see a better deal for regional Queenslanders. He will be hoping, as do all of us, that we will be able to achieve a successful outcome. But this comes back to how you ensure that there is an effective, strong telecommunications process for all Australians—not just for some. As I have said before in this place, it really does not matter...
whether the people in this place understand the arguments or accept the issues. *(Time expired)*

Senator McGauran (Victoria) (3.27 p.m.)—One of the commitments Labor made straight after their crushing defeat at the election, having heard the message from the Australian people, was that their economic credentials needed to be lifted before the Australian public would support them. We are into the second day of the 41st Parliament and they have forgotten that commitment already. The second question time of this parliament and they have jumped straight into the gutter. They have joined the false accusations, smears and innuendoes of the member for New England, because that is what they know how to do best. Forget about trying to establish their economic credentials. They are doing what they know how to do best. Even without the former Leader of the Opposition in the Senate on the front bench, they still have the talent to join the member for New England in smear and innuendo. Are we to believe, or are we entitled to believe, that nothing has changed at all with the Labor Party and that this will be the pattern for the next three years?

Senator Wong tried to be reasonable about the matter by saying that the Deputy Prime Minister has not adequately answered the charges. What a load of rubbish! By that comment alone, she and those on the other side have joined the member for New England in making a very serious accusation of corruption against the second highest office holder in this land. The Deputy Prime Minister not only adequately replied in parliament last night to the member for New England’s accusations, but put them to rest—as did my colleague Senator Macdonald. I will read to Senator Wong and those opposite what Mr Anderson, the Deputy Prime Minister, said about these grave, serious charges against two men of integrity. He said:

... I just want to say that I completely repudiate the member for New England’s allegations of improper inducements offered indirectly by Senator Macdonald and me earlier this year. I would make the first point that there was no meeting on 18 May; I was in Queensland, in Bundaberg, on the evening of the 18th.

Yet the member for New England claims that a meeting was held. He went on to say:

My position is quite simple in this matter. I repudiate completely the claims. I do not engage in corrupt behaviour. So far as I am aware, at all times I have maintained what I believe to be both the law and the spirit of the law in relation to Australia’s electoral matters. I think that matters. I think it is important. I think that people who know me know that I think those things are important.

That was not good enough for Senator Wong or the members across the chamber; rather, they prefer to stand with the member for New England. I would back the integrity of the Deputy Prime Minister and my colleague Senator Macdonald against that of the flush-faced member for New England any day. He is a brooding member who is simply desperate for attention in this parliament—a lonely, insignificant Independent. The achievements of the Deputy Prime Minister and my colleague Senator Macdonald far outweigh anything the member for New England will do for New England or for the people of rural and regional Australia. The fact is this matter is under investigation by the police, and I know what their conclusion will be. I am sure the reason the member for New England decided to walk into this parliament and stir the pot under its protection is that the police investigation will find these two members of parliament innocent. Then the heat will be on the member for New England. He seeks their resignations. If the police investigation clears these two—and it will—he ought to resign.

Question agreed to.
PERSONAL EXPLANATIONS

Senator HARRIS (Queensland) (3.32 p.m.)—I seek leave to make a short statement.

Leave granted.

Senator HARRIS—I rise to address an issue that has been brought to my knowledge. Yesterday, in raising a matter of public interest relating to the inquiry into the Lindeberg issue and the subsequent destruction of the Heiner documents, I inadvertently referred to a document that was provided to the committee but which had not been released for publication. I assure the members of the committee and the Senate that it was not my intention to breach privilege. My intention was to highlight the gravity of the evidence that was brought before the committee, pertaining to child abuse in that grievance and to subsequent child abuse following the shredding of the Heiner documents. I unreservedly apologise to the Senate.

Senator BOSWELL (Queensland—Leader of The Nationals in the Senate) (3.34 p.m.)—I seek leave to make a brief personal explanation as I claim to have been misrepresented.

Leave granted.

Senator BOSWELL—Today’s Australian Financial Review carries a story which reports me in the following terms:

He said newly elected Queensland Nationals senator Barnaby Joyce, who has publicly raised concerns about the Telstra sale, would back the government on all motions and bills brought to the Senate.

I did not say that. That story came out of an AAP story. While I asked for a qualification, it made that claim and that is obviously where the Australian Financial Review got the story. The AAP made a correction to that story, but the story still ran in the AFR. I did not make those statements and I wish to put that on the record. (Quorum formed)

MINISTERIAL STATEMENTS

Sport: Drug Testing

Senator HILL (South Australia—Minister for Defence) (3.37 p.m.)—by leave—I table the ministerial statement, together with a document entitled Second stage report to the Australian Sports Commission and to Cycling Australia.

Senator LUNDY (Australian Capital Territory) (3.38 p.m.)—by leave—I move:

That the Senate take note of the statement.

I note with great interest that the Minister for the Arts and Sport, Senator Kemp, did not make it to the chamber, and so Senator Hill was required to table the statement on his behalf. It is not surprising that Senator Hill was keen to avoid being here. The Second stage report to the Australian Sports Commission and to Cycling Australia leaves a lot of egg on the face of the coalition government’s minister for sport. The ministerial statement outlines the final report of Mr Anderson relating to the allegations into doping in Australian cycling and offers up a complete whitewash and spin—that the report has a positive outcome. There are a few lines in the statement, however, which tell me otherwise.

The most damning indictment of the coalition government’s so-called Tough on Drugs in Sport strategy is the fact that the Anderson report advocates a whole series of substantive changes to both the Australian Institute of Sport’s policy, and the Australian Sports Commission’s policy, on the handling of drugs in sport. The Anderson report’s key recommendation is for an independent sports doping body that has—and I quote:

...the power and duty to investigate suspected infractions such as substance abuse and to carry the prosecution of persons against whom evidence is found.

Why is this so important? This recommendation implies that it was not possible for an
independent investigation to be carried out on this matter under the auspices of the coalition government and its policies. This was an issue that Labor raised at the time. There was a cover-up. It took far too long for this investigation to occur. The issue would never have come out into the open had Labor not brought it to this chamber—that is a fact.

We now know that, had we not taken that action, this issue would never have seen the light of day. These facts would never have been put on the table. The government would not have been forced to appoint an investigator like Mr Anderson to go through the issues, to ensure that there was a police investigation follow-up and to bring not only the government but the AIS, the Australian Sports Commission and other sports involved to account. That is the substance of the report we are faced with today. That is the substance of the statement that Senator Hill has tabled. It is about the changes that are now required to take place. Seeing the minister could not be bothered coming here and presenting this statement to the chamber I think it is worth quoting from part of it:

Based on Mr Anderson’s findings, it is fair to say that overall the decisions taken by the ASC and CA were reasonable in the circumstances at the time. His Report includes a range of suggestions regarding detection and prevention of doping offences. I have been advised that the AIS Athlete Scholarship Agreement has been revised to expressly allow searches of rooms, the seizure of goods found in rooms, the search of computers provided to AIS Scholarship athletes and the collection of data found in those computers. The Agreement has also been amended to provide that the Australian Sports Commission can disclose personal information on AIS scholarship athletes to relevant organisations. The AIS has also strengthened its existing policy of prohibiting self-injection by AIS athletes.

They are the minister’s words in his statement. It is a list of all of the profound weaknesses in the government’s existing policy. Minister, how can it possibly be claimed that the coalition government was tough on drugs in sport when such a comprehensive list of activities arising from this independent review emerges? Surely you must concede that there was a fundamental flaw, that the flaw had to be fixed, and that the flaw would not have been fixed had it not been for the Labor Party putting these issues into the public light to allow for their scrutiny and demanding action.

The Labor Party has not let anyone down. Back in July we first issued our policy for the establishment of an independent sports doping ombudsman’s position. Why? Because we knew there was a gap in the ability of people with a complaint—be they athletes, coaches, family members, or people unconnected to the sporting community but with crucial information—to raise that complaint with someone who did not have a vested interest. That is why our policy about a sports doping ombudsman was so critically important. What did the government do at the time? They scoffed, and rejected that approach—whereas now, with the final Anderson report before them and egg on their faces, they have come back and conceded that that is exactly what is needed in the Australian sporting landscape and they have issued—a discussion paper that will make that happen at some point.

The importance of having an independent investigator in the context of drugs in sport is not a new issue; it has been debated for a long time and, seemingly, resisted with some passion by the Australian Sports Commission. Again, the evidence in this case is of shabby handling by the Australian Sports Commission of investigations into this matter, which led it to resist any government policy—or any weak effort Senator Kemp may have put forward—to put in place an independent investigative body.
The Australian Sports Commission had their day, and it is now time for them to be accountable to an independent body. It is up to the minister to concede that they have made mistakes. They did not have a ‘tough on drugs in sports’ policy that was foolproof. The commission is in desperate need of an overhaul. There is no other way to describe the action put forward as part of the final report from Mr Anderson: it is an overhaul, it is comprehensive and the detail will show that there was mistake after mistake and flaw after flaw in the handling of this matter. Based on those very clear facts, no amount of shallow political spin, which is clearly evident in the ministerial statement, is going to take that away.

Senator KEMP (Victoria—Minister for the Arts and Sport) (3.45 p.m.)—The Hon. Robert Anderson QC was commissioned by the Australian Sports Commission (ASC) and Cycling Australia (CA) on 24 June 2004 to investigate specific allegations regarding doping violations by members of the Australian cycling squad.

Mr Anderson’s inquiry was undertaken in two stages. The first stage dealt with the allegations made in writing and oral evidence by cyclist Mr Mark French before the Court of Arbitration for Sport; whether there was any other evidence or information arising from the investigation that may indicate a breach by any persons of any of relevant anti-doping policies; and whether there was any other evidence or information arising from the investigation that may warrant a person being excluded from further participation in relevant programs, teams or events. Following the conclusion of an investigation by the South Australian police, Mr Anderson provided an addendum to finalise the first part of his report on 28 July 2004.

On 29 July 2004, I tabled in parliament the main body and addendum of the first stage of the Anderson report regarding his investigations into allegations made by Mr French.

It might be useful at this point to reflect on what the main findings of Mr Anderson’s report were at that point. Mr Anderson concluded in his report that he was ‘quite unable to accept that there were group injecting sessions involving up to six athletes in one room’. Mr Anderson further stated that he was concerned that the untested allegations made by the athlete had been ‘stated in parliament and reported in the media to the great personal prejudice of the athletes concerned’. So much for Senator Lundy’s comments.

On 6 August 2004, Mr Anderson completed a second addendum to the first stage report which covers further testing for equine growth hormone on the contents of the materials found at AIS Del Monte and which noted that further testing was still to be undertaken.

On 27 October 2004, Mr Anderson completed a sequel to the second addendum report. The sequel to the second addendum report addresses DNA testing and an examination of AIS Del Monte computers. I am advised that the content of the attachments is addressed in the reports and it is unnecessary to disclose additional personal information contained in some of those attachments.

I would now like to comment on the key points of the final Anderson reports.

If any single phrase elevated this issue into the public consciousness it was the use by some uninformed commentators of the term ‘shooting gallery’ to describe the circumstances at Del Monte. Mr Anderson makes a strong finding that there was no evidence of a ‘shooting gallery’ at Del Monte. As he summarises it ‘there is no evidence of a pro-drugs mentality, habitual widespread
drug use, or of group injecting sessions as alleged by Mr French’.

Mr Anderson’s second addendum and sequel raise further questions about Mr French and Mr Djaka, which are now being considered by the ASC and CA and their legal advisers. I am advised that further action against both these individuals is in train. Mr Anderson has cleared Shane Kelly, Sean Eadie, Graeme Brown and Brett Lancaster, and any other cyclist of any doping offence alleged by Mr French.

Mr Anderson concludes that a computer at Del Monte was used to search the word ‘EquiGen’ and other products on the Internet. He then indicates ‘no other data was discovered of interest to my investigation’.

It is important to note that the allegations against the cycling team emanated entirely from the testimony of only one individual—that is, Mr French. Following Mr Anderson’s detailed investigation, these allegations should no longer tarnish the reputation of our elite cyclists.

It is clear from the findings of the report that there was no cover-up by the ASC and Cycling Australia. Mr Anderson found the handling of these matters by the relevant organisations was reasonable in the circumstances at the time—which is quite contrary to the views that Senator Lundy has given this chamber.

In particular, Mr Anderson deals with the comments made in the Senate to the effect that it was only the raising of this matter in the parliament that caused action to be taken. This again was a comment relied on by Senator Lundy in her statement. Mr Anderson dismisses this view as a misconception. Mr Anderson states in the second stage report:

... it is clear from the contemporaneous records in files of the Australian Sports Commission that, well before those statements and accusations were made in Parliament, the Australian Sports Commission had commenced the process of appointing an independent investigator specifically to investigate the French allegations against the other cyclists ...

Senator Lundy—They were sitting on it, Rod, and you know. They were sitting on it, and they were hiding it from you.

Senator KEMP—Yes, Senator Lundy, you are sensitive about this because this quarrels completely with a statement you made to this chamber. You have not read the report closely and, therefore, you stood up once again and misled the chamber.

Mr Anderson has found that the independent investigation undertaken by Mr Justin Stanwix was properly resourced and appropriate to allow for a full and complete investigation of all matters. Mr Anderson also found that the time taken by Mr Stanwix to complete his investigation was reasonable, particularly given the investigation was conducted during the Christmas-New Year period.

Mr Anderson also found that Mr Stanwix’s investigation could not be criticised for not ordering DNA testing of the injection materials found at the Del Monte facility and that ‘no blame’ falls on the ASC or CA for not insisting that DNA testing be conducted at this time. This is because, at the time of the Stanwix inquiry, there was no evidence suggesting DNA testing was required.

In relation to the CAS hearing on Mr French’s doping infractions, Mr Anderson did not think that it was appropriate to classify the matter as ‘not urgent’. In this instance the lawyers acting on behalf of the ASC and CA were of the view that it would not have been appropriate to make an assertion to CAS that the matter was urgent, given that there was no immediate selection or event deadline, Mr French himself had not qualified for Olympic selection and Mr
French was continuing to refuse to identify any other cyclist whom he alleged was involved in injecting activities. With hindsight, this may have caused an unfortunate delay in the CAS hearing.

It was the allegations made by Mr French at the CAS hearing and the findings of the arbitrator that demanded that the allegations be taken up with the cyclists whom Mr French had accused. Mr Anderson concludes that this process was initiated expeditiously after the CAS hearing by the ASC and CA.

Based on Mr Anderson's findings, it is fair to say that overall the decisions taken by the ASC and CA were reasonable in the circumstances at the time. His report includes a range of suggestions regarding detection and prevention of doping offences. I have been advised that the AIS Athlete Scholarship Agreement has been revised to expressly allow searches of rooms, the seizure of goods found in rooms, the search of computers provided to AIS scholarship athletes and the collection of data found in those computers. The agreement has also been amended to provide that the ASC can disclose personal information on AIS scholarship athletes to relevant organisations. The AIS has also strengthened its existing policy of prohibiting self-injection by AIS athletes.

Mr Anderson makes comment about the intense media and public interest in the matter and how this might have been better handled. I have been advised that the ASC worked within the strict constraints of the CAS rules, the ASC's Anti-Doping Policy, the Privacy Act and the laws of defamation, natural justice and procedural fairness. However it is questionable whether any media strategy would have significantly reduced the impact once wide-ranging allegations were raised in the parliament.

For the longer term, the key recommendation put forward by Mr Anderson is 'that there should be a body which is quite independent of the AIS and of the ASC and of the sporting bodies themselves with the power and duty to investigate suspected infractions such as substance abuse and to carry the prosecution of persons against whom evidence is found'.

This government has a very proud track record in the fight against doping in sport. We are proud that our anti-doping programs have helped establish standards for the world sporting community.

Let me make the point that the Department of Communications, Information Technology and the Arts and relevant portfolio agencies, including the ASC and ASDA, have, for some time, been working on options for investigating doping allegations and the better management of hearings. There are complex legal and policy issues involved here and the government wants to ensure that Australia gets the best solution for our particular context. The government's further consideration will address these difficult issues in a way that meets the long-term needs of the sports sector. Today I have released a discussion paper for public comment on a new Sports Doping Investigation Board.

This issue was raised in the parliament by the Labor Party. Mr Anderson rejects the allegations that were made by the Labor Party. The Labor Party decided to use sport as a political weapon against the government. The Labor Party is the big loser out of this report. The individuals who took part in this attack on sport and attempted to use sport as a political weapon I believe have not only damaged themselves but also sport. They have also damaged this parliament.

(Time expired)

Senator FAULKNER (New South Wales) (3.56 p.m.)—Senator Kemp, in his concluding remarks—which were different from the circulated ministerial statement—adlibbed a
little at the end there and proceeded to try to shoot the messenger. How appropriate is it that he do that! How appropriate that Senator Kemp should apply an idea from Sophocles’s Greek tragedies in an effort to defend behaviour on his own part that could have led to a Greek tragedy of Olympian proportions for the Australian cycling team and the Australian Olympic team! If the minister had had his way on this issue, our cyclists would have competed in Athens with no investigation of these matters. He wanted to ignore the problem. He wanted this problem to go away. We all know it would not have gone away. Sooner or later, it would have blown up. Just imagine if it had blown up in the lead-up to or during the Athens Olympics. Just imagine the impact in the international community, in the media, in the press, if it had happened while our team was competing in Athens—imagine the impact on the team and the impact on our international standing. Our reputation on the world stage would have been traduced. Of course, innocent people would have been unfairly tainted. Then again, Mr Jobie Dajka would have competed in Athens—and he did not. And all that would have happened as a result of Senator Kemp’s gross incompetence.

I am very concerned that the minister’s tabling statement does not fully or accurately reflect the contents of the Anderson report. My concerns are highlighted by the minister’s refusal to follow the practices of the Senate. We had not received a copy of Mr Anderson’s report until the minister was on his feet. He did not provide an embargoed copy prior to the tabling statement. Senator Kemp has set a new record for the Senate—quite unprecedented—for a responsible minister not to present his own ministerial statement. That happened here today in this chamber. But why was Senator Kemp hiding this report until the very last moment? Perhaps the minister is just trying to spin the contents of the report, saying that the report fully exonerates the minister and the Australian Sports Commission. Just a cursory reading of the report—and that is the only thing we have been able to do, as senators have had only the shortest amount of time to look at this report because of these extraordinary procedures the minister has adopted—shows the inaccuracy of that spin.

Mr Anderson points to serious concerns with the way these allegations have been handled—with delays, ineffective investigative processes, a lack of DNA testing and a lack of follow-up on veterinary chemicals and computer tracking. But, most of all, the minister has pointed to the failures and bungling of himself and of the ASC in handling these allegations. How does he do that? He does that through the discussion paper that he has announced he has released today setting out the substantial changes he intends to make to the system of investigating drugs in sport allegations. If there were no problems, no delays, no mishandling of evidence—as the minister has just claimed in that extraordinary speech—then why is the minister proposing in his discussion paper such radical changes?

I welcome the changes. They are very much in line with what Senator Lundy, the previous shadow minister for sport, has been proposing on behalf of the opposition. The Labor Party has supported those propositions for a number of years, and so have many others in the sports community. It is an indictment on Senator Kemp that it has taken him so long to get around to doing something about it. The concerns that I have expressed have been expressed by many others in Australian sport. There have been longstanding concerns about drugs in sport processes under the administration of Senator Kemp. These concerns have been reinforced by the actual contents of the Anderson re-
port. I am sure that WADA, the World Anti-Doping Agency, will closely examine this report given the scathing comments it made—and particularly those that Mr Pound made—about Senator Kemp and the conduct of his ministerial responsibilities.

Look at his comments on 7 July. I commend the AAP story, which stated:

Sport: world doping boss lashes Australia as new case emerges.

World sport’s top drugs czar today launched a scathing attack on Australia’s handling of the Mark French cycling affair as evidence emerged of new doping allegations in weightlifting.

On goes Mr Pound, and I commend his comments to the Senate. What about Mr Pound’s comments on 7 July 2004 on ABC AM? He said:

The information has been known and available since some time last year and it has taken a very, very long time for this to come to any kind of resolution. Keeping the results of investigations secret is not conducive to any public confidence in the process or the sport.

What about Mr Pound, who said on 8 July:

The World Anti-Doping Agency chief said last night he could not understand why Australian officials had let the matter ‘fester’, saying it had taken six months to act on the allegations, and demanding the report into the scandal be made public.

Clearing cyclists to compete in Athens ‘was an incredible decision because all it does is leave more questions than answers’, Mr Pound told the Australian last night.

But I say that clearing the cyclists who competed in Athens was absolutely essential before the Games. What a pity it took the responsibility of senators from the Australian Labor Party to ensure that occurred. What a pity those investigations only took place as a result of actions by the opposition.

Senator Kemp—Read the Anderson report. That is not what Anderson said.

Senator FAULKNER—Senator Kemp should be ashamed of his performance. I know the excuses that Senator Kemp gave. He and his office spun out in the gallery that Senator Kemp was a poor media performer and a very poor parliamentary performer, but he was a really good minister. That was the spin. That is half right. He is a poor media performer. He is a very poor parliamentary performer. But he is a very poor minister too.

I am not critical of the fact that Senator Kemp was dumped as the Assistant Treasurer. I am not critical of the fact that he never made it into the Howard cabinet. We know that Mr Howard had to find someone from Victoria to keep up the quota of ministers from that state. Of course Mr Howard would prefer a compliant and incompetent man like Senator Kemp as opposed to a defiant and more capable woman like Ms Sharman Stone, who has been overlooked, or the less politically correct Mr Petro Georgiou. We know that is why Senator Kemp has survived. No-one should take any notice of this effort from Senator Kemp to kill the bearer of bad news. That is utterly predictable from him. It is hard to see, I suppose, how he would have done anything else. The argument that he has put forward is incoherent in the circumstances. I commend the reports. The argument he has put is indefensible in the light of what has occurred in relation to the Australian cycling team. I believe that Australian sport and Australian cycling are much better for the public exposure of these important matters. (Time expired)

Question agreed to.

COMMITTEES

Register of Committee Reports

The DEPUTY PRESIDENT—I present the consolidated register of Senate committee reports for the period 1970 to 2004.

Ordered that the document be printed.
BUDGET
Consideration by Legislation Committees

Additional Information

Senator McGauran (Victoria) (4.06 p.m.)—On behalf of the Community Affairs Legislation Committee, I present additional information received by the committee relating to hearings on the budget estimates for 2004-05, volumes 1 and 2.

COMMITTEES
Membership

The DEPUTY PRESIDENT—Order! The President has received letters from party leaders seeking variations to the membership of certain committees.

Senator Coonan (New South Wales—Minister for Communications, Information Technology and the Arts) (4.07 p.m.)—by leave—I move:

That senators be appointed to committees as follows:

Administration of Indigenous Affairs—Select Committee—
Appointed—Senators Carr, Crossin, Heffernan, Johnston, Moore, Nettle, Ridgeway and Scullion

Appropriations and Staffing—Standing Committee—
Appointed—Senators Allison, Boswell, Faulkner, Ferris, Heffernan and Ray

Community Affairs Legislation Committee—
Appointed—
Senators Barnett, Denman, Greig, Humphries, Knowles and Marshall
Participating members: Senators Abetz, Allison, Bishop, Boswell, Buckland, Carr, Chapman, Colbeck, Collins, Coonan, Crossin, Eggleston, Evans, Faulkner, Ferguson, Ferris, Forshaw, Harradine, Hogg, Lightfoot, Ludwig, Mackay, McGauran, Moore, Nettle,

O’Brien, Payne, Ray, Tierney, Watson and Webber

Community Affairs References Committee—
Appointed—
Senators Humphries, Hutchins, Knowles, Lees, Marshall and Moore

Economics Legislation Committee—
Appointed—
Senators Brandis, Chapman, Murray, Stephens, Watson and Webber

Economics References Committee—
Appointed—
Senators Brandis, Chapman, Lundy, Ridgeway, Stephens and Webber
Employment, Workplace Relations and Education Legislation Committee—
Appointed—
Senators Barnett, Johnston, Marshall, Stott Despoja, Tierney and Wong

Employment, Workplace Relations and Education References Committee—
Appointed—
Senators Barnett, Collins, Crossin, Kirk, Stott Despoja and Tierney

Environment, Communications, Information Technology and the Arts Legislation Committee—
Appointed—
Senators Allison, Conroy, Eggleston, Mackay, Santoro and Tchen

Environment, Communications, Information Technology and the Arts References Committee—
Appointed—
Senators Bishop, Cherry, Conroy, Mackay, Tchen and Tierney

Finance and Public Administration Legislation Committee—
Appointed—
Senators Brandis, George Campbell, Forshaw, Hefferman, Mason and Murray

Finance and Public Administration References Committee—
Appointed—
Senators Brandis, George Campbell, Forshaw, Hefferman, Moore, Ridgeway and Watson
Foreign Affairs, Defence and Trade Legislation Committee—
Appointed—
Senators Ferguson, Hutchins, Marshall, Payne, Sandy Macdonald and Ridgeway

Legal and Constitutional References Committee—
Appointed—
Senators Hogg, Hutchins, Johnston, Sandy Macdonald, Marshall and Ridgeway

Foreign Affairs, Defence and Trade References Committee—
Appointed—
Senators Hogg, Hutchins, Johnston, Sandy Macdonald, Marshall and Ridgeway

House—Standing Committee—
Appointed—Senators Carr, Crossin, Ferris, Lightfoot and Stephens

Legal and Constitutional Legislation Committee—
Appointed—
Senators Bolkus, Greig, Ludwig, Mason, Payne and Scullion

Legal and Constitutional References Committee—
Appointed—
Senators Bolkus, Buckland, Greig, Kirk, Payne and Scullion

Library—Standing Committee—
Appointed—Senators Faulkner, Kirk, Scullion, Stephens, Tchen and Tierney

Privileges—Standing Committee—
Appointed—Senators Faulkner, Humphries, Johnston, Knowles, Payne, Ray and Sherry

Procedure—Standing Committee—
Appointed—Senators Allison, Eggleston, Ellison, Faulkner, Ferguson and Ray

Publications—Standing Committee—
Appointed—Senators Hutchins, Johnston, Kirk, Marshall, Moore, Scullion and Watson

Regulations and Ordinances—Standing Committee—
Appointed—Senators Bartlett, Marshall, Mason, Moore, Santoro and Tchen

Rural and Regional Affairs and Transport Legislation Committee—
Appointed—
Senators Buckland, Cherry, Ferris, Heffernan, McGauran and Stephens
Participating members: Senators Abetz, Allison, Bishop, Boswell, Carr, Chapman, Coonan, Eggleston, Evans, Faulkner, Ferguson, Greig,
Thursday, 18 November 2004


Rural and Regional Affairs and Transport References Committee—

Appointed—

Senators Buckland, Heffernan, McGauran, O’Brien, Ridgeway and Stephens


Scranton Evidence—Select Committee—

Appointed—Senators Bartlett, Brandis, Collins, Faulkner and Ferguson

Scrutiny of Bills—Standing Committee—

Appointed—Senators Barnett, Johnston, Marshall, Mason, Murray and Ray

Selection of Bills—Standing Committee—

Appointed—Senators Eggleston, Ellison, Ludwig and Webber

Senators’ Interests—Standing Committee—

Appointed—Senators Allison, Denman, Forshaw, Humphries, Kirk, Lightfoot, McGauran and Webber.

Question agreed to.

Joint Committees

Establishment

Messages have been received from the House of Representatives transmitting for concurrence resolutions relating to the formation of joint committees. Copies of the messages have been circulated in the chamber.

The House of Representatives messages read as follows—

Message No. 3, dated 18 November 2004—Parliamentary Joint Committee on the Australian Crime Commission

Message No. 4, dated 18 November 2004—Parliamentary Joint Committee on Corporations and Financial Services

Message No. 5, dated 18 November 2004—Joint Standing Committee on Electoral Matters

Message No. 6, dated 18 November 2004—Joint Standing Committee on Foreign Affairs, Defence and Trade

Message No. 7, dated 18 November 2004—Joint Standing Committee on Migration

Message No. 8, dated 18 November 2004—Joint Standing Committee on the National Capital and External Territories

Message No. 9, dated 18 November 2004—Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund

Message No. 10, dated 18 November 2004—Joint Standing Committee on Treaties, and transmitting for the concurrence of the Senate the following resolutions:

Parliamentary Joint Committee on the Australian Crime Commission

That in accordance with section 54 of the Australian Crime Commission Act 2002, matters relating to the powers and proceedings of the Parliamentary Joint Committee on the Australian Crime Commission shall be as follows:

(a) That the committee consist of 10 members, 3 Members of the House of Representatives to be nominated by the Government Whip or Whips, 2 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, 2 Senators to be nominated by the Leader of the Government in the Sen-
ate, 2 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority group or groups or independent Senator or independent Senators.

(b) That every nomination of a member of the committee be forthwith notified in writing to the President of the Senate and the Speaker of the House of Representatives.

c) That the committee elect a Government member as its chair.

d) That the committee elect a deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee, and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.

e) That, in the event of an equality of voting, the chair, or the deputy chair when acting as chair, have a casting vote.

(f) That 3 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(g) That the committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any subcommittee any matter which the committee is empowered to examine.

(h) That the committee appoint the chair of each subcommittee who shall have a casting vote only and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(i) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 Government member of either House and 1 non-Government member of either House.

(j) That members of the committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(k) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(l) That the committee or any subcommittee may conduct proceedings in any place it sees fit.

(m) That a subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(n) That the committee may report from time to time.

(o) That the committee or any subcommittee have power to consider and make use of the evidence and records of the Joint Committees on the National Crime Authority and the Australian Crime Commission appointed during previous Parliaments.

(p) That, in carrying out its duties, the committee or any subcommittee, ensure that the operational methods and results of investigations of law enforcement agencies, as far as possible, be protected from disclosure where that would be against the public interest.

(q) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

Parliamentary Joint Committee on Corporations and Financial Services

That, in accordance with section 242 of the Australian Securities and Investments Commission Act 2001, matters relating to the powers and proceedings of the Parlia-
mentary Joint Committee on Corporations and Financial Services shall be as follows:

(a) That the committee consist of 10 members, 3 Members of the House of Representatives to be nominated by the Government Whip or Whips, 2 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, 2 Senators to be nominated by the Leader of the Government in the Senate, 2 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority groups or independent Senators.

(b) That every nomination of a member of the committee be forthwith notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(c) That the committee elect a member nominated by the Government Whips or the Leader of the Government in the Senate as its chair.

(d) That the committee elect a deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee, and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.

(e) That, in the event of the votes on a question before the committee being equally divided, the chair, or the deputy chair when acting as chair, have a casting vote.

(f) That 3 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(g) That the committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any subcommittee any matter which the committee is empowered to examine.

(h) That the committee appoint the chair of each subcommittee who shall have a casting vote only, and at any time when the chair of a subcommittee is not present at a meeting of a subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(i) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 Government member of either House and 1 non-Government member of either House.

(j) That members of the committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(k) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(l) That the committee or any subcommittee may conduct proceedings at any place it sees fit.

(m) That a subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(n) That the committee may report from time to time.

(o) That the committee have power to consider and make use of the evidence and records of the Joint Committees on Corporations and Financial Services and Corporations and Securities appointed during previous Parliaments.

(p) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.
Joint Standing Committee on Electoral Matters

(1) That a Joint Standing Committee on Electoral Matters be appointed to inquire into and report on such matters relating to electoral laws and practices and their administration as may be referred to it by either House of the Parliament or a Minister.

(2) Annual reports of government departments and authorities tabled in the House shall stand referred to the committee for any inquiry the committee may wish to make. Reports shall stand referred to the committee in accordance with a schedule tabled by the Speaker to record the areas of responsibility of each committee, provided that:

(a) any question concerning responsibility for a report or a part of a report shall be determined by the Speaker; and

(b) the period during which an inquiry concerning an annual report may be commenced by a committee shall end on the day on which the next annual report of that Department or authority is presented to the House.

(3) That the committee consist of 10 members, 3 Members of the House of Representatives to be nominated by the Government Whip or Whips, 2 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, 2 Senators to be nominated by the Leader of the Government in the Senate, 2 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority group or groups or independent Senator or independent Senators.

(4) That every nomination of a member of the committee be forthwith notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(5) That the members of the committee hold office as a joint standing committee until the House of Representatives is dissolved or expires by effluxion of time.

(6) That the committee elect a Government member as its chair.

(7) That the committee elect a deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee, and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.

(8) That, in the event of an equality of voting, the chair, or the deputy chair when acting as chair, have a casting vote.

(9) That 3 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(10) That the committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any subcommittee any matter which the committee is empowered to examine.

(11) That the committee appoint the chair of each subcommittee who shall have a casting vote only and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(12) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 Government member of either House and 1 non-Government member of either House.

(13) That members of the committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(14) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(15) That the committee or any subcommittee may conduct proceedings in any place it sees fit.
(16) That a subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(17) That the committee may report from time to time.

(18) That the committee or any subcommittee have power to consider and make use of:

(a) submissions lodged with the Clerk of the Senate in response to public advertisements placed in accordance with the resolution of the Senate of 26 November 1981 relating to a proposed Joint Select Committee on the Electoral System, and

(b) the evidence and records of the Joint Committees on Electoral Reform and Electoral Matters appointed during previous Parliaments.

(19) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

**Joint Standing Committee on Foreign Affairs, Defence and Trade**

(1) (a) That a Joint Standing Committee on Foreign Affairs, Defence and Trade be appointed to consider and report on such matters relating to foreign affairs, defence and trade as may be referred to it by:

(i) either House of the Parliament;

(ii) the Minister for Foreign Affairs;

(iii) the Minister for Defence; or

(iv) the Minister for Trade.

(b) Annual reports of government departments and authorities tabled in the House shall stand referred to the committee for any inquiry the committee may wish to make. Reports shall stand referred to the committee in accordance with a schedule tabled by the Speaker to record the areas of responsibility of each committee, provided that:

(i) any question concerning responsibility for a report or a part of a report shall be determined by the Speaker; and

(ii) the period during which an inquiry concerning an annual report may be commenced by a committee shall end on the day on which the next annual report of that Department or authority is presented to the House.

(2) That the committee consist of 32 members, 12 Members of the House of Representatives to be nominated by the Government Whip or Whips, 8 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, 5 Senators to be nominated by the Leader of the Government in the Senate, 5 Senators to be nominated by the Leader of the Opposition in the Senate and 2 Senators to be nominated by any minority group or groups or independent Senator or independent Senators.

(3) That every nomination of a member of the committee be forthwith notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(4) That the members of the committee hold office as a joint committee until the House of Representatives is dissolved or expires by effluxion of time.

(5) That the committee elect a Government member as its chair.

(6) That the committee elect a deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.

(7) That in the event of an equality of voting, the chair, or the deputy chair when acting as chair, have a casting vote.

(8) That 6 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member of either
House and 1 non-Government member of either House.

(9) That the committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any subcommittee any matter which the committee is empowered to examine.

(10) That, in addition to the members appointed pursuant to paragraph (9), the chair and deputy chair of the committee be ex officio members of each subcommittee appointed.

(11) That the committee appoint the chair of each subcommittee who shall have a casting vote only, and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(12) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 Government member of either House and 1 non-Government member of either House.

(13) That members of the committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(14) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(15) That the committee or any subcommittee may conduct proceedings at any place it sees fit.

(16) That a subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(17) That the committee may report from time to time.

(18) That the committee or any subcommittee have power to consider and make use of the evidence and records of the Joint Committees on Foreign Affairs and Defence and Foreign Affairs, Defence and Trade appointed during previous Parliaments.

(19) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

**Joint Standing Committee on Migration**

(1) (a) That a Joint Standing Committee on Migration be appointed to inquire into and report upon:

(i) regulations made or proposed to be made under the *Migration Act 1958*;

(ii) proposed changes to the *Migration Act 1958* and any related acts; and

(iii) such other matters relating to migration as may be referred to it by the Minister for Immigration and Multicultural and Indigenous Affairs.

(b) Annual reports of government departments and authorities tabled in the House shall stand referred to the committee for any inquiry the committee may wish to make. Reports shall stand referred to the committee in accordance with a schedule tabled by the Speaker to record the areas of responsibility of each committee, provided that:

(i) any question concerning responsibility for a report or a part of a report shall be determined by the Speaker; and

(ii) the period during which an inquiry concerning an annual report may be commenced by a committee shall end on the day on which the next annual report of that Department or authority is presented to the House.

(2) That the committee consist of 10 members, 3 Members of the House of Representatives to be nominated by the Government Whip or Whips, 3 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, 2 Senators to be nominated by
the Leader of the Government in the Senate, 1 Senator to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority group or groups or independent Senator or independent Senators.

(3) That every nomination of a member of the committee be forthwith notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(4) That the members of the committee hold office as a joint standing committee until the House of Representatives is dissolved or expires by effluxion of time.

(5) That the committee elect a Government member as its chair.

(6) That the committee elect a deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee, and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.

(7) That, in the event of an equality of voting, the chair, or the deputy chair when acting as chair, have a casting vote.

(8) That 3 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(9) That the committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any subcommittee any matter which the committee is empowered to examine.

(10) That the committee appoint the chair of each subcommittee who shall have a casting vote only and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(11) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 Government member of either House and 1 non-Government member of either House.

(12) That members of the committee who are not members of a subcommittee may participate in the public proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(13) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(14) That the committee or any subcommittee may conduct proceedings at any place it sees fit.

(15) That the committee may report from time to time.

(16) That the committee or any subcommittee have power to consider and make use of the evidence and records of the Joint Committees on Migration Regulations and the Joint Standing Committees on Migration appointed in previous Parliaments.

(17) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

Joint Standing Committee on the National Capital and External Territories

(1) That a Joint Standing Committee on the National Capital and External Territories be appointed to inquire into and report on:

(a) matters coming within the terms of section 5 of the Parliament Act 1974 as may be referred to it by:

(i) either House of the Parliament; or

(ii) the Minister responsible for administering the Parliament Act 1974; or

(iii) the President of the Senate and the Speaker of the House of Representatives;
(b) such other matters relating to the parliamentary zone as may be referred to it by the President of the Senate and the Speaker of the House of Representatives;

(c) such amendments to the National Capital Plan as are referred to it by a Minister responsible for administering the Australian Capital Territory (Planning and Land Management) Act 1988;

(d) such other matters relating to the National Capital as may be referred to it by:
   (i) either House of the Parliament; or
   (ii) the Minister responsible for administering the Australian Capital Territory (Self-Government) Act 1988; and

(e) such matters relating to Australia’s territories as may be referred to it by:
   (i) either House of the Parliament; or
   (ii) the Minister responsible for the administration of the Territory of Cocos (Keeling) Islands; the Territory of Christmas Island; the Coral Sea Islands Territory; the Territory of Ashmore and Cartier Islands; the Australian Antarctic Territory, and the Territory of Heard Island and McDonald Islands, and of Commonwealth responsibilities on Norfolk Island.

(2) Annual reports of government departments and authorities tabled in the House shall stand referred to the committee for any inquiry the committee may wish to make. Reports shall stand referred to the committee in accordance with a schedule tabled by the Speaker to record the areas of responsibility of each committee, provided that:
   (a) any question concerning responsibility for a report or a part of a report shall be determined by the Speaker; and
   (b) the period during which an inquiry concerning an annual report may be commenced by a committee shall end on the day on which the next annual report of that Department or authority is presented to the House.

(3) That the committee consist of 12 members, the Deputy Speaker, 3 Members of the House of Representatives to be nominated by the Government Whip or Whips, 2 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, the Deputy President and Chairman of Committees, 2 Senators to be nominated by the Leader of the Government in the Senate, 2 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority group or groups or independent Senator or independent Senators.

(4) That every nomination of a member of the committee be forthwith notified in writing to the Speaker of the House of Representatives and the President of the Senate.

(5) That the members of the committee hold office as a joint standing committee until the House of Representatives is dissolved or expires by effluxion of time.

(6) That the committee elect a Government member as its chair.

(7) That the committee elect a deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee, and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.

(8) That, in the event of an equality of voting, the chair or the deputy chair when acting as chair, have a casting vote.

(9) That 3 members of the committee (of whom one is the Deputy President or the Deputy Speaker when matters affecting the parliamentary zone are under consideration) constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(10) That the committee have power to appoint subcommittees consisting of 3 or more
of its members and to refer to any subcommittee any matter which the committee is empowered to examine.

(11) That the committee appoint the chair of each subcommittee who shall have a casting vote only and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(12) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 Government member of either House and 1 non-Government member of either House.

(13) That members of the committee who are not members of a subcommittee may participate in the public proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(14) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(15) That the committee or any subcommittee may conduct proceedings at any place it sees fit.

(16) That a subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(17) That the committee may report from time to time.

(18) That the committee or any subcommittee have power to consider and make use of the evidence and records of the Joint Standing Committees on the National Capital and External Territories, the Joint Committees on the Australian Capital Territory, the Joint Standing Committees on the New Parliament House, the Joint Standing Committee on the Parliamentary Zone and the Joint Committee on the National Capital appointed during previous Parliaments and of the House of Representatives and Senate Standing Committees on Transport, Communications and Infrastructure when sitting as a joint committee on matters relating to the Australian Capital Territory.

(19) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund

That, in accordance with section 205 of the Native Title Act 1993, matters relating to the powers and proceedings of the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund shall be as follows:

(a) That the committee consist of 10 members, 3 Members of the House of Representatives to be nominated by the Government Whip or Whips, 2 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, 2 Senators to be nominated by the Leader of the Government in the Senate, 2 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority groups or independent Senators.

(b) That every nomination of a member of the committee be forthwith notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(c) That the committee elect a Government member as its chair.

(d) That the committee elect a deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee, and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.
(e) That, in the event of the votes on a question before the committee being equally divided, the chair, or the deputy chair when acting as chair, have a casting vote.

(f) That 3 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(g) That the committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any subcommittee any matter which the committee is empowered to examine.

(h) That the committee appoint the chair of each subcommittee who shall have a casting vote only, and at any time when the chair of a subcommittee is not present at a meeting of a subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(i) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 Government member of either House and 1 non-Government member of either House.

(j) That members of the committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(k) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(l) That the committee have power to examine and report on such annual and related reports as may be referred to it by the President of the Senate or the Speaker of the House of Representatives.

(m) That the committee or any subcommittee may conduct proceedings at any place it sees fit.

(n) That a subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(o) That the committee may report from time to time.

(p) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

Joint Standing Committee on Treaties

(1) That a Joint Standing Committee on Treaties be appointed to inquire into and report upon:

(a) matters arising from treaties and related National Interest Analyses and proposed treaty actions presented or deemed to be presented to the Parliament;

(b) any question relating to a treaty or other international instrument, whether or not negotiated to completion, referred to the committee by:

(i) either House of the Parliament, or

(ii) a Minister; and

(c) such other matters as may be referred to the committee by the Minister for Foreign Affairs and on such conditions as the Minister may prescribe.

(2) That the committee consist of 16 members, 6 Members of the House of Representatives to be nominated by the Government Whip or Whips, 3 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, 3 Senators to be nominated by the Leader of the Government in the Senate, 3 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority group or groups or independent Senator or independent Senators.
(3) That every nomination of a member of the committee be forthwith notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(4) That the members of the committee hold office as a joint committee until the House of Representatives is dissolved or expires by effluxion of time.

(5) That the committee elect a Government member as its chair.

(6) That the committee elect a non-Government member as its deputy chair to act as chair of the committee at any time when the chair is not present at a meeting of the committee and at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting.

(7) That in the event of an equality of voting, the chair, or the deputy chair when acting as chair, have a casting vote.

(8) That 3 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(9) That the committee have power to appoint not more than 3 subcommittees each consisting of 3 or more of its members, and to refer to any subcommittee any matter which the committee is empowered to examine.

(10) That, in addition to the members appointed pursuant to paragraph (9), the chair and deputy chair of the committee be ex officio members of each subcommittee appointed.

(11) That the committee appoint the chair of each subcommittee who shall have a casting vote only, and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(12) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(13) That members of the committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(14) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(15) That the committee or any subcommittee may conduct proceedings at any place it sees fit.

(16) That a subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(17) That the committee may report from time to time.

(18) That the committee have power to consider and make use of the evidence and records of the Joint Standing Committees on Treaties appointed during previous Parliaments.

(19) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

Ordered that consideration of message No. 4 relating to the proposed Parliamentary Joint Committee on Corporations and Financial Services be made an order of the day for the next day of sitting.

Senator COONAN (New South Wales—Minister for Communications, Information Technology and the Arts) (4.08 p.m.)—by leave—I move:

That the Senate concurs with the resolutions of the House of Representatives contained in messages nos 3 and 5 to 10 relating to the appointment of certain joint committees.
Question agreed to.

**TELSRA: SERVICES**

Senator CONROY (Victoria) (4.09 p.m.)—I move:

That the Senate—

(a) notes that:

(i) the Government has failed to ensure that telecommunications service standards are up to scratch in rural and regional Australia,

(ii) the chief of the Government’s telecommunications inquiry, Mr Dick Estens, has said that telecommunications services in the bush remain a ‘shemozzle’, and

(iii) selling Telstra will cost the budget $255 million over the next 4 years; and

(b) calls on the Government to keep Telstra in majority public ownership to ensure reliable telecommunications services for all Australians.

During the election campaign neither the Liberal Party nor the National Party wanted to talk about the full privatisation of Telstra. It was the policy they dared not name. You will find no reference to it in any of their policy documents released during the campaign, nor was it mentioned in the major policy speeches of either the Prime Minister or the Deputy Prime Minister. Labor repeatedly challenged The Nationals’ members to debates on Telstra but none had the courage to take up the offer and explain to their constituents where they stood on the sale.

I see Senator McGauran is on the list to speak on this debate and I welcome his participation. Senator McGauran well knows that in a seat that he has a great deal of interest in down in Gippsland—that is, McMillan—the National Party went as far as preselecting a candidate who stated publicly that they would not sell Telstra under any circumstances. Isn’t that right, Senator McGauran? It was a desperate bid to try to help Russell Broadbent get elected by preselecting somebody that went out there and campaigned against the sale of Telstra, and it was with the full knowledge and support of both Senator McGauran and Minister McGauran in the other place. That is right. I can see the blushing from here. If it were not a red chamber you would be standing out like a beacon, Senator McGauran. You may well nod and look shamefully at the floor as Senator Eggleston looks towards you to find out whether this is true or not. You may well look and laugh.

Labor repeatedly challenged the National Party to this debate. Yesterday, what did we have? Yesterday we had the spectacle of Senator Boswell coming into this chamber and claiming a mandate on Telstra. They did not want to mention it during the campaign. They misled voters during the campaign. But now they want to claim they have got a mandate. As we consider the fate of Telstra in this 41st Parliament, it is important to consider what the Nationals were telling their constituents before the election. The Queensland Nationals President, Mr Bolger, is on the record as having stated:

Our policy is Telstra should not be sold.

That is pretty straightforward. The president of the Queensland National Party said:

Our policy is Telstra should not be sold. We are against any sale ... unless the community tells us ... otherwise.

Last July the Queensland Nationals held their annual conference in Cairns. Were you there perhaps, Senator McGauran? No. At that conference the then Nationals Senate candidate, Barnaby Joyce, stated:

It is absolutely too early to be talking about selling all of Telstra. Telstra is a national icon, and if you launch yourself as a political party into destroying national icons then you will come unstuck with the electorate.
That is now Senator elect Barnaby Joyce. Of course, that is what he said before he asked the people of Queensland to vote for him. Today in the Canberra Times he is reported as saying that he will be supporting the government on all bills and motions in the Senate. It looks like ‘Rollover Ron Boswell’ is about to be joined by ‘Backdown Barnaby’.

The Queensland Nationals have served up another senator who talks tough before an election but who will not take on the Liberals and stand up for the interests of his constituents after the poll. That is right; say one thing before the election to garner a few votes but, when it comes to the crunch in here where you have got to stand up and be counted, you go missing.

Senator O’Brien—Invertebrates.

Senator CONROY—That is very true, Senator O’Brien. The Nationals did not campaign on the sale of Telstra because they know that services are nowhere near up to scratch. They also know that once Telstra is privatised there is no mechanism to ensure that service standards will be maintained.

Dick Estens, the chair of the government’s own regional telecommunications inquiry, is on the record as saying that many services in the bush remain ‘a shemozzle’. This is four years after the government sold 49 per cent of Telstra. This is after four years worth of community service obligations and an investigation which the government needed to try and cover where they are going. This investigation has shown that many services in the bush remain ‘a shemozzle’. Even though I have only been opposition spokesman for this portfolio area for a short time I have already received many letters from people in rural areas highlighting problems such as long delays in getting faults rectified and poor Internet services. One family in East Gippsland—a family who you would normally claim to represent, Senator McGau—stated that they have been trying to obtain a permanent residential phone connection since the beginning of October. The latest advice they have received from Telstra is that the connection may be delayed until January. This level of service is completely unacceptable. Perhaps if they said you were their son, they might be able to get a phone connection.

The ACTING DEPUTY PRESIDENT (Senator Watson)—Order! Senator Conroy, please address your comments through the chair.

Senator CONROY—I accept your admonishment, Mr Acting Deputy President. Since the election, we have heard a lot of tough talk from The Nationals. They have advanced a number of different propositions on Telstra in an attempt to wriggle their way out of the bind that they have got themselves into. The trouble is that all of these propositions have been immediately dismissed out of hand by the minister at the table today and other government ministers. Plans to spend up to $5 billion of the proceeds of the Telstra sale on pork-barrelling in Queensland have been ruled out by Senator Minchin and the Treasurer, who have likened the proposals to selling the family silver. A proposal to structurally separate Telstra so that the government retained ownership of the rural network has been referred to The Nationals’ think tank, the Page Research Centre. Before the ink was dry on the reference, this proposition was killed off by Senator Coonan. Yesterday she said it was inconsistent with government policy. So do not bother trying to dress it up. Do not bother trying to make up all of these excuses about how you can now justify selling Telstra because we know what is going on here: the Liberals will not allow The Nationals to represent their constituents and The Nationals will just roll over as that pack of invertebrates that we know they are—as they
demonstrate week in and week out in this chamber.

The Deputy Prime Minister has flagged siphoning off a portion of the cost of phone calls to pay for upgrading rural services as part of plans to future-proof rural telecommunications services. But it seems that Senator Minchin has also ruled this out, stating that future governments will have to decide the extent to which they subsidise rural services. Will Senator McGauran and The Nationals fight for these propositions? If Senator Boswell’s comments are any guide, it seems the battle is already over. Yesterday he told the Senate that there was not a cigarette paper between the Liberals and The Nationals on Telstra. The Liberals seem to have mopped up all resistance from the National Party within weeks of the election. It is pathetic. Within weeks The Nationals are waving the white flag and saying, ‘We’ll vote for whatever you tell us to vote for. Please stop beating us up.’ All it has taken is a few weeks and a beating up from Senator Coonan, for goodness sake. Today’s headline in the Australian Financial Review says it all: ‘Nat senators to toe line on Telstra’. We are going to make sure that article gets wide circulation in Gippsland and Benalla, Senator McGauran.

The Nationals are right to be sensitive about the sale of Telstra. They know it is not a policy that is supported by rural Australians and that after 1 July there will be nowhere for them to hide. If The Nationals want to glimpse what the future holds if they sell Telstra, they only have to look at what happened to the Democrats, who sold out their voters on the GST. That is exactly what The Nationals are staring at: a slide into oblivion as their voters desert them. More and more seats will fall to the independents. More and more seats will be up for contest. The Liberal Party will eat them from behind because rural voters will know that there is no point in voting for a national party. They will say, ‘If we want a Liberal, we may as well elect a Liberal.’ That is the message that they are giving The Nationals’ members. The Deputy Prime Minister said, ‘If we lose any more seats, I’ll resign.’ What happened? Barnaby Joyce crawls across the line in Queensland and barely wins his seat to reclaim it from One Nation. The Liberals zoomed away, winning three seats in their own right. The Nationals barely got across the line in Queensland off the back of a shonky promise to the Fishing Party that they would review fishing rights in the Great Barrier Reef, which was immediately dismissed by the Liberal Party after the election when it came to light that this shonky little preference deal was done. It did not matter. It was a case of saying one thing before the election and doing something else after because ‘those Liberal Party people just will not let us’. We saw The Nationals lose Larry Anthony, a minister in the previous government. We saw them lose another seat. As every election goes by, they lose another seat. The sooner you get the message, the sooner you might start winning some seats.

It is extremely disappointing that the government has decided to pursue its ideological obsession with selling Telstra when there are so many other telecommunications issues that need to be addressed. Just last week the annual report of the Telecommunications Industry Ombudsman was released. The report shows that consumer complaints about poor services increased by eight per cent to a record 59,850 last year. Complaints about landline faults increased by 21 per cent. Complaints about mobile phone connections increased by 80 per cent. Complaints about Internet connections increased by 158 per cent.

In the face of falling standards, one might think that the government would immediately ask the Australian Communications
Authority to review the flawed system of self-regulatory codes. This process is so poor that the consumer groups have refused to take part in the code development process. Instead, the government have decided to get straight to work on flogging off Telstra. This is the government’s response to the litany of complaints about falling services—‘We’ll just get on with flogging off Telstra’. This policy will do nothing to improve standards and will, in all likelihood, worsen them as a fully privatised Telstra will not make the necessary investment in infrastructure, particularly in rural areas.

We have heard a lot from the minister about the customer service guarantee and the protection it is supposed to provide consumers. The CSG requires telecommunication companies to fix faults within specified time frames or compensate customers. For some time Labor has been raising concerns that the CSG is being rorted by the practice of issuing mass service disruption notices. These notices absolve carriers from responsibility to meet the CSG. In August the Senate Communications, Information Technology and the Arts Committee recommended that the government tighten the CSG. There are many government senators, including National Party senators, on that committee and they said we have got to tighten the CSG. The committee called on the government to ensure that mass service disruption notices cannot be used by carriers to avoid their obligations to properly maintain their networks and provide an acceptable standard of community service.

Too often Telstra has been using bad weather as an excuse for its failure to fix faults within specified time frames. We have had a drought. We have been in drought conditions, as Senator Heffernan regularly explains to me. We have had a drought across the country for years. But in all this rain and bad weather Telstra is out there. We get a drop of rain and Telstra is out there with a mass disruption notice. This has to stop. It is not to be used as an excuse for failure to fix faults within the time frames. Telstra has issued over 100 of these notices so far this year, including at least 20 in the last month. In August the minister—the very minister sitting over on the other side of the chamber—dismissed these concerns, telling the Senate that she was unaware of any evidence suggesting that Telstra was using outage notices inappropriately. Yet earlier this month the Deputy Prime Minister identified the need to tighten the capacity that telecommunications carriers had to obtain exemptions from their community obligation timetable in the face of claimed problems with weather.

After the election the Deputy Prime Minister suddenly discovers that that policy has failed. It is just amazing that the minister dismissed the very thing that the Deputy Prime Minister now says Telstra and others are getting away with. This is a minister that dismissed this in August, yet in November the Deputy Prime Minister says this is a major cause of problems in regional and rural areas. I just wish they would have a chat some time. I just wish that the Deputy Prime Minister, over the cabinet table, perhaps over a bickie and a cup of coffee before cabinet starts, would say, ‘Oh, by the way, Senator Coonan, have you noticed how many of these notices Telstra is issuing? Do you think it’s a bit of a problem?’ But, no, Senator Coonan just blithely dismisses it because it is all about the need to sell Telstra.

**Senator Coonan**—You are such a fool, Stephen. When are you going to get out of Melbourne and go into the bush?

**Senator CONROY**—Senator Coonan, the only time you get out of Sydney is to go to your holiday home on the coast, and we have talked about that a lot previously.
Senator CONROY—Exactly! She has travelled once to the bush and suddenly she is an expert! Senator Heffernan, please take her out again.

Senator Coonan—I come from the bush.

Senator CONROY—Take her back to where she came from. If the minister is serious about the CSG, she must act to tighten the ability of carriers to use bad weather to escape their obligations. Even before Telstra has been sold, consumers are being hurt because of the flawed regulatory framework imposed by the government in an attempt to boost Telstra’s share price.

Senator Coonan—You need to go out and have a look; you really do.

Senator CONROY—I have read all about your trip. I have read how people decided to take half a day off to come to the meeting just to make sure you knew how bad the services were. I have read all about it.

Senator Coonan—It was a hugely productive trip.

Senator CONROY—It was very productive. She actually met a few people who lived in rural Australia and suddenly discovered that the service levels were terrible. It actually took her going into the country and being told. I have got people deluging my office telling me how bad things are. This government has presided over a so-called price control regime that has allowed Telstra’s standard line rental charges to skyrocket. As Senator Moore noted in question time today, line rental charges have risen from $11.65 per month in January 2000 to between $26.95 and $29.95 per month today.

Senator Eggleston—Prices are down 20 per cent.

Senator Coonan—Yes, prices are down 20 per cent.

Senator CONROY—This is about line rental. In their recent review of the regime, the ACCC recommended that Telstra be subject to an additional form of price control on line rentals. This is about the government’s trumped-up policy. The ACCC have come out and said, ‘Oh, dear, we’re going to have to put some more controls on line rentals,’ because the government have released Telstra from them. They have allowed them to price gouge on line rentals. They have allowed them to make hundreds of millions of dollars. To fatten up Telstra to make it more attractive to allow it to be sold is what it is about, and that is what every Australian should understand. Will the government have the courage to take up this recommendation from the ACCC in the face of claims by market analysts that it could adversely impact on the sale price? ‘Oh, dear, we’d better not do that. We might upset the sale price. Don’t worry about what it’s doing to ordinary Australians out there. Don’t worry about how much they are paying per month. We can’t afford to upset the markets because we are trying to flog Telstra.’ Will the government’s interest as a vendor take priority over the need identified by the ACCC to protect consumers from Telstra’s market power? This will be a big test for the minister and the government. Will they just keep fattening it up? Will they just keep gouging the de facto monopoly of Telstra? Will they allow it to charge as much as it wants just so they can fatten it up and just so they can get more money for it and not give a damn about how that is impacting on the majority of Australians through these increases in line rentals?

Senator EGGLESTON (Western Australia) (4.29 p.m.)—It is interesting that the Labor Party is now apparently showing a great interest in rural Australia, because it never, ever did that when it was in government. Under Labor, in fact less than $40 million was spent over its last four years in government on regional Australia. By contrast, the
Howard government is committed to working in partnership with the people in communities of regional Australia and has spent well over $30 billion on specific programs supporting regional Australia since 1996. Senator Conroy talked about shemozzles in regional telecommunications.

Senator Coonan—He raved about shemozzles.

Senator EGGLESTON—As Senator Coonan says, he raved about shemozzles. As far as shemozzles in regional telecommunications go, when the Labor Party was in government it was content for people in regional areas to have to wait months and months to have their phone connected or repaired. People in the most remote areas of Australia could wait up to 27 months to have a new phone line installed. An incredible time—over two years.

It was left to the Howard government to introduce consumer safeguards which ensured that people in regional Australia had their phone services installed and repaired in reasonable time. As an example of how Labor neglected people in regional areas, we only need to go to the determination Labor made to end the analog telephone network. They closed down the analog network but failed to provide any alternative. It was up to the Howard government to step in and provide the CDMA network to replace the analog network which Labor abruptly discontinued to the disadvantage of the people of regional Australia. In fact, it is true to say that no other government has been more committed than the Howard government to improving telecommunications services in regional, rural and remote Australia. The Howard government has provided more than $1 billion to improve communications and information technology infrastructure and services in regional Australia. The fact that we set up two inquiries, the Besley inquiry and the Estens inquiry, is a very real manifestation of the concern the Howard government had to ensure that the problems, such as they were with telecommunications services in regional Australia, were identified and were fixed up.

The Besley inquiry made a long list of recommendations and the Howard government spent $163.1 million meeting the recommendations to improve services. In the case of Estens, which made 39 recommendations, the government responded with a $181 million package and accepted all of Estens’s recommendations. As a result, there have been substantial improvements in new infrastructure and mobile phone coverage, new connection times have been reduced, all Australians now have untimed local call access to the Internet, the cost of telecommunications services has declined—in fact, the price of calls has declined by some 20 per cent—and those who live in extended zones now have access to telephone calls at the untimed local call rate. They are all pretty incredible benefits to regional Australia—hardly a shemozzle.

The Howard government’s regional telecommunications initiatives include extending untimed local calls access for the first time to the 40,000 customers living in the most remote areas of Australia. That was a special contract of some $150 million which two companies competed for—Optus and Telstra—and which Telstra won. There was a $140 million package to support the extension of mobile phone coverage to 98 per cent of the population. This included extending mobile phone coverage to 132 towns with populations of over 500 and to 55 towns with populations below 500 people. The Howard government has supported near continuous mobile phone coverage on 10,000 kilometres of national highway and at 62 sites on regional highways. Furthermore, over $52 million has been spent for a national communications fund to develop high-speed telecom-
communications networks to support the delivery of health and educational services in regional Australia—hardly a shemozzle.

In Western Australia, where I come from, the Howard government has provided funding of $7 million to improve CDMA mobile phone coverage in the south-west of Western Australia by way of a program known as the Wireless West project. This project was jointly funded by the federal government, the state government and Telstra, each committing $7 million to it. As part of this project, 45 new base stations have been installed throughout the South West Land Division of Western Australia from Geraldton in the north to Esperance in the south, including sections of the highway to Kalgoorlie. This means that just about the whole of the south-west division of Western Australia has access to mobile phone coverage. Again, hardly a shemozzle.

Furthermore, during the election the government announced that it would fund new mobile phone coverage for remote areas, which include in Western Australia centres such as Warmun and Balgo in the Kimberley and Cue in the Gascoigne as well as many other thinly populated areas of the state. For those people who live in areas that do not have terrestrial mobile phone coverage, the Howard government has a program which will extend the Satellite Phone Subsidy Scheme so that customers can get a subsidy of 80 per cent or $1,500 off the cost of a mobile phone handset—a pretty good program for people living in the most remote parts of Australia, I think you would agree.

Internet and broadband access are increasingly important communications tools in the modern world. The Networking the Nation program has funded over 1,600 public Internet access facilities in regional Australia in places like libraries, schools and purposely created Internet cafes in locations such as

shire council offices. The government has developed a $142.8 million national broadband strategy to increase the access to and affordability of broadband around Australia. This includes $107.8 million for the Higher Bandwidth Incentive Scheme, or HiBIS, which aims to provide people in regional Australia with affordable access to broadband services at prices comparable to those in the metropolitan areas. I am sure even Senator Lundy would agree that that is a marvellous innovation and excellent program.

Senator Heffernan—Good on you, Kate!

Senator Lundy—Don’t verbal me.

Senator McGauran—Wishful thinking.

Senator EGGLESTON—It probably is wishful thinking because Senator Lundy is a little grudging about acknowledging the fantastic programs of the Howard government, but I am sure that even she, even grudgingly, will concede that that is a marvellous program. There are now 10 registered HiBIS providers offering affordable broadband services in regional Australia under the program. Under this program, a provider gets a subsidy for each eligible customer who signs on. That is a very good incentive.

A second component of the national broadband strategy is the $23.7 million coordinated communications infrastructure fund which funds broadband infrastructure projects that improve the delivery of health, education and government services in regional areas. Not so long ago I went to a demonstration of a health video link system in the Kalgoorlie Regional Hospital. This system linked Kalgoorlie to consultants in a teaching hospital in Perth so that a group of people could actually observe a patient undergoing an interview. This means that now patients in Kalgoorlie will not have to go down to Perth quite so often for specialist services. That video link program in Western
Australia is going to be extended to 56 centres around the state. Again, one can hardly describe the advent of a program like that as a shemozzle in regional telecommunications. It has to be acknowledged that it is a marvellous step forward and a marvellous use of modern telecommunications to improve the health services to people in regional Australia.

The third component of the strategy is an $8.4 million program to promote broadband demand aggregation by funding demand aggregation brokers. In June this year, the government announced funding of some $300,000 to engage a broadband demand aggregation broker in the Kalgoorlie-Boulder region of Western Australia. I am sure that similar contracts have been let around the rest of Australia. Again, that is hardly a shemozzle.

This motion calls for Telstra to remain in public ownership. The central position of the Labor Party in telecommunications is to equate ownership of Telstra with control. They think that it is only by continuing to have majority public ownership of Telstra that the government will have the ability to exercise control over it. In short, the Labor Party are labouring under a misapprehension. There is no way any inexorable link exists between ownership and control. The existing regulatory safeguards that apply to Telstra and the government’s ability to continue to regulate Telstra in the public interest will not be affected in any way under a fully privatised Telstra. This is a fact which is almost universally acknowledged by telecommunications industry players. The only people who do not acknowledge it are the Australian Labor Party. They seem to believe that it is very important for public ownership to be retained to ensure adequate telecommunications services. One suspects in reality all they are expressing is a commitment to the old 1930s socialist ideology of public ownership of public utilities—a very old-fashioned concept if ever there was one.

There are a range of consumer and regulatory safeguards which will remain in place under a fully privatised Telstra. These include the universal service obligation, the customer service guarantee, the national relay service, price controls, untimed local calls, priority assistance for people with life-threatening medical conditions, the low-income customer package, the network reliability framework, the digital data service obligation, and the Telecommunications Industry Ombudsman. The government can also impose conditions on Telstra’s licence which, the government has said, would include a special condition requiring them to continue to provide services in regional Australia. The continuance of all of these regulatory mechanisms does not depend on the government continuing to own Telstra and they will remain in place when Telstra is fully privatised.

The Howard government is firmly of the view that it is the government’s role to establish an appropriate legislative and regulatory framework to promote a competitive telecommunications market and to ensure that appropriate consumer safeguards are in place. It is not the government’s role to run a telecommunications company. That is why Telstra has a board of directors; that is why it has been subject to the Corporations Law since 1991—which, interestingly enough, was when the Labor Party was in office—meaning that it is required, and has been for some time, to operate on a commercial basis.

As for Telstra losing $255 million in revenue over the next four years if it is privatised, I would have thought that the more important thing is that, even if that were true, there is no doubt that the government will receive hundreds of millions of dollars in taxation from a fully privatised and success-
ful Telstra, given the size of the company and the huge revenues which it generates. It is something of a furphy to talk about a lost bonus from a publicly owned company when I am sure an examination will show that the taxation generated from a successful private corporation will far exceed the bonus that the publicly owned company provides to the government.

It was the Howard government that introduced full and open competition to the telecommunications market in 1997. It has been competition which has provided consumers with choice, driven improvements and enhancements, encouraged advances in telecommunications infrastructure, provided incentives for better services and driven down call costs. In the words of the ACA, the government’s telecommunications reforms ‘have led to substantial ongoing benefits to consumers and small business’. The ACA said: ‘The reforms have resulted in improved productivity within the telecommunications industry.’ In fact it is estimated that in 2002-03 the output of the telecommunications sector was a whopping 97 per cent higher than it would have been had deregulation of the industry not taken place. So deregulation can only be said to have been of enormous benefit to Australia.

Competition has delivered lower call prices. According to the Australian Competition and Consumer Commission, between 1997 and 2002 ‘overall the average price paid by consumers for telecommunications services has decreased by 20.1 per cent’. This is an amazing achievement and, again, is hardly indicative of a shemozzle in telecommunications services. Overall, the price of fixed to mobile calls has fallen by an average of 22.7 per cent in the same time, GSM mobile call costs fell by 24 per cent and the cost of local calls has declined by 37.1 per cent.

Senator Lundy—What about line rentals?

Senator EGGLESTON—There has been a 37.1 per cent reduction in the cost of local calls. Senator Lundy, that is a very impressive figure, as I am sure you will agree. In conclusion, there is no doubt that under the Howard government telecommunications services have undergone a revolution. They have been improved and costs have dropped, and there is absolutely no reason whatsoever to describe services in this country as a shemozzle. In fact, they should be regarded as an example to the rest of the world of how a successful telecommunications service should be run in a country. There is no case whatsoever for Telstra remaining in public hands, and I personally look forward to its full sale in the knowledge that telecommunications services throughout Australia will be maintained at existing high levels and improved by the force of competition, which the Howard government has been responsible for introducing to this sector in Australia.

Senator LUNDY (Australian Capital Territory) (4.48 p.m.)—It is my pleasure to follow Senator Eggleston in this debate so that I have the opportunity to verbal him as he verballed me in saying that somehow I lauded the coalition’s programs. Most of them are a complete farce. Having participated in many of the inquiries into telecommunications and broadband in this country, Senator Eggleston probably has a better idea than most in this place of the devastating state of affairs in rural and regional telecommunications. That said, it has been fascinating to see the two-faced approach that The Nationals have been taking to this issue of Telstra. Their face when inwardly focused on this chamber—and I presume their own party room—says very clearly, ‘We support the privatisation of Telstra.’ But outside this building and facing their constituency, facing the residents in rural and regional Australia, the face of The
Nationals says, ‘Shock, horror. We’re going to work really hard to try to get services up to scratch, and no, they are not good enough yet.’ The Nationals cannot have it both ways. They cannot have a face for this place and a face for the rest of their constituents when they are outside of this place; it does not work like that and their hypocrisy has been thoroughly exposed.

The debate about whether or not services are up to scratch is a very interesting one, and I find it quite astounding that the Minister for Communications, Information Technology and the Arts seems to have embarked upon a new exercise of determining for herself whether or not services are up to scratch by making a series of regional visits. I say it is extraordinary because it is true that the coalition government some time ago determined that services were up to scratch. They have already determined that, and we need to look no further than comments made by the Prime Minister. Also comments made by the minister representing the minister in Senate estimates and certainly comments by the department in the transcript of those Senate estimates all point to the fact that the government, the coalition government, has already determined that services are up to scratch. This means that what we are now observing is a complete furphy. Any notion that the coalition government is now going to ask, ‘Gee, are services up to scratch?’ is completely farcical.

What we do know is that programs such as HiBIS, as discussed by previous senators, and CCIF are in fact not, according to the Senate estimates hearings, part of the formal Estens response. I note with great interest how misleading Senator Coonan has been today in citing and quoting the actual budget allocations to both the HiBIS and CCIF as somehow being directly linked to Estens. The fact is that the government has placed on the record that they do not see those broadband programs as formal responses to the Estens recommendations. What does that mean? It means they do not have to be completed before the sale of Telstra. It means they are not a prerequisite to the services in rural and regional Australia being assessed as up to scratch. But because this government is about duping their poor old Nationals colleagues, it does not really matter. Facts tend not to matter.

What we know is that the Estens recommendations were weak. Any claim that they are being fulfilled can be ridiculed to the extreme because most of the recommendations made very little change in the bush anyway. I will go into the details shortly. Certainly the expenditure in the budget programs like HiBIS and CCIF that have been promoted as helping to future proof the network has got nothing to do with Estens as far as the political commentary and rhetoric so far are concerned. That means we know that broadband is not a prerequisite for the coalition government’s determination that services are up to scratch. This is astounding. It is 2004. We are four years into the 21st century, and the coalition government do not consider broadband to be an essential telecommunications service—so much so that they are not going to insist on its universality or on any degree of penetration in rural and regional areas before they sell off the rest of Telstra—before they determine those services are up to scratch.

It is certainly interesting that on Senator Coonan’s farcical tour she went straight back to Mr Estens and asked his opinion. The word ‘shemozzle’ is probably going to be used quite a bit in this general business debate today. But that is appropriate because I suspect the minister was trying to give Mr Estens another chance to say the right thing on the record, because in evidence given in the previous inquiries into these matters Mr Estens was less than complimentary about
the process and procedures to date. In fact, he said then that they were not up to scratch. Senator Coonan trots out and says, ‘We’ll give you another chance; say it right this time.’ But, no, the joke is on Senator Coonan because Mr Estens said again, ‘I’m not playing your game. I’m not going to play this silly game of the coalition’s and look like a fool in front of all my mates out in the country and say it’s up to scratch. It’s a shemozzle.’ More than anything else it stands as a grave indictment that the very person who authored the report, whom the coalition government is trying to hang their privatisation credentials on, will not come to the party because he knows it is a joke. He knows it is a joke and he is not prepared to toe the line. I acknowledge that and think it is a credit to Mr Estens.

Prior to the election, in the Senate chamber it was the new minister, Senator Coonan, who actually put on the record what the whole issue is about here. Senator Coonan stated for the first time as a coalition minister for communications that the objective of the coalition government was to fatten up Telstra in anticipation of privatisation. Her job, in other words, was to ensure that the share price of Telstra stayed high so the market conditions would be right for selling it off. I have been arguing for such a long time that this has been the situation.

Senator Coonan—You just make things up.

Senator LUNDY—Senator Coonan, I will respond to your interjection because I think you should read the Senate Hansard of your response to that question. You laid it on the line. I already knew about it because it was plain to see but you were the first one to lay it on the table and I think Australians should thank you for that because for the first time you conceded the real agenda. What does that mean for Australians? It means that everything that this government says about Telstra, their role in the market and the quality of service is completely compromised. They have a conflict of interest—that is, the government is more interested in Telstra’s profit margin and its ability to keep its share price high enough so that people will buy the shares if it is privatised under their agenda. That is the conflict of interest.

Senator Coonan—Haven’t you been moved out of this portfolio because you do not know what you are talking about?

Senator LUNDY—I will respond to that interjection too, Senator Coonan. I know you would really like me to be out of this portfolio but the fact is that consumer issues are always going to be part of telecommunications and these issues are always going to be absolutely critical to the interests of all Australians, both here in the ACT and around the country. I thank Senator Coonan for her candidness because now it is easy to backtrack and look at the government’s pathetic behaviour in their attempt to purport to be caring about competition policy, the regulatory environment, the price control regime and the consumer service guarantee. All these elements that the government have paid a great deal of lip service to have meant very little, because Telstra’s performance is getting worse. As I said the other day, we need to look no further than the very independent analysis of the Telecommunications Industry Ombudsman to see just how bad that performance has become. It is not getting better; it is getting worse.

I would like to go back to the Estens report because it is important to follow through on that, given that it has been held up as the benchmark for what is considered to be up to scratch. There is a particular recommendation that I would like to refer to. This is an issue that I have been going on about for quite some time, and very proudly so, be-
cause if it were not for the work that Labor has done Telstra would still not be telling consumers about the existence of pair gain or line splitting technology in their network. It was only through the intervention of a complaint I made to the ACCC that Telstra were forced to admit to their consumers—their customers—that they actually used this technology which in some cases not only blocked broadband but inhibited dial-up Internet connection speed. There is one recommendation in the Estens review relating to pair gains. Recommendation 4.2 says:

**Telstra should be required to demonstrate that it has an effective strategy to address any dial-up data speed issues arising from poorly performing pair gain systems.**

So one would have expected, from reading that recommendation, that the pair gain systems would have been removed, but the hilarious thing is that Telstra have now said that they will only replace poorly performing pair gain systems when they break or when they get too congested. Do you know what? This is okay by the government. That recommendation has no teeth so the hundreds of thousands of people, primarily in rural and regional Australia, who are affected by quite insidious technology called pair gains—particularly the 6/16 type—are not going to have an improvement to their service. They will never get broadband. In fact, only six of the 16 customers on these technology systems can get dial tone at any one time. This technology is archaic and, even after recommendations from Estens, Telstra are refusing to remove these systems. And the government says that that is okay. Is that up to scratch? I think not. It shows that this government is prepared to say, 'Telstra, whatever you say, we’re not going to worry about it because we don’t really care about rural and regional customers. We care about our political agenda and we just need to give a bit of lip service to do over the dopey Nats who will accept it without question if we put enough pressure on them.' How ridiculous is that?

The pathetic, slimy out that Telstra have used to prevent urgent replacement of these insidious pair gain systems—which, as I said, prevent the availability of actual dial tone beyond six calls at any one time—is to say that they do not affect dial-up speed, because that is the technical wording of that particular recommendation. So once you are online the recommendation is ignored. I wonder if Mr Estens understands how that recommendation was treated. I wonder if Mr Estens believes the spirit of that recommendation has been adopted by Telstra. I wonder if Mr Estens thinks that the government have any credibility at all given the way they have treated this report. The sad thing is that this recommendation was misleading. It gave people the impression that these problems were going to be fixed. They were not. You cannot help but think that when Telstra vetted this little document on behalf of the government they had a good giggle about this one. The recommendation and the response to it really does make fools of all of the National Party members and, sadly, robs Australian telecommunications consumers in rural and regional Australia of any hope of being removed from these systems which are not suitable in the 21st century and not suitable if you are using any type of data service whatsoever.

I would like to conclude on the issue of price caps. A report was recently put out on this issue. Not so long ago, it was clear that the government was thinking about changes in price caps. Senator Coonan was trying a defensive manoeuvre on this issue today in question time. I am sure Telstra were saying that they did not need the price caps anymore. I was interested to hear Senator Coonan reasserting the fact that we do need them. Senator Coonan and the government
have an opportunity now to respond to some of the draft recommendations in the review of Telstra’s price control arrangements. That report is nothing but a grave indictment of a system that is not currently working. The recommendations include, amongst other things, staying with the price cap on untimed local calls and certainly pursuing new initiatives with respect to line rentals. I cannot not comment on the fact that Senator Eggleston was using all these statistics to say how telecommunications prices have improved. The glaring one that everyone has felt right around the country was of course the massive hikes in line rentals. So I was very pleased to see in this draft report a recommendation to have a separate basket, an additional price cap control, on line rentals, to prevent Telstra from continuing to exploit their monopoly hold on the local loop copper. They still make a lot of money out of that.

There are a number of other important recommendations, including that future price control arrangements should penalise Telstra where service quality has deteriorated. Wouldn’t that put the wind up Telstra and get them to actually focus on service delivery? We know, because of the Australian telecommunications network inquiry, how massively deficient Telstra are in maintaining their network. This recommendation puts forward the prospect that they will certainly not get the treatment they are looking for under price caps. This process would build in incentives, and put pressure on them, to actually maintain the quality of service.

I started on this point, and I will conclude on it as well: this report from the ACCC shows that the government programs are failing across competition policy and regulatory policy. We know why: they have a conflict of interest with the privatisation agenda. But also we know that the promise of social programs and programs to look after consumers generally is failing. I would like to conclude by quoting the ACCC:

The ACCC ... considers that, while the inclusion of targeted measures to deliver benefits to ... potentially disadvantaged consumers has been a good initiative of the current price control arrangements, the current low-income package—does not always deliver such benefits. In fact, some consumers may be worse off under such packages. What an indictment of all the spin and rhetoric this government has put forward. Even the low-income packages put forward under this scheme, under its so-called protections for consumers, have no teeth because it is coming up with less than optimal outcomes for consumers. The alternative for this government, instead of persisting with this conflicted agenda, is to front up and address things like competition policy and regulatory policy, to accept that its hopeless conflict is unsustainable, to accept that the only way to remove that conflict of interest is to get rid of the privatisation agenda and remove its need to fatten up Telstra’s bottom line, and to take the appropriate stance on getting the teeth into the regulatory and competition policy guidelines. That is the right thing to do. That is what the ACCC think should be done, and they are right.

Senator ALLISON (Victoria) (5.05 p.m.)—Telstra provides a range of services that are absolutely vital to the national security and economic and social development of Australia. Australians are increasingly relying on e-commerce, e-health and e-banking. For many businesses, especially small businesses, efficient and effective communications systems are absolutely critical. A cost-effective, reliable communications system is especially critical for Australians living in the country—in regional, rural and remote areas—where tyranny of distance and lack of services need to be overcome. We have had three Senate inquiries report to this place in the past 18 months, and the outcomes in all
three very clearly point to the fact that the sale of Telstra is not in Australia’s best interests, particularly for regions, with faults and services still falling well short of world’s best practice.

The report of the Senate inquiry into the full sale of Telstra, tabled in this place on 27 October 2003, found that competition has not developed as extensively as generally expected after partial competition was introduced in 1997 and that various telecommunications markets are not yet effectively competitive; there is market failure and an imbalance in market power; Australian household consumers are still paying too much for services; services are not equal between urban Australia and regional and rural Australia; Australian specific research and development is dissipating and networks are not being developed and used to their full potential; the current regulatory system needs improving; and there has been no independent, authoritative study undertaken to examine structural separation, despite being recommended by the OECD and required by subclause 4(3) of the Competition Principles Agreement. Of particular concern is that there is no future proofing—to use a phrase that has been used by various people—especially for regional Australians. It has also been argued that market forces on their own can never provide rural Australia with the telecommunications services that are required. However, the National Farmers Federation contend that it is the government’s responsibility to ensure that there are appropriate and adequate services in regional and rural Australia. In their submission to the Senate inquiry into the full privatisation of Telstra the National Farmers Federation stipulate:

... the Government should ... provide targeted government funding necessary to future-proof the ongoing provision of equitable telecommunications services as new technologies emerge.

While the government contends that item 32 of schedule 1 of the 2003 bill, part 10, ‘Independent reviews of regional telecommunications’ is a future-proofing mechanism, the National Farmers Federation argue that the provision does not guarantee any meaningful outcome. There are no provisions for a mechanism to require implementation of the independent review committee’s recommendations or for adequate funding. The report of the Senate inquiry into Australia telecommunications network, tabled on 5 August this year, found that Telstra is underinvesting in its repair and upgrading of Australia’s telecommunications network, that the Australian Telecommunications Authority is failing to properly oversee the network and that tougher legal requirements are needed on Telstra to upgrade the performance of its network.

Telstra’s failure to invest and maintain its network is resulting in unsatisfactory service levels in many parts of Australia. Telstra’s spending on capital investment has fallen from $4 billion in 2001 to just $2.9 billion this year. Its staffing levels have more than halved since 1996. Not surprisingly, the percentage of faults not cleared by Telstra within required time frames increased from seven per cent in June 2001 to 14 per cent in June 2003. The report of the Senate inquiry into broadband competition, tabled on 10 August this year, found that not enough was being done to ensure that Australia, especially regional Australia, will have access to a state of the art broadband network. Australia is behind other countries in penetration and cost. Access to broadband, a key tool for modern business and commerce and a facilitator of e-health and e-education, is still very limited and is a contentious issue, especially for those in the country. The inquiry found that the copper network is at the end of its effective life, and even Telstra admits that ADSL is interim technology. Countries such
as South Korea have a state of the art network, and the United States and the United Kingdom have recently committed billions of dollars to broadband roll-out.

The government’s metro broadband black spot program, announced during the election, if implemented, will be a big disappointment to the communications industry and the thousands of small business and home users who still do not have access to fast and affordable broadband. The Democrats think the ill-targeted initiative demonstrates that the government is only concerned about propelling up Telstra’s copper network at the expense of Australia’s economic and social future. Like the wasteful HiBIS program, the metro black spot program will pour money into extending the life of the copper wire network to deliver ADSL, rather than investing in fibre and wireless infrastructure.

The committee also concluded that the only way to ensure the development of a strongly competitive broadband industry is to have a significant change in the structure of the industry, and made recommendations accordingly. The government continues to ignore the findings of the Senate inquiries and advice presented to it from high profile regulatory bodies such as the ACCC. Instead of considering the impact of privatisation on consumers and competition, the government instead focuses on debt reduction and shareholder value.

The government argues that the sale of Telstra will improve the financial state of the public sector. However, it is clear that, by world standards, Australia does not have a major problem in terms of public sector debt. Indeed recent OECD data show that Australia’s public sector debt financial liabilities are one of the lowest in the OECD. Australia’s 2003 net financial liability was 2.9 per cent of GDP, compared with the UK, which is 33.6 per cent, Canada, which is 34.9 per cent, and the US, which is 46.3 per cent. The review of the Commonwealth government securities market indicated the difficulties that will result from further reductions in Commonwealth debt. Maintaining depth and liquidity within the Commonwealth government securities market is necessary for the stability of Australia’s financial markets.

The Democrats also believe that the government has not adequately presented to the parliament and the public an accurate analysis of the financial benefits and the costs of selling the remaining government ownership of Telstra. The government’s focus on debt reduction and shareholder value, together with its ideological attachment to this idea of selling off government enterprises, over the national security, economic and social development of Australia is of great concern to the Democrats and, we think, to the majority of Australians. The Democrats argue that in its rush to reduce debt, despite Australia having one of the lowest national debts in OECD, this government has not given adequate consideration to the implications of the full privatisation of a vertically integrated, monopolistic Telstra and the alternatives.

There is little evidence around the world that reducing public ownership improves customer outcomes, particularly in markets where the former government telco retains strong market dominance. Comparing public ownership using the OECD’s price for domestic phone charges comparator highlights this relationship. Three of the four countries with the cheapest phone prices have majority publicly owned telcos, while three of the four with the highest prices have private ownership rates in excess of 90 per cent.

The Democrats believe that, on all key criteria, the government has still failed to make out its case that the sale is justified, whether it be on competition, service, legal or financial grounds. Every opinion poll shows that,
at a minimum, more than 60 per cent of the population is opposed to the full privatisation of Telstra. In September 2003, my colleagues Senator Bartlett and Senator Cherry undertook a survey of the people in rural and regional Queensland seats, asking them how they felt about the government’s agenda—to sell off the rest of Telstra. Eighty per cent of the nearly 13,000 responses were opposed to the further sale of Telstra. Four months later, a ninemsn poll on 5 February found that 77 per cent—that is, 26,544 people—agreed that Telstra should be kept in public hands.

The Democrats continue to call for stronger regulation to protect consumers, increased competition and regulation to improve network reliability. We again call for the government to meet its obligations under the competition principles agreement and to undertake an independent review of structural separation—including consideration of the ACCC’s Emerging market structures in the communications sector report. We call for a comprehensive analysis of Telstra’s investment and infrastructure to be undertaken. We again ask that Telstra be directed to increase its investment infrastructure to meet tougher performance standards and national policy objectives. I remind the Senate that the government is able to direct Telstra. It chooses not to do so. It tried very hard to remove that ability in legislation some years ago, but this place required for it to remain unchanged. We call on the government to set, in consultation with industry, a 10-year national target for an optic fibre consumer access network, in line again with the Democrats broadband proposal.

These calls reflect the concerns of the public and the industry that have come out through Senate inquiries and various reports on telecommunications in Australia. They reflect the concerns regularly expressed about Telstra on talkback radio, out in the bush and even in the suburbs. The Democrats do not believe that this government won a mandate at this election to sell Telstra. Telstra barely rated a mention during this campaign. We believe that the majority of Australians still oppose the sale of the rest of Telstra. If the government can demonstrate in this place that that is not the case then I encourage them to do so and to do so quickly, but I doubt that they can. It is not enough just to go to The Nationals and persuade a few members that Telstra must be sold. We need to have demonstrated in this place that the general public is in favour of such a proposal. Upgraded infrastructure and improved competition will deliver far better consumer outcomes than the flawed privatisation plan of the Howard government.

Senator McGauran (Victoria) (5.17 p.m.)—I rise to speak in this general business debate, usually always put down for a Thursday afternoon, but I do notice a procedural change in this parliament. For the first time, the general business debate is on broadcast. Now Thursday comes alive for the first time. Those who have always treated Thursday as a time to jump the plane and get away, to make any sort of speech they like or to make any sort of irrelevant and trivial notice of motion cannot afford to do that now. I welcome the change to Thursday afternoon debates. Now we are on broadcast and people are actually listening, the likes of Senator Conroy and Senator Lundy, who often put these notices of motion forward on Thursdays—many times not even speaking to them themselves because they have a plane to catch, but when they do speak to the notice of motion it is usually trivial and irrelevant, just as this one is—may take a greater interest and not be so dismissive of the sorts of motions that they bring to this parliament. They will have to be a little more defined, a little more serious, because they are being heard on broadcast—the public really is tun-
ing in on this occasion. So this may be the last time we see the most irrelevant, unnecessary notices of motion coming forward from the opposition, let alone debates.

What we do have before us is a motion regarding Telstra. It is very hard to believe that in the first week of parliament after an election the opposition has brought forward a motion regarding Telstra. This is the fourth election our government has gone to with our Telstra policy and gained the vote and confidence of the people. There have been two independent inquiries and at least two Senate inquiries—both of them totally stacked, I suspect; I think there was an opposition majority. This is the most scrutinised policy this government has had and the most debated in this parliament too. I think it holds the record for being the most debated legislation—that is, T1 and T2, the first tranche and the second tranche sale of Telstra—to go through this parliament. I think it outranks the Native Title Bill. This has been the most scrutinised policy, but on each occasion we have had the endorsement of the people. In essence, Senator Conroy’s motion calls on the government to keep Telstra in majority public ownership to ensure reliability. He should crosscheck with Senator Lundy.

As I understood Senator Lundy’s speech, she seeks 100 per cent government ownership. She wants the government to completely buy back the 49.9 per cent that we have thus far privatised. That is how I interpreted her speech. Senator O’Brien is to speak after me. He might be able to untangle the confusion between the two of them. And what audacity to come in here and quote Mr Dick Estens. They spent days, if not weeks, smearing and slandering this man because he was a member of The Nationals, a friend of the Deputy Prime Minister, and he was not going to be unbiased in his report. Now Senator Conroy has the audacity to come in here, move a notice of motion on Telstra and quote Dick Estens as an authority. Of course he is an authority. His first report was authoritative, and that is why this government have taken up his 39 recommendations. But for the Labor Party to come in here and quote Mr Dick Estens as an argument for their side of politics is breathtaking.

So what we have is a filler. In the first week of parliament, after a disastrous election result, we have a filler to end all fillers: to bring on Telstra—of all the fillers that could have been brought on! I thought one of the main missions after Labor’s crushing election defeat was to re-establish their economic credentials, but they have lost one week already. They cannot afford to lose a day in re-establishing their economic credentials, because they have a Himalayan task ahead of them. Why revert to the dud policies they took to the last four elections?

As for the Democrats, it is no wonder they are disappearing fast. I almost feel sorry for Senator Allison, who is the last of the Mohican leaders of the Democrats. She comes in here and presents an argument and reads verbatim from a speech as old, I suspect, as the government—from 1996 on. I suspect they are the same old arguments. She wanted us to accept a survey that the Democrats had undertaken in Queensland as authoritative. As if we would! It was undertaken by Senator Bartlett to begin with, but we are not listening to that old hackneyed survey. I have heard it run through the parliament before, and that is why I think she mentioned an old speech.

Senator Allison said that the government, in its sale of Telstra, is rushing to reduce debt. Yes, she is right; we are rushing to reduce debt, and we are proud of it. That is why the people trusted us at the last election. I say that because, since 1996, we have rushed to reduce the government debt of $96 billion which we were left as a legacy. In the
first budget we brought down as a government, we sought to reduce the debt, and we have successfully brought it down to somewhere in the $30 billion mark. And we seek to reduce it even more, because the benefits of reducing debt are all there to see. If nothing else, Senator Allison should have learnt the lesson of the last election: the reduction of debt puts downward pressure on interest rates, brings the budget into surplus and therefore gives economic credibility, on which we went to the election. And that is the first lesson that Senator Conroy ought to learn: the reduction of debt through the sale of assets such as Telstra has a downward pressure on interest rates.

Senator Conroy—You could pay off your mortgage if you sell your house.

Senator McGauran—You do not agree with that? Senator Conroy does not think that the reduction of debt has a downward pressure on interest rates, which brings the budget into surplus. I do not know how the opposition are ever going to establish their economic credibility, but it is a mission of theirs. They have three years to do it, and they have wasted the first week of parliament. As I said, this is the worst filler. In fact, listening to Senator Conroy, I think he has entered that parallel universe that what’s-his-name was talking about—I have forgotten the name of the journalist. Senator Conroy has entered a parallel universe of denial.

Senator Patterson interjecting—

Senator McGauran—I must be getting old.

Senator Conroy—Don’t try to bail him out, Kay.

Senator McGauran—I am desperately trying to think of the journalist’s name. He is not a journalist that I admire, may I add. I suspect that that is why his name has slipped my mind. But he spoke of a parallel universe in which he wished to live while the Howard-Anderson government ruled. I happen to think that Senator Conroy, with his contribution today, has also entered that parallel universe, and he is going to be like that for the next three years. He has learnt nothing from the previous election; he has gone into denial.

I have listened to all the speakers and they have all gone into denial. By bringing up this old policy again and by not accepting the judgment of the people and the benefits of the sale of Telstra 1 and Telstra 2, it is quite obvious they are absolutely in denial. But I will say there is one thing that I have in common with the previous speakers, because I, too, have stood up in this parliament after a fourth defeat in an election—that was in 1993—so I know that it is hard to motivate yourself again. It is hard to get up and running. Did we not see that today with the Labor Party bringing this filler into the parliament?

But the difference between our coalition’s fourth defeat in 1993 and the Labor Party’s, as they are displaying it today, is that we listened to the message that was sent by the electorate. After 1993 we actually changed many of our policies. What is more, in the first parliament after 1993 we sought to support the government’s mandate, which was to reduce taxes. The only thing is that the then government, under Prime Minister Keating, did not want to support their own mandate. We were all ready to support the reduction in taxes—the l-a-w law taxes—but, unfortunately, the then government were not ready to do it. That is the difference. We were ready to listen and change and support a mandate. Labor are not.

It may be helpful to the opposition if they could just accept some advice. Senator Patterson saw many election defeats, and she has learnt from them. Now she is in the cabinet. She has been on both sides of the fence,
so she would agree with this helpful advice: get out of your state of denial. That is the first start to credible opposition. There do not seem to be any bounds to your state of denial.

I tuned into the House of Representatives today and saw Mr Laurie Ferguson singing the praises of your Medicare Gold policy. It is still on the books, and it is still being raved about by the likes of Mr Ferguson. How big a denial could you be in than to bring a Telstra policy forward and to continue to support your Medicare Gold? I say that because that Medicare Gold policy was not believed by the public. Surely you know that by now. It was not trusted by the public, and it could never be financed from your own budget figures. It was a complete delusion visited upon you and supported by the media.

That is your problem. You have a leader who is a media fabrication. He is propped up by the media and just because the media write nice things about them you believe that your policies are worthy to run. But when it comes to ballot box decisions they are never supported. Look at some of the media support you got for Medicare Gold. It ought to be scrapped. But you think that Malcolm Farr, for example, reflected public opinion when he said that Mark Latham had saved his best policy until last.

Senator Conroy—Mr Acting Deputy President, I rise on a point of order. There is a standing order about relevance. I did mention at the beginning of my contribution that Telstra’s privatisation was the policy that they refused to name. Now they will not talk about it! I just ask you to draw the attention of the speaker to the motion that he is debating.

Senator Patterson—On the point of order, Senator Conroy has not been here for the whole debate. Senator McGauran has talked about Telstra. He is talking about various policies and I think that it is totally appropriate he continues in the vein in which he is speaking. Senator Conroy should be here to listen to the whole debate before he calls points of order like that.

Senator Conroy—I have actually been here for the contribution.

The ACTING DEPUTY PRESIDENT (Senator Marshall)—Order! Senator Conroy, I do note that you have been here for most of that debate. There is no point of order but I will ask Senator McGauran to come back to the issue at hand.

Senator McGauran—I have some equally fine debaters to follow me in Senator Heffernan and Senator Ferris, who will take up the other part of the argument that I am unable to complete today. I will simply say that The Nationals have always known where we have stood on this policy. We have never wavered like the Labor Party. You are ideologically not against privatisation; you are simply politically pragmatic in being against it. Because you are in opposition you are against it. If you were in government you would be for it, and your record shows that.

The Nationals have no ideological objection to the privatisation of Telstra at all. We are pragmatic about it. The people in rural and regional Australia are pragmatic about it as long as the services are delivered—and that is what The Nationals are the guardians of. We do not mind whether it is in government or private hands.

Senator O’Brien (Tasmania) (5.32 p.m.)—Isn’t it wonderful that we are on broadcast! We have got the people who support The Nationals listening to the contribution of a senator who comes here under the banner of The Nationals saying that a debate on telecommunications services in rural and regional Australia is irrelevant. Isn’t that a wonderful position for The Nationals to take? I wanted to do some research on Sena-
McGauran’s National Party credentials. I was at first looking under the wrong heading. I thought the McGauran party was the party that he was representing but, no, it is the National Party.

Senator Conroy—It is a wholly owned subsidiary in Victoria. Be careful!

Senator O’Brien—Yes, a wholly owned subsidiary it may be. Senator Conroy earlier referred to the McMillan candidate, whose name I have discovered is Bridget McKenzie. Campaigning as The Nationals candidate in the seat of McMillan she said that she would oppose the sale of Telstra. It was a calculated campaign to deceive the voters of McMillan to enable preferences to be delivered to the coalition.

Let us talk about principles. It is a contradiction in terms if you are talking about principles and The Nationals. Senator McGauran comes here representing The Nationals, having been elected on a joint Liberal Party and The Nationals ticket in the state of Victoria. I wanted to see how The Nationals had performed in Victoria to get an idea of what sort of mandate Senator McGauran actually had. We cannot ascertain that. I am not going to be so cruel as to say that the .25 of a per cent vote that he received personally would be reflective of The Nationals’ vote in Victoria. An ungenerous person might suggest that that was the level of his support. That is the vote that he actually received, but I am prepared to concede that the best possible reflection of The Nationals’ vote in Victoria is that which was received in the House of Representatives. I think that is a reasonable proposition.

I looked it up on the AEC web site because I thought it might be relevant to this debate. It was 3.51 per cent. It was a swing of 0.4 of a per cent. So they are coming back from the absolute depths of despair. Senator McGauran was elected here because he was on a joint coalition ticket. It might be that 3.51 per cent got him elected instead of Family First if he was the beneficiary of many preference deals, but I suggest that it would not have had him elected to the Senate on The Nationals’ vote on its own by a long chalk.

We have been castigated by Senator McGauran about daring to raise the issue of Telstra, and in a side argument he suggests that because the Labor Party are actually prepared to say that we believe Medicare Gold is a good policy we are deluding ourselves. We are not going to, as the Prime Minister once did, say that we would never, ever pursue a policy that we believe in and then return to the parliament later and pursue it when we attain government. We are actually going to be honest with the electorate. We are not going to say never, ever Medicare Gold and then return to the policy later on, as the coalition did with the GST. We are being honest with the people and, if that is something that Senator McGauran has a problem with, I suspect he should go back and talk to the 3.5 per cent of electors in Victoria who might support The Nationals to see whether they support that standard. I do not think it is a particularly acceptable one.

I want to thank Senator Conroy for commencing a debate on rural and regional Australia, particularly about services—telecommunications services at that—by discussing the standard, or lack of it, that rural and regional Australians enjoy. I would have thought that these days it would be pretty clear that it is only the Labor Party that will initiate a discussion about regional services in this place. That once great institution, The Nationals, used to be a standard-bearer for its constituency. Its representatives used to put the interests of the party’s rural and regional constituency above other considerations. It used to care about the levels of telecommunications and other services beyond the cit-
ies. But no more. That is not the standard of The Nationals. The transformation of The Nationals from the voice of regional Australia to a party that could not care less about Australians living outside our major cities is complete—a function of The Nationals’ senators, frankly, who live and work at the Paris end of Collins Street rather than in regional Australia. Senator elect Barnaby Joyce is not contemplating the location of his office in Gympie, in St George or in Mount Isa; he is contemplating that his office will be located on the Gold Coast—a million miles from rural and regional Australia.

Senator McGauran—Good National Party country, though.

Senator O’BRIEN—It is a good National Party area, says Senator McGauran. Yes, if you like going to the beach, enjoy the Gold Coast racetrack and like getting out into those fields around Broadbeach. Have you been there recently, Senator McGauran? I cannot see any rural transactions occurring there. This is the new Nationals. We are going to see this beneficiary of an actual reduction in The Nationals’ vote in Queensland, because their vote went down this time. They won the seat but their primary vote went down. This is where this representative of rural and regional Australia will set up office to serve that constituency. But Mr Barnaby Joyce is going to serve his constituency around the Gold Coast.

It is often said that the Labor Party representatives in this place are all based in the city. You cannot say that of me. I live outside of the city of Launceston, which is a regional city in the state of Tasmania. I know Senator McGauran has been there. He has been on TV. I recall the shot of him on TV. It was in Hobart, of course. I think it was a shot of the plantation forestry inquiry, but I will not embarrass him by talking about that.

Senator McGauran interjecting—

Senator O’BRIEN—Yes, you did love it. You were really enjoying it. I will go back to Telstra. I was trying to enliven the debate because Senator McGauran has given us such great material to work with. Senator Conroy has given me a copy of an article from the Age dated 25 September about Bridget McKenzie. The article says: Bridget McKenzie is not your usual National Party candidate. She is bright, focused and willing to push the policy boundaries in ways that would make any ALP candidate distinctly envious, even nervous.

Take her views on the sale of Telstra. Without a hint of qualification she says she is totally opposed to any further sale of the telecommunications conglomerate.

Senator Wong—That is a very big cigarette paper.

Senator O’BRIEN—A cigarette paper, yes!

Senator Conroy—Keep going. It gets better.

Senator O’BRIEN—Senator Conroy encourages me. The article goes on to quote Ms McKenzie, who said:

I was talking on the phone to a minister when the line dropped out. When we got reconnected I shouted down the line, ‘No sale of Telstra!’

He said, ‘OK, OK, I hear you.’

The article continues:

Ms McKenzie laughs when she tells the story, but she goes on to complain that she cannot receive a mobile signal from her kitchen sink and that Telstra broadband services in Gippsland—somewhere near the McGauran constituency—are hopeless for small business people and farmers trying to do business. ‘We need similar access to telecommunications to the city and that is a long way off.’
Ms McKenzie is a break from the pure country traditions of the Nationals.

She is certainly a break from the tradition of The Nationals who find their way in here, because that is not what they are saying. Or did they say that? Did they say that to the electorate? I seem to recall that there have been many comments from The Nationals about the inadequacies of Telstra. We can go back to comments by Senator Boswell, which I will draw on later, who has been a long-term critic of Telstra. We can talk about the sorts of comments that were made by Mr Mark Vaile. A report from AAP on 11 November in its Australian general news section said:

Trade Minister Mark Vaile said it appeared Telstra was slipping back to the days when it was the nation’s monopoly phone provider in a signal that there were major concerns within the Nationals about plans to sell-off the rest of the company.

We will come back to that later. As I said, if The Nationals were concerned about rural and regional Australia, they would have brought on this debate, not dismissed it, as Senator McGauran said. They would be standing side by side with Labor opposing the sale of the remainder of Telstra in public ownership, rather than being the puppet of the Liberal Party that they have become. To understand who was the master in this debate we need only look at what the Governor-General’s speech in this chamber on Tuesday told us. Although media reports state that the Governor-General was very keen to put his own stamp on the speech, we understand that he was subsequently acquainted with the convention that the speech is composed by the government. We know that means the Liberal Party. So it was that, on the sale of Telstra, the Howard government had this to say through the Governor-General:

The government will pursue its longstanding policy for the full privatisation of Telstra. Its future sale will be contingent on adequate telecommunications service levels and appropriate market conditions.

The disclaimer says that the sale of Telstra is contingent on adequate telecommunications service levels. But, as I pointed out during the address-in-reply debate, dropped from the disclaimer was the phrase heard when the Telstra sale legislation was previously before the parliament—that is, that the sale is contingent on adequate service levels in regional Australia.

It appears that adequate telecommunications service levels defined any way the Liberal Party sees fit is now enough. Regional, rural and remote Australians do not want Telstra sold. For heaven’s sake, even rank and file members of the National Party do not want Telstra sold, because once it is sold a company that dances to just one beat—shareholder profit—will not give a damn about services outside the CBDs of Sydney, Melbourne and Brisbane. Perhaps if the National Party representatives spent more time away from the shops of Collins Street or staking out future electorate offices on the Gold Coast or listening to people in regional Australia who have to live with the fact that they cannot rely on their telecommunications services, we would hear them saying in this debate that they supported Labor’s position to keep the remainder of Telstra in public ownership.

It was not that long ago that Senator Boswell stood in this place calling for accountability from Telstra. Back in 1995 Senator Boswell wanted a bit of openness, a bit of transparency and better services for his then constituency. It is no surprise to hear that Senator Boswell was an opposition senator when he called for that kind of accountability. Apparently he has changed his mind. He seems to think that everything is okay with the service levels Telstra are providing regional Australia and it is therefore okay to flog off the remainder of Telstra. That means
either he is so far out of touch with regional
Australians that he is deluded or he has de-
cided to stay quiet and toe the Liberal Party
line. It has to be one or the other. Both op-
tions are disappointing because Senator
Boswell, just like his party, used to care
about services in regional Australia. Former
National Party greats like Black Jack McE-
wen and Doug Anthony would not have con-
sidered kowtowing to the Liberals on an is-
sue as important as decent telecommunica-
tions services. They just would not have
done it.

It is interesting to note that, as National
Party senators prepare to sell out the people
of regional Australia on Telstra, some of their
colleagues in the other place hold views that
reflect some semblance of reality. Just eight
days ago the Deputy Leader of the National
Party, Mark Vaile, admitted that Telstra had
dropped the ball on key services to regional
centres. Interestingly, he said as much only a
day after Senator Coonan and the Leader of
the National Party, John Anderson, went to
Warren in New South Wales to kick off the
government’s T3 roadshow. It is not yet clear
whether Mr Vaile is truly concerned about
Telstra or whether his statement was just a
pre-emptive tilt at the leadership made in the
knowledge that certain allegations made in
the other place last night would soon emerge.
We can only hope that Mr Vaile, unlike his
colleagues in this place, has the interests of
his constituency and his party at heart. If so,
he will join the Labor Party in the other place
and vote against the Telstra sale.

The National Party made a lot of promises
to its dwindling constituency during the elec-
tion campaign. Many of those promises that
party will not keep in this parliament. But the
National Party will be expected to keep its
promises not to support the sale of Telstra
until services in regional, rural and remote
Australia are of a decent standard. As I have
already noted, the fact that that promise did
not make the final version of the Governor-
General’s speech is not a good sign. Senator
Conroy and Senator Lundy have already out-
lined some deficiencies in Telstra’s services
in this debate, but obviously the National
Party was not listening. There was a time
when senators on both sides of this place
believed in something. I am not saying that
the Liberal Party senators believed in some-
thing because, as a former leader of the La-
bor Party has observed, the Liberal Party has
only ever believed in office. But once upon a
time the National Party held a reason to ex-
st: it used to believe in a better deal for rural
and regional Australians. But now it is only
Labor that regional Australians can rely on to
stand up for rural and regional services.

There was also a time when the parlia-
ment contained a fierce opponent of the sale
of Telstra in the member for Dawson. Then
she was a humble member from Far North
Queensland who put the interests of her con-
istuents first. But since she picked up the
title of ‘Hon.’ she has started to do the dis-
honourable thing—to sell Telstra and sell out
the people of her electorate. As senators
would be aware, there has been much talk
about the amalgamation of the Liberal and
National parties in Queensland—a push
driven by Senator Brandis and doubtless
supported by Senators Heffernan and
Minchin, although I think Senator Heffernan
is more intent on taking The Nationals seats
from them than amalgamating with them. If,
as expected, the National Party sells its votes
for places at the ministerial table and access
to the trappings of power, there will be no
need for an amalgamation; it will have al-
ready occurred. If, as expected, the National
Party colludes with the Liberals to deprive
rural and regional Queenslanders of decent
telecommunications services, it will cease to
be distinguishable from the Liberal Party to
Queenslanders and it will pay the electoral price for its capitulation to the Liberals. In fact, looking at the Governor-General’s speech, you would have to conclude that the National Party’s vote has already been sold to the Liberals or that the National Party no longer plays an effective role in government.

Besides Senator McGauran—who enjoys excellent telecommunications services in that National Party heartland, the centre of Melbourne—the National Party members talk a big game when they are in rural electorates. National Party Senator elect Joyce has made all sorts of statements about his requirements before he will agree to the full sale of Telstra. Senator Boswell, Mrs Kelly and others, over many years and most recently in the election campaign, have made all sorts of promises to their constituencies. But the big game talked out there does not reflect their behaviour when they get together with the Liberals in Canberra. They say one thing before the election and another thing after. Surely, if the National Party were effective players in the Howard government, and if they had any intention of standing up for rural and regional Australia, the Governor-General’s speech would have contained a real commitment to telecommunications in regional Australia. Sadly, as I pointed out earlier, there was no such commitment—and there will be none as long as this government remains in office.

Senator HEFFERNAN (New South Wales) (5.52 p.m.)—I would like to address that part of Senator Conroy’s motion that ‘calls on the Government to keep Telstra in majority public ownership to ensure reliable telecommunications services for all Australians’. What a load of rubbish! Who owns Telstra has got nothing to do with the service. It is about how well it is run and how well it is managed. To demonstrate that, I would like to point out to the Senate that in 1968 the Postmaster General’s Department had 101,919 employees. In 1968, when they had 101,919 employees, I applied at Booligal for the phone. In those days, if you lived within the 10-mile radius of the exchange, you got the phone on for free. I qualified under the law at the time to get the phone on for free. As I say, the PMG was wholly government owned and there were 101,919 employees. So I applied and after a year or two I started to get invitations to the regional PMG Christmas Party at Narrandera because I became a curiosity because I had this outstanding phone application that was not fulfilled. In the meantime I installed an HF radio and I could talk to those in Darwin or in the Tanami Desert, as well as those at home in Junee. Then—you wouldn’t want to know—having applied for the phone, Senator O’Brien, in 1968 under the PMG, in 1985, when there were 95,195 employees in Telecom Australia, I got the bloody phone on. Just for the record, in 1985 I also got the power on, so I did not have to go out and crank the old Lister motor for the power. It took 18 years in government ownership with 100,000 employees for me to get the phone on. So do not tell me it has got anything to do with who owns the damn thing; it is how well it is run.

You will be pleased to know that services are a lot better. Everything can be improved; the bush is a lot better than it was. Out there, where it took me 18 years to get the phone on, we are now on the Net, so we are up there. But you will be saddened to know that we have got no chance of a tar road. We are never going to get a tar road. If you live in remote enough areas, you are not going to get Pitt Street or Collins Street or whatever street services; you cannot expect to. We do not expect to have a McDonald’s down the road from where we live, but we do expect good services. It is fair to say that the Country Wide division of Telstra understand this. Country
Wide are approachable. In my area they have a regional office. Hello to the boys in the regional office of Country Wide in Albury—because you can ring them up. Things go wrong. It is like the nursing homes: someone is always in trouble. Things go wrong with telephones. There are some problems, and I have never heard such political rubbish in all my life as I have heard in the debate today. I have to say that, unlike all the other speakers in this debate, I actually come from the back country and I live this stuff. That is why you will not put it over me, Senator O’Brien, as you know.

Senator O’Brien—I don’t have to put it over you.

Senator HEFFERNAN—One of the problems we now have in the bush that will have to be fixed and addressed—and most Australians in the bush are worried that they will not be able to afford to have the damn phone on—is boundary access. Under the old regime, when there were the 101,000 employees in 1968, they brought the phone to the side of your house in the bush. You may or may not be aware of this. At the moment they have to bring it to your boundary. But what if the boundary is 10 miles from the house? It becomes a very expensive operation. This is an issue that I have raised with the government, and I am sure the government is going to address it. I have spoken today to the minister. This debate is not about, despite what the motion says, maintaining good services because of ownership. It is about what are the requirements: how we can improve the customer service guarantee and how we can improve the universal service obligation. The fear of the people that live in the areas that I come from is that you will not be able to afford the service. I have had this experience. It can cost $10,000 just to trench the line from the boundary to bring the line into your house. In those days it cost a lot of money just to put the power on. If we want people to be out there in rural, regional and remote Australia, we have got to look after them, but looking after them has got nothing to do with who owns the show.

As you would know, Senator O’Brien, good corporate structures are about responsibility. You have got to balance your profitability against your reinvestment. That is what has gone wrong with Sydney Water,
and that is what is wrong with Sydney Water now. The government has carved off Sydney Water and some of the investment that they had that should have gone back into refurbishment and rebuilding the system went into consolidated revenue. Sydney Water is a complete catastrophe now and Sydney’s water system is under siege.

Senator O’Brian—Tell us about AWB.

Senator HEFFERNAN—I am nearly out of time.

Senator O’Brian—Tell us about AWB.

Senator HEFFERNAN—I can tell you about AWB or anything else you like. As you know, I am happy to stand up in our committee and say what I think the issues are. The issues today are not who owns Telstra but how well it is managed, what regulations and requirements you put around it and what service you can provide.

Debate interrupted.

**DOCUMENTS**

**Consideration**

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


*Sydney Airport Demand Management Act 1997*—Quarterly report on the maximum movement limit for Sydney Airport for the period 1 April to 30 June 2004. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Reserve Bank of Australia—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian War Memorial—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Defence Housing Authority—Statement of corporate intent, 2004-05. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Electoral Commission—Report for 2003-04. Motion of Senator Buckland
to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Strategic Policy Institute—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

National Standards Commission—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Housing Assistance Act 1996—Report for 2002-03 on the operation of the 1999 Commonwealth-State Housing Agreement [Final]. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Department of Foreign Affairs and Trade—Reports for 2003-04—Volume 1—Department of Foreign Affairs and Trade. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Department of Foreign Affairs and Trade—Reports for 2003-04—Volume 2—Australian Agency for International Development (AusAID). Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

National Residue Survey—Report for 2003-04, incorporating the report for 2003-04 on the National Residue survey results. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

AUSTRALIAN BUREAU OF STATISTICS—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

AUSTRALIAN SAFEGUARDS AND NON-PROLIFERATION OFFICE—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

CIVIL AVIATION SAFETY AUTHORITY AUSTRALIA—Corporate plan 2004-05 to 2006-07. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.


REPARTITION MEDICAL AUTHORITY—Report for 2003-04—Corrigendum. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

STEVEDORING INDUSTRY FINANCE COMMITTEE—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

ALBURY-WODONGA DEVELOPMENT CORPORATION—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator
George Campbell debate was adjourned till Thursday at general business.

Department of Industry, Tourism and Resources—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Export Finance and Insurance Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Wine and Brandy Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Trade Commission (Austrade)—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.


Department of the Prime Minister and Cabinet—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Centre for International Agricultural Research—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Industrial Relations Commission and Australian Industrial Registry—Reports for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Remuneration Tribunal—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Department of Communications, Information Technology and the Arts—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Telstra Corporation Limited—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

National Archives of Australia and National Archives of Australia Advisory Council—Reports for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

National Gallery of Australia—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Film, Television and Radio School—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australia Council—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Communications Authority—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

NetAlert Limited—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Film Australia Limited—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Broadcasting Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

National Library of Australia—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Film Australia Limited—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Office of Parliamentary Counsel—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Federal Police Disciplinary Tribunal—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Family Law Council—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Great Barrier Reef Marine Park Authority—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Family Court of Australia—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.
take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.


Australian Transaction Reports and Analysis Centre (AUSTRAC)—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Industrial Relations Court of Australia—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Government Information Management Office—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Film Commission—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Department of Family and Community Services—Report for 2003-04—Volumes 1 and 2. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Institute of Family Studies—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Commonwealth Director of Public Prosecutions—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Greenhouse Office—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

PSS Board—Public Sector Superannuation Scheme—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

CSS Board—Commonwealth Superannuation Scheme—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Acts Interpretation Act—Statement pursuant to section 34C(6) relating to the extension of specified period for the presentation of a report—Department of Finance and Administration—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Research Council—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Repatriation Commission, Military Rehabilitation and Compensation Commission, Department of Veterans’ Affairs and National Treatment Monitoring Committee—Reports for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.
Department of the Environment and Heritage—Report for 2003-04, including the final annual report of the Australian Heritage Commission. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Commonwealth Grants Commission—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian National Training Authority—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Aboriginal and Torres Strait Islander Services—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Aboriginal Land Commissioner—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Anindilyakwa Land Council—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Indigenous Land Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Tiwi Land Council—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Central Queensland Land Council Aboriginal Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Goldfields Land and Sea Council Aboriginal Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Gurang Land Council (Aboriginal Corporation)—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Kimberley Land Council Aboriginal Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Aboriginal Legal Rights Movement Inc.—Native Title Unit—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

North Queensland Land Council Native Title Representative Body Aboriginal Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

South West Aboriginal Land and Sea Council Aboriginal Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

National Oceans Office—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian National Training Authority—Report for 2003. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Inspector-General of Intelligence and Security—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.


National Australia Day Council—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Commonwealth Ombudsman—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Department of the Treasury—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.


Public Lending Right Committee—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Broadcasting Authority—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Bundanon Trust—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Public Service Commissioner—Report for 2003-04, together with the report of the Merit Protection Commissioner. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Nuclear Science and Technology Organisation (ANSTO)—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Institute of Marine Science—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Department of Education, Science and Training—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.
Enterprise and Career Education Foundation Limited—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Administrative Appeals Tribunal—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.


Federal Magistrates Court—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Government Solicitor—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Administrative Review Council—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Federal Court of Australia—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Food Standards Australia New Zealand—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Comcare Australia—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

CrimTrac Agency—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Customs Service—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Reinsurance Pool Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Inspector-General of Taxation—Report for the period 7 August 2003 to 30 June 2004. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Sydney Harbour Federation Trust—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.


Employment Advocate—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.
Commissioner of Taxation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Social Security Appeals Tribunal—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Aboriginal Hostels Limited—Report for the period 29 June 2003 to 26 June 2004. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

International Air Services Commission—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Security Intelligence Organisation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Special Broadcasting Service Corporation (SBS)—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Attorney-General’s Department—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Insolvency and Trustee Service Australia—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Inspector-General in Bankruptcy—Report for 2003-04 on the operation of the Bankruptcy Act 1966. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Acts Interpretation Act—Statement pursuant to section 34C(6) relating to the extension of specified period for the presentation of a report—Department of Transport and Regional Services—Report for 2003-04.

Australian Prudential Regulation Authority—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Royal Australian Air Force Veterans’ Residences Trust Fund—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Services Trust Funds—Reports for 2003-04 of the Australian Military Forces Relief Trust Fund, the Royal Australian Navy Relief Trust Fund and the Royal Australian Air Force Welfare Trust Fund. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Commissioner for Complaints—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Aged Care Standards and Accreditation Agency Limited—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Maritime Safety Authority—Report for 2003-04. Motion of Senator
Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Department of Immigration and Multicultural and Indigenous Affairs—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Corporate governance—Review of the corporate governance of statutory authorities and office holders—Report, June 2003. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Corporate governance—Review of the corporate governance of statutory authorities and office holders—Government response. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Tobacco Research and Development Corporation—Report for 2003-04. [Final report]. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Government Solicitor—Statement of corporate intent 2004-05. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.


Product Stewardship for Oil Program—Independent review of the transitional assistance—Report by Australian Academy of Technological Sciences and Engineering, March 2004. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Companies Auditors and Liquidators Disciplinary Board—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Financial Reporting Council and Australian Accounting Standards Board—Reports for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Corporations and Markets Advisory Committee—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Securities and Investments Commission—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Statistics Advisory Council—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Radiation Protection and Nuclear Safety Agency—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Institute of Aboriginal and Torres Strait Islander Studies—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

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was adjourned till Thursday at general business.

Murray-Darling Basin Commission—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Advance to the Finance Minister—Statement and supporting applications for funds for June 2004. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Department of Finance and Administration—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Commissioner for Superannuation (Com-Super)—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australia-Indonesia Institute—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Reserve Bank of Australia—Equity and diversity—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Australian Institute of Criminology and the Criminology Research Council—Reports for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

National Native Title Tribunal—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.


Crimes Act 1914—Controlled operations—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.


Department of Employment and Workplace Relations—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Defence Force Remuneration Tribunal—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Safety, Rehabilitation and Compensation Commission—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

Seafarers Safety, Rehabilitation and Compensation Authority—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.
Coal Mining Industry (Long Service Leave Funding) Corporation—Report for 2003-04. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

APEC—Australia’s individual action plan 2004. Motion of Senator Buckland to take note of document called on. On the motion of Senator George Campbell debate was adjourned till Thursday at general business.

COMMITTEES
Legal and Constitutional References Committee
Report
Senator STOTT DESPOJA (South Australia) (6.05 p.m.)—I move:
That the Senate take note of the report.
I am very proud to speak to this Legal and Constitutional References Committee report The road to a republic tonight. It represents the culmination of the work of the committee’s inquiry into an Australian republic. The inquiry, I am proud to say, was an initiative of the Australian Democrats dating back to November 2002 when our leader, Senator Bartlett, made the announcement at the Constitutional Futures conference in Brisbane that we would move to establish such an inquiry. However, the Democrats have long recognised that it is vital that the movement towards an Australian republic or an Australian head of state transcend party political boundaries. So, having announced that we wanted to establish such an inquiry, we undertook extensive consultation with others regarding appropriate terms of reference. After finalising the terms of reference a motion to establish the inquiry was passed by the Senate in June last year. The underlying objective of this inquiry was not only to give momentum to the campaign but also to ensure right from the outset that the process to achieve an Australian republic was a democratic one. As Ms Allison Henry, the National Director of the Australian Republican Movement, said in her evidence before the committee:

... the move to an Australian republic should be driven and owned by the Australian people. The republic should suit the temperament and traditions of our democratic, egalitarian culture. The Australian people should be consulted every step of the way in the making of it.

Now this is imperative for two reasons. Firstly, as was the case with Federation, it is the collective will of the Australian people that will provide legitimacy to any Australian republic. Secondly, from a strategic point of view, in order to guarantee the success of such a campaign, it is fundamental that we get the wider Australian community on side before we get to the final referendum stage. There must be a sense that the process is fair, that it is inclusive, that it is democratic and that any model which eventually emerges has the support of the community or a majority of that community. In other words, there has to be a sense of ownership.

I know that there were some critics of the last referendum campaign—the fifth anniversary of which we celebrated the weekend before last—who would argue that perhaps there was a perceived lack of inclusivity and that was one of the reasons for the lack of success of that campaign. But, as we all know in this place, it is notoriously difficult to effect constitutional change. Of 44 proposals to alter the Commonwealth Constitution only eight have been successful. So, by allowing Australians to participate as early as possible in this process, hopefully we will eliminate the reasons that they may otherwise have for voting against a republic. This is one of the common criticisms made of the 1999 referendum campaign. While it was an honour to participate in the Constitutional Convention in 1998, and while the debates during the convention were lively and cer-
tainly unconfined by party politics, the fact remains that half the delegates who participated were appointed and not elected. Some people have expressed the opinion that the Constitutional Convention was perceived as an elitist event—one over which they had very little influence. I thought it was a glorious event and I think it was one that did effectively involve not only the participants on the floor but also the people who tapped into the web site, who attended through the gallery and who viewed the deliberative processes and issues on television. I think it was quite an inclusive process; however, perception is very important, as we know.

Whether or not those perceptions are accurate, the point is that the process towards a republic needs to be not only democratic but also perceived as being democratic. This is not without its challenges. A truly democratic process is one which is not only accessible, in the practical sense of having the opportunity to participate, but also intellectually accessible. People need to have access to information in order participate meaningfully. The difficulty with the republic debate is that it has the potential to alienate those who may be unfamiliar with our current constitutional arrangements and therefore may have some difficulty or even a lack of interest in understanding the proposed changes.

A 1987 study found that 47 per cent of Australians were unaware that we have a Constitution. A later study by the Civics Expert Group in 1994 reported that only 18 per cent of Australians demonstrated some understanding of the content of the Constitution while only 41 per cent knew how the Constitution could be changed. That is despite the fact that a large majority who participated in that survey had actually voted in some form of referendum.

While the 1999 republic referendum and the debates surrounding it helped to increase community awareness, its impact was not as significant as we like to think. Two years after the referendum campaign, the IEA Civic Education Study found that only half of Australian students had a basic understanding of the ingredients for a properly functioning democracy. Therefore, one of the challenges that confronts us, and certainly the Senate committee, is to increase the community’s understanding of and interest in constitutional issues, so I am glad that one of the recommendations arising out of this report includes a strong focus on community education.

I believe that the first step must be to reach an agreement that we do want to become a republic. Having actively participated in this initial decision, more Australians are likely to want to engage in the process of working out the details. While not all Australians may understand the complexities of constitutional law, they do understand the concept of an Australian head of state and they do have strong feelings about Australia’s independence and national identity. I think it is those sentiments, reflected in polling over recent years, that are the reason we have such a high percentage of people indicating that they support the notion of an Australian head of state. Indeed, I would hazard a guess that a majority of those in this place would support the move to an Australian head of state.

This inquiry has been made possible because politicians from every political party decided to work together constructively and, in an attempt to gain consensus, we put our political allegiances aside for the sake of this important issue. I pay particular tribute to Senator Payne and Senator Bolkus and of course the secretariat for their work on this issue. It reflects our view that the republic should be put back on the political agenda. We need to keep building the momentum for
change that the majority of Australians want. As Victor Hugo once said:

There is one thing stronger than all the armies in the world, and that is an idea whose time has come.

There is no doubt that the time for an Australian republic has come. But, as we know, gaining popular support for the republic is not the major hurdle that we face. The bigger challenge is trying to reach a consensus or, more realistically, majority support in a majority of states for a particular model.

That is why it was so important that the Senate inquiry examined not only the issue of alternative models but also the process for working towards achieving a republic. The process will be crucial if we are to gain the Australian community’s support for a particular model. In this respect, the committee has recommended an initial plebiscite, asking Australians whether Australia should become a republic with an Australian head of state, separating it from the British monarchy. It is proposed that compulsory voting apply in this particular plebiscite and that it should be determined by a simple majority vote.

Should this plebiscite be resolved in the affirmative, the committee recommends that a second plebiscite, providing five alternative models and asking Australians to nominate their preferred model, should be conducted. It is proposed that this plebiscite should be determined by preferential vote and that, once again, voting should be compulsory.

A further recommendation of the committee is that this plebiscite should include other relevant questions, such as the preferred title, for example, for an Australian head of state. Following this plebiscite, the committee recommends that a drafting convention be held to finetune the details of the preferred model. It is envisaged that this convention would involve constitutional experts and others with relevant skills appointed by the parliament, with special consideration being given to ensuring that the make-up of the convention reflects the diversity and difference within the Australian community. Finally, the proposed change to the Constitution should be put to the people of Australia at a referendum.

Although not everyone will necessarily agree with this proposed way forward, it is important to recognise that, in making these recommendations, the committee has taken into account the incredibly diverse range of views presented to us throughout this inquiry. More than anything, the inquiry represents our commitment to ensuring that the process towards an Australian republic is an inherently democratic process. This is vital if people are to have true ownership of and pride in our changed Constitution. It is my privilege to have been a participant in this inquiry and I take the opportunity to thank all my colleagues, the hardworking committee secretariat and the hundreds of Australians who participated in that process. I look forward to us moving the process forward.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Lindeberg Grievance Committee Report

Senator WATSON (Tasmania) (6.17 p.m.)—I move:

That the Senate take note of the report.

The Senate and its committees over the past decade have devoted significant resources to inquiring into matters raised and allegations made by Mr Lindeberg of Queensland. Mr Lindeberg has had ample opportunity to make his case. Three inquiries have now been conducted into Mr Lindeberg’s allegations that false and misleading evidence had been given to the Senate committees but no
inquiry has been able to substantiate the allegations. The committee suggests therefore that there would be little point in Mr Lindeberg pursuing his grievance further in these forums in the absence of compelling new and relevant evidence. The committee did not seek to test its constitutional powers by attempting to summons people who were, at the appropriate time, officers of a different branch of our Constitution—that is, the Queensland government. That would have raised some surmountable constitutional issues and created many precedents. But the number of persons who had been subject to adverse comment under privilege by Mr Lindeberg responded to that comment. Those responses have been printed and presented to the Deputy President. The only new matter raised in the inquiry is an allegation that the Heiner documents were destroyed to conceal evidence of sexual assault at a youth detention centre in Queensland. There is no reason to suppose that Mr Heiner took such evidence. In fact, the House of Representatives report on this matter, Crime in the Community, reported at page 74 that Mr Heiner vehemently denied that anybody told him about a pack rape.

I now want to comment on matters raised by another senator and member of the committee. Senator Harris gave an impassioned speech yesterday on the report of the Senate Select Committee on the Lindeberg Grievance, criticising amongst other things the conduct of the inquiry, especially in its later stages. I am deeply disappointed that Senator Harris has used the privileges of this chamber in such a manner. Not only has he misrepresented the committee’s considerations and its report, but he has also made conclusions with scant regard for the evidence or the facts. Senator Harris focused in his speech on the issue of child abuse, but his words in no way reflect the committee’s consideration of this issue. In fact, all members of the committee were deeply concerned by the abhorrent acts of abuse, particularly sexual abuse, raised in evidence to its inquiry. But the members recognised that these specific cases could not be resolved in a committee of the Senate. A Senate committee cannot adjudicate on alleged criminal offences. As you know, Mr Deputy President, these are matters for the Queensland legal system, and it is up to them to make a reference or a determination.

Rather than report on specific cases, the committee identified from the submissions and evidence received a number of systemic issues contributing to the occurrence of these abuses. But contrary to Senator Harris’s statement yesterday, the committee’s report concurred with the view that, had the alleged abuses been thoroughly investigated earlier, future incidents may have been averted. But Senator Harris also spoke yesterday about the Queensland Criminal Code, specifically the section relating to the destruction of evidence. Senator Harris quoted sections from different drafts of that code. But Senator Harris should know that the wording of that section of the code was never an issue for this particular inquiry. What was important were the interpretations of the law given to previous committees and whether those interpretations were deliberately misleading.

Senator Harris, with complete disregard for the evidence, claimed in his speech that Mr O’Regan gave opposing views to the Queensland government and to the Senate. It is simply specious to rely merely on unsubstantiated claims to make such a charge. The committee does not have evidence to support this. The committee has no evidence relating to the legal opinions Mr O’Regan may or may not have given to the Queensland government. To describe the committee’s report as ‘an absolute travesty’ reflects Senator Harris’s limited engagement with this inquiry—which was indeed unfortunate—and his in-
ability to grasp the specific fundamental issues before the committee. We were not set up to examine the issues of child abuse and rape.

Unfortunately, many assertions were made. Much speculation was presented as ‘evidence’. In a thorough and impartial manner, the committee unravelled all the allegations before it to focus on those germane to any possible contempt of the Senate. Four such allegations were identified. The first was that contrived interpretations of Queensland law, in particular section 129 of the Queensland Criminal Code, were given to previous Senate inquiries. The second was that a document known as ‘document 13’ was deliberately tampered with to obstruct a Senate committee. The third was that evidence of pack-rape and sexual assault of a minor was deliberately withheld from a previous committee. The fourth was that witnesses failed to disclose evidence relating to a deed of settlement between the manager of the John Oxley Centre and the Queensland government.

In relation to each of these allegations the committee was unable to substantiate Mr Lindeberg’s allegations of contempt. In reviewing the evidence and forming its conclusions, the committee was guided by the Clerk’s advice that for a finding of contempt to be substantiated a culpable intention must be demonstrated. For example, in relation to the Queensland Criminal Code the committee concluded that the interpretations given by witnesses to previous committees were probably incorrect. However, contrary to Senator Harris’s assertions, there was no evidence to prove that the interpretations were intended to mislead those committees.

With regard to the allegation of tampering with evidence, the committee requested that the Queensland government provide an unedited copy of the relevant document so that it could fully test the allegation. The Queensland government did not respond to that request. While the document was not forthcoming, Senator Harris is simply incorrect in saying that the Queensland government refused to provide it. It is very unfortunate that the document was not provided as it was an opportunity for the Queensland government to lay the allegations finally to rest. Without an original copy of the document, the committee made its conclusions on the available evidence, not on the basis of hearsay or rumour. The committee considered that the reasons originally given for altering the documents were perfectly reasonable—that is, certain words in the document had been blacked out to protect the identity of children named in it. The available evidence could not substantiate a finding of contempt in this matter.

On the third allegation, it was not established whether allegations of sexual abuse were made to the Heiner inquiry. This allegation demonstrates that myth and confusion still surround the Lindeberg grievance. Some have claimed, for example, that the Heiner inquiry was established to investigate the mistreatment of children at the John Oxley Centre. While the Heiner inquiry was established at a time when reports of child abuse at the centre were being aired in the media, those issues were not the reason for the Heiner inquiry. The Heiner inquiry related to staff complaints about their manager. As I said earlier, Mr Heiner, in evidence to a House of Representatives inquiry, said:

I vehemently deny anybody having spoken to me about a pack-rape.

The committee could not find that evidence of sexual abuse was deliberately withheld from previous Senate committees. In the fourth allegation, Mr Lindeberg claimed that the payout and wording of the deed of settlement between Mr Coyne and the Queensland government were intended to conceal
child abuse and that this intention was deliberately withheld from previous Senate committees. After reviewing all the evidence, the committee found no basis for such a claim.

In addition to his principal allegations, during the inquiry Mr Lindeberg made serious and wide-ranging allegations of personal and institutional incompetence and corruption. Although the committee had serious reservations about publishing these allegations, we did so in order to ensure that Mr Lindeberg’s allegations were fully aired. The committee invited the persons and institutions about whom allegations were made to respond. Further to such allegations about individuals and institutions, Mr Lindeberg also expressed dissatisfaction with the conduct and findings of previous Senate committees. In a supplementary submission, Mr Lindeberg has gone so far as to make offensive comments about the Senate itself. Mr Deputy President, as my time is about to expire, I seek leave to incorporate the rest of my speech in Hansard.

Leave granted.

The speech read as follows—

Mr Lindeberg’s supplementary submission states:

‘I submit that by deliberate design in the provision of false and misleading evidence, the Senate has become an unwitting accomplice to the Queensland Government’s (and CJC) double standards in the application of criminal law. The Senate has had its prestige used as a ‘clearance come laundering house’, affording respectability to conduct, which, had the truth been told or known to the Senate at relevant times, it would have seen it for what it always was: corruption of the highest order—and doubtless would have reported accordingly in its findings.’

Despite fully airing Mr Lindeberg’s grievance, including such wide-ranging gratuitous assertions, some members of the Committee are of the view that Mr Lindeberg has not been afforded adequate opportunity to state his case. However, the Committee indulged witnesses by continuing to accept submissions some months after the advertised closing date, giving them every opportunity to present relevant evidence.

This inquiry was conducted with the utmost regard for procedural fairness. The Committee scrupulously adhered to resolutions of the Senate, including those relating to privilege and potential adverse reflections, throughout the inquiry. At several junctures during its consideration of the evidence the Committee specifically sought the procedural advice of the Clerk of the Senate. One of the witnesses, Mr MacAdam, reported how courteously he had been treated by the Committee and commended the professional conduct of the secretariat staff. It is quite inappropriate to suggest that the inquiry was anything but thorough and considered.

As it is, the Senate and its committees over the past decade have devoted significant, scarce resources investigating matters raised by Mr Lindeberg. Two previous select committees took evidence on Mr Lindeberg’s grievance as it related to the treatment of whistleblowers. The Committee of Privileges has twice investigated Mr Lindeberg’s allegations that false and misleading evidence was given to previous committees. Neither of these inquiries substantiated Mr Lindeberg’s claims. Through this inquiry, the Senate has again devoted significant Committee and secretariat resources to investigating Mr Lindeberg’s claims. We have analysed voluminous documentation submitted to past inquiries, along with material submitted to this inquiry, without substantiating Mr Lindeberg’s claims.

It is obvious from the submissions received and the speeches made in this chamber that the Lindeberg Grievance has become a highly charged matter. The Committee, in its report, has provided a thorough and impartial analysis of the evidence. The report, yet again, supports the conclusion that Mr Lindeberg’s allegations of misleading and contempt of the Senate cannot be substantiated. I commend the report to the Senate.

Question agreed to.
DOCUMENTS
Consideration

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

National Capital and External Territories—Joint Standing Committee—Report—Indian Ocean territories: Review of the annual reports of the Department of Transport and Regional Services and the Department of the Environment and Heritage. Motion to take note of report moved by Senator George Campbell. Debate adjourned till the next day of sitting, Senator George Campbell in continuation.

National Capital and External Territories—Joint Standing Committee—Report—Difficult choices: Inquiry into the role of the National Capital Authority in determining the extent of redevelopment of the Pierces Creek Settlement in the ACT. Motion to take note of report moved by Senator George Campbell. Debate adjourned till the next day of sitting, Senator George Campbell in continuation.


Administration of Indigenous Affairs—Select Committee—Interim report. Motion to take note of report moved by Senator George Campbell. Debate adjourned till the next day of sitting, Senator George Campbell in continuation.


Economics Legislation Committee—Report—Annual reports (No. 2 of 2004), September 2004. Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.

Employment, Workplace Relations and Education Legislation Committee—Report—Annual reports (No. 2 of 2004), September 2004. Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.

Environment, Communications, Information Technology and the Arts Legislation Committee—Report—Annual reports (No. 2 of 2004), September 2004. Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.

Finance and Public Administration Legislation Committee—Report—Annual reports (No. 2 of 2004), September 2004. Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.

Foreign Affairs, Defence and Trade Legislation Committee—Report—Annual reports (No. 2 of 2004), September 2004. Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.

Legal and Constitutional Legislation Committee—Report—Annual reports (No. 2 of 2004), September 2004. Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.
by Senator Webber. Debate adjourned till
the next day of sitting, Senator Webber in
continuation.
Rural and Regional Affairs and Transport
Legislation Committee—Report—
Provisions of the Agriculture, Fisheries and
Forestry Legislation Amendment Bill (No. 2) 2004. Motion to take note of report
moved by Senator Webber. Debate ad-
journed till the next day of sitting, Senator
Webber in continuation.
Rural and Regional Affairs and Transport
References Committee—Report—
Australian forest plantations: A review of
Plantations for Australia: The 2020 Vision.
Motion to take note of report moved by Senator Webber. Debate adjourned till the
next day of sitting, Senator Webber in con-
tinuation.
Environment, Communications, Information
Technology and the Arts References Com-
mittee—Interim report—Budgetary and
environmental implications of the
Government’s energy white paper. Motion
to take note of report moved by Senator
Webber. Debate adjourned till the next
day of sitting, Senator Webber in con-
tinuation.
Employment, Workplace Relations and
Education Legislation Committee—Interim
report—Provisions of the
Higher Education Legislation Amendment
Bill (No. 3) 2004. Motion to take note of report
moved by Senator Webber. Debate adjourned till the next
day of sitting, Senator Webber in con-
tinuation.
Finance and Public Administration Refer-
cences Committee—Interim report—
Inquiry into government advertising and
accountability. Motion to take note of report
moved by Senator Webber. Debate adjourned till the next
day of sitting, Senator Webber in con-
tinuation.
Rural and Regional Affairs and Transport
References Committee—Report—
Australian forest plantations: A review of
Plantations for Australia: The 2020 Vi-
sion—Corrigendum. Motion to take note
of report moved by Senator Webber. De-
bate adjourned till the next day of sitting,
Senator Webber in continuation.
Legal and Constitutional Legislation
Committee—Report—Marriage Amend-
ment Bill 2004. Motion to take note of re-
port moved by Senator Webber. Debate ad-
journed till the next day of sitting, Senator
Webber in continuation.
Legal and Constitutional Legislation
Committee—Report—Provisions of the
Criminal Code Amendment (Suicide Re-
lated Material Offences) Bill 2004. Motion
to take note of report moved by Senator
Webber. Debate adjourned till the next
day of sitting, Senator Webber in continu-
ation.
Finance and Public Administration Legis-
lation Committee—Interim report—
Annual reports (No. 2 of 2004), September 2004—
Corrigendum. Motion to take note of report
moved by Senator Webber. Debate adjourned till the next
day of sitting, Senator Webber in con-
tinuation.
Foreign Affairs, Defence and Trade Refer-
cences Committee—Interim report—
Inquiry into the effectiveness of Australia’s
military justice system. Motion to take note
of report moved by Senator Webber. De-
bate adjourned till the next day of sitting,
Senator Webber in continuation.
Rural and Regional Affairs and Transport
Legislation Committee—Interim report—
Provisions of the National Animal Welfare
Bill 2003. Motion to take note of report
moved by Senator Webber. Debate adjourned till the next
day of sitting, Senator Webber in con-
tinuation.
Employment, Workplace Relations and
Education Legislation Committee—Interim report—
Provisions of the Workplace Relations Amendment (Protecting Small Business Employment) Bill 2004. Motion to take note of report moved by Senator Webber. Debate adjourned till the next
day of sitting, Senator Webber in con-
tinuation.
Community Affairs Legislation Commit-
tee—Report—Tobacco advertising prohibi-
tion. Motion to take note of report moved
by Senator Wong. Debate adjourned till the next day of sitting, Senator Wong in continuation.

Community Affairs References Committee—Interim report—Inquiry into aged care. Motion to take note of report moved by Senator Wong. Debate adjourned till the next day of sitting, Senator Wong in continuation.

Legal and Constitutional References Committee—Interim report—Inquiry into Australian expatriates. Motion to take note of report moved by Senator Wong. Debate adjourned till the next day of sitting, Senator Wong in continuation.

Employment, Workplace Relations and Education References Committee—Interim report—Inquiry into Indigenous training and employment. Motion to take note of report moved by Senator Wong. Debate adjourned till the next day of sitting, Senator Wong in continuation.

Employment, Workplace Relations and Education Legislation Committee—Interim report—Inquiry into the proposed amendment in the form of Schedule 1B to the Workplace Relations Amendment (Codifying Contempt Offences) Bill 2004. Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.

The following orders of the day relating to reports of the Auditor-General were considered:

Auditor-General—Audit report no. 10 of 2004-05—Business support process audit. The Senate order for departmental and agency contracts (calendar year 2003 compliance). Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.

Auditor-General—Report for 2003-04. Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.

Auditor-General—Audit report no. 11 of 2004-05—Performance audit—Commonwealth entities’ foreign exchange risk management: Department of Finance and Administration. Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.


Auditor-General—Audit report no. 13 of 2004-05—Business support process audit—Superannuation payments for independent contractors working for the Australian Government. Motion to take note of report moved by Senator Webber. Debate adjourned till the next day of sitting, Senator Webber in continuation.

Auditor-General—Audit report no. 14 of 2004-05—Performance audit—Management and promotion of citizenship services: Department of Immigration and Multicultural and Indigenous Affairs. Motion to take note of report moved by Senator Webber. Debate adjourned till the next
day of sitting, Senator Webber in continuation.

COMMITTEES
Membership

The DEPUTY PRESIDENT—The President has received letters from a party leader seeking variations to the membership of certain committees.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (6.29 p.m.)—by leave—I move:

That senators be discharged from and appointed to committees as follows:

Economics Legislation Committee—
Appointed—Substitute member: Senator Allison to replace Senator Murray for matters relating to the Resources portfolio

Economics References Committee—
Appointed—Substitute member: Senator Allison to replace Senator Ridgeway for matters relating to the Resources portfolio

Employment, Workplace Relations and Education Legislation and References Committees—
Appointed—Substitute members:
Senator Allison to replace Senator Stott Despoja for matters relating to the Schools and Training portfolio
Senator Cherry to replace Senator Stott Despoja for matters relating to the Employment portfolio
Senator Murray to replace Senator Stott Despoja for matters relating to the Workplace Relations portfolio

Environment, Communications, Information Technology and the Arts Legislation Committee—
Appointed—Substitute members:
Senator Cherry to replace Senator Allison for matters relating to the Communications portfolio

Senator Greig to replace Senator Allison for matters relating to the Information Technology portfolio
Senator Ridgeway to replace Senator Allison for matters relating to the Arts portfolio

Legal and Constitutional Legislation and References Committees—
Appointed—Substitute member: Senator Ridgeway to replace Senator Greig for matters relating to the Indigenous Affairs portfolio.

Question agreed to.

ADJOURNMENT

The DEPUTY PRESIDENT—Order! There being no further consideration of committee reports, government responses and Auditor-General’s reports, I propose the question:

That the Senate do now adjourn.

Superannuation and Pensions

Senator WATSON (Tasmania) (6.30 p.m.)—The London Economist in March 2004 reported:

The rise in the proportion of the world’s old will be the century’s defining demographic trend. In some countries it may also determine the nature of politics, rates of economic growth ... and global clout.

US Defense Secretary Donald Rumsfeld has observed that old Europe countries such as France, Germany and others will lose ground against countries whose work forces are still expanding. A report from Britain’s official Pensions Commissioner said that for the past 20 years governments and companies had been living in a fool’s paradise in which everybody was fooled. It was now time to come back to reality. Significant changes indeed are under way in Sweden, Hong Kong, Singapore, the EU, Mexico and Chile. The British report has found that British workers will have to save more and retire later to make up for an alarming gap in pension savings. Due
to an increase in life expectancy, the number of retirees will rise rapidly over the next 35 years and many will face relative poverty if the savings gap is not filled. The Pensions Commissioner, Mr Adair Turner, said that a crisis that could be happening in 15 or 20 years could occur if plans are not made to tackle it now. British Prime Minister, Tony Blair, has promised, following the report, that he will set out proposals to address the pensions crisis. He said that we must change the culture so that people cannot be written off at age 65, if not 60 or 55. Mr Turner, the report author, warned that individuals would have to realise that if they want to retire at 60 or 65 they will probably have to save rather a lot.

While many countries around the world are looking at pension reform, few have given adequate attention to the escalating health costs of the elderly. In fact, these could well equal or be greater than a country’s pension burden. In Australia there is an attitude by some in the community of a desire to retire at the earliest possible age with the superannuation guarantee but a failure to recognise that these savings alone will not provide enough money for them to maintain an adequate standard of living in their extended retirement. I commend to the Senate a recent report issued by the Certified Practising Accountants of Australia. In fact there is a need to change behaviour to move away from the expectation that for most we cannot retire at 55 and play golf or fish at will solely through the superannuation guarantee arrangements. Increasingly, governments are realising that early retirement is not affordable. While countries such as Italy and Spain are the most vulnerable to the rising costs of old age, fortunately Australia is not yet in this position.

The International Council for Capital Formation has found that privately managed pension schemes contribute significantly to the development of capital markets, lower capital cost and lower security price volatility. Such privately managed schemes increase investment and promote economic growth and productivity. Mr Bill Shipman, a former principal with the largest custodian of pension funds in the United States, State Street, has written extensively on and advised governments on the benefits of private pension plans. The thrust of his argument is that direct individual investment in capital markets provides higher return and greater financial security than the government redistributive PAYG pension plans—that is, the pay-as-you-go plans—where benefits are dependent on a sufficiently large and growing work force whose members are willing to accept increasingly higher tax obligations. Mr Shipman maintains that returns under private pensions are higher than under government systems. Political risk under privately managed pensions is also lower compared to the traditional government managed social security systems.

I now wish to comment on weaknesses as I see them in the Labor Party’s current retirement income policies. Honourable senators will acknowledge that in the lead-up to the last election the ALP promised to abolish almost immediately the government’s popular co-contribution in relation to superannuation. This position was contrary to the views of the ACTU Secretary, Greg Combet. The party also opposed a reduction in the surcharge. Both matters were out of step with community perceptions about encouraging savings levels in the community for older age. With due respect, I believe that the Labor Party must now sift through the ashes of the 2004 election and make some conclusions about how to go about policy developments in the retirement incomes area come 2007.

If they have not come to any firm conclusions at this stage then I believe their former
leader Paul Keating certainly has. I must say I am not always in vehement agreement with Paul Keating, but I believe his statements on the operation of free and contestable markets are sound. In a recent statement Mr Keating said that Labor should not be scared of markets. To the contrary, they should embrace markets, as they underpin the success of the Australian economy. Where would we be had the markets not been able to prevail in the currency and foreign trade areas? Where would productivity be had successive Labor and coalition governments not intervened to free up, for example, markets in labour? During the Keating years, Labor’s policy on super was, essentially, a market approach. Regulation is there to protect individuals from fraud and the less transparent dealings on the parts of some super trustees, financial advisers and funds managers—as you well know, Mr Deputy President, as you have contributed significantly to our debates in committees on this issue.

But this market approach has gained momentum under the coalition. The market is working, with no systemic failures akin to those that have taken place in the UK, South America and the US. I was therefore surprised that Labor rejected its markets doctrine in the 2004 election in favour of strong intervention and strong regulation. I believe that Labor wanted to adopt a revisionist approach to labour markets, and in superannuation it peddled the line that financial planners needed to have their wings clipped by way of banning certain fees and payments and capping certain product prices. What Labor neglected to take into account is that in most cases clients actually receive a valuable service from their financial planners and think they get value for money—and most do. In fact, they resent any political party dictating to them the price and features of any good or service.

I believe that Labor really should do a computer search and find some of the recent polling data on financial planners. If Labor wants to attack planners, then why not attack builders, plumbers, surgeons and doctors and say that their fees should be capped? Indeed, if there were a problem with public transport would Labor contemplate capping or banning wages in that sector? The recent financial planning surveys show high levels of value-for-money service. I believe such a computer search would also reveal the Blair government’s recent backflip on fee capping in the United Kingdom. The UK stakeholder pension regime, whereby fees were capped at one per cent, ensured that only a small number of companies were prepared to offer the product. So what was Blair forced to do? He had to raise the cap above the economic shutdown point, and it is now 1.5 per cent. Her Majesty’s web site has the details of the new regime. The facts are that the old UK regime locked low-income earners out of advice and product which they, more than any others, needed.

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So we are waiting for Labor’s next statement on advice and super. Will it be more of the same? Will it be to regulate more? Or will it be, ‘There has been a handful of problems there so let’s have a new regulation for 10,000 honest players’? Or will the nostrums of Labor’s superarchitect, Paul Keating, prevail? Only time will tell, but under the current regime I believe we will have to wait for some time.

**Asbestos Awareness Week**

**Senator MARSHALL** (Victoria) (6.39 p.m.)—I rise this evening to bring to the Senate’s attention that next week throughout Australia is Asbestos Awareness Week. Asbestos Awareness Week is held to highlight the health and social implications of and the political issues surrounding asbestos and the diseases it causes in Australia. The week is
also an opportunity to again honour and remember all those who have painfully lost their lives to asbestos-related diseases. Of particular note in this regard is a commemoration service to be held at Melbourne’s the Edge Theatre, at Federation Square, next Friday, 26 November, from 12.30 p.m.

One year ago, I rose in this place to raise in the Senate the issue of asbestos and to promote last year’s Asbestos Awareness Week. Since then much has happened on the asbestos front. Following my speech last year, I received a letter from the Executive Vice-President, Corporate Affairs, James Hardie Industries, Mr Greg Baxter, who sought to refute numerous claims made by me in my speech at that time. My speech last year referred to a number of quotes made by Mr Peter Gordon, from the law firm Slater and Gordon, in an advertorial featured in the Herald Sun on 25 November last year. In his letter Mr Baxter argues:

Mr Gordon also claims that James Hardie set up a company with “clearly inadequate funding to deal with compensation...” This is also incorrect. The Foundation that was established by James Hardie was vested with all of the assets of the two former subsidiaries that had manufactured asbestos containing products, as well as an additional $90 million beyond any legal obligation owed by these subsidiaries. This additional amount, enabled the Foundation to be established with assets that actuarial advice indicated would be sufficient to meet all expected future claims.

What a joke of a claim that has been proven to be. In February this year, the New South Wales Carr Labor government launched the Commission of Inquiry into Medical Research and Compensation Foundation, the James Hardie asbestos victims compensation foundation. At page 7 of his report, under section 1.4, Commissioner Jackson QC stated:

The Foundation’s funds are being quickly used up in the payment of current claims against Amaca and Amaba—

The two subsidiary companies referred to by Mr Baxter in his letter to me—

In my opinion, they will be exhausted in the first half of 2007 and it has no prospect of meeting the liabilities of Amaca and Amaba in either the medium or the long term.

So was Mr Gordon correct after all? It seems so. Mr Baxter’s letter, full of mistruths and disingenuous statements as it was, did indeed make one fair point. In closing Mr Baxter wrote in his letter:

We believe it is not only important that the facts about James Hardie and asbestos are widely known and well understood, we think it is also imperative that a comprehensive solution is developed to address the broader issues now confronting the wider community.

Well, indeed! Thank goodness the Carr Labor government set that train on course. Let us hope that eventually James Hardie comes to the party and commits to the spirit of Mr Baxter’s letter to me last year. Over the past 75 years, millions of Australians have been exposed to asbestos at work, at home, at schools and at many other public places around the country. Sadly, more than 2,500 asbestos-caused deaths occur in Australia each year now. Due to the long latency period between the exposure to asbestos fibres and the manifestation of asbestos disease, which is often up to 30 years or more, the epidemic of asbestos-related diseases is yet to peak in this country. It is expected that this will occur in around 2023, so according to this figure we will have another 20 or so years until we have hit the peak of the problem. As many as 45,000 persons, it is expected, may die from asbestos-related diseases in Australia over the next two decades if effective medical treatments are not found.

Asbestos is the known cause of numerous diseases which include, but certainly cannot limited to, the following: lung diseases, including asbestosis, pleural plaques and lung cancer; mesothelioma; cancer of the gastro-
intestinal tract; cancer of the larynx; and cancer of the bowel. From time to time other organs and systems are believed to be the sites of malignant change due to asbestos as well.

Over the years, more than 3,000 asbestos products and their uses have been identified. Most Australian homes contain asbestos products in one form or another. Asbestos has been used in fencing, asbestos pipes, thermal insulation, fireproofing, paints and sealants, textiles such as felts and theatre curtains, gaskets and friction products such as brake linings and clutches. During the peak building years—the 1950s, 1960s and 1970s—asbestos found its way into most public buildings, including hospitals, schools, libraries, office blocks and factories. Workplaces such as ships’ engine rooms and power stations were heavily insulated with sprayed limpet asbestos.

As such, asbestos diseases are no longer contracted by the miners of asbestos exclusively. Occupational exposure to lethal asbestos among former workers in the asbestos manufacturing industry, government railways, electrical commissions, wharves and the building industry, and Defence personnel in the Navy, Army and Air Force, is now producing lung cancers, mesothelioma, asbestosis and pleural diseases of significant proportions. Tragically, asbestos diseases not connected to occupation are also now emerging among those in the broader community.

Companies like James Hardie, CSR and Wunderlich manufactured most of the asbestos products that have been used in thousands of commercial and private buildings in Australia and, regardless of what is said in the face of prospective litigation, all knew about the effect these products would have on the health of employees and on members of the wider community. Unfortunately, these companies shirked their social and corporate responsibilities and continued to produce and make massive profit from asbestos and its related products. James Hardie defended its first asbestosis death case in Sydney in the 1930s. However, it was not until 1978, years after other companies had done so, that James Hardie put a warning on its asbestos products. As I said last year—and I reiterate here—this company is an absolute disgrace.

In conclusion, I would like to take this opportunity to pay special respect to all of those who work and volunteer to promote the issues around asbestos and the diseases related to it and with the victims of such diseases. I should also take this opportunity to recognise the hard work of the trade union movement in furthering this issue over the past few years. I am proud to be a member of a political party that refuses to take blood money from a company such as James Hardie. I was very pleased that Labor, under the leadership of Mark Latham, committed all funds received from James Hardie since 2001 to go directly to asbestos victims so that they can further their fight against this corporate menace.

I finish tonight by reminding the Senate and those listening on radio, particularly those in Melbourne and Victoria, that the commemoration service to remember those who have lost their lives to asbestos related diseases will be taking place next Friday, 26 November, from 12.30 p.m. at the Edge Theatre in Federation Square. I encourage everyone and anyone who can to go along and support Asbestos Awareness Week and the victims of James Hardie and asbestos related diseases.

Mr Tchen Hou-jou

Tonight I rise to speak on a matter of personal closeness to me—the life and time of Mr Tchen Hou-jou, who passed away on Sunday, 14 November, in Melbourne. Mr
Tchen Hou-jou was Chinese by birth and Australian by adoption—for him, both proud and fortunate attributes. He was a man of peace by nature and a resourceful and fearless fighter for justice and fairness by conviction. He was, by the heritage of his culture, a meritocrat whereby one is judged by one’s achievements but, by persuasion, a democrat whereby one is valued regardless of one’s station.

He was born in 1912, in the first year of the new Republic of China, established after the abdication of the Manchurian Ching Dynasty emperor of the old Chinese Empire and following the successful republic revolution on 10 October 1911, in the central Chinese city of Wuhan. So he was born into a time of uncertainty and instability which, unfortunately for him and his generation, progressed—if that process could be called progress—through a long period, lasting practically all his life, of constant and destructive upheavals in China and in the world. The 20th century had been a time of relentless and great change, including two destructive great wars, innumerable lesser wars, a great depression, many and varied recessions—including some that were good for us—and societal changes beyond imagination during the first decade of that century. But with fortitude and a fair measure of good fortune, Mr Tchen was able to make it through to spend his last years enjoying a measurable degree of security and tranquillity in one of the few places in the world that could provide it, in Australia.

Mr Tchen was born in Yizheng county in the historic Yangzhou, a city in decline from its former glories as a premier commercial and cultural centre on the northern bank of the Yangtze River at the junction of the Grand Canal, but nevertheless a city of some importance. His family history traced back 14 generations to the mid-17th century, when it settled in Yangzhou in the aftermath of the Manchurian conquest of China.

Earlier generations of the Tchen family were merchants, but after nine generations the family was of sufficient substance to convert to scholar class, that peculiarly Chinese Confucian concept that held public service to be the highest form of aspiration and that the privilege of holding public offices should be achieved through public examinations and retained through meritorious service. Successes at public service examinations at the highest level followed, and the next three generations all achieved high offices, together with a high reputation of incorruptibility and fairness in conduct. Mr Tchen’s name, Hou-jou, meaning ‘of substantive scholarship’, reflects the family values and expectation.

The next two generations of the Tchen family, Mr Tchen’s father and grandfather, had little opportunity to contribute to the community, like their forebears did, due to the gradual breaking down of Chinese society compounded by the external threat of European imperialism to China. But the family tradition ran strong and, at age 14, Mr Tchen Hou-jou left his ancestral home in rural Yangzhou, never to return, and went to Shanghai, where he matriculated and attended the famous Jesuit-run Aurora University, called Zhendan—meaning ‘the thunder of dawning’ in Chinese—and graduated with a law degree at age 19.

He was appointed a local examining magistrate in Anhui Province, upstream on the Yangtze from Nanjing, then China’s national capital. In those days, the Chinese legal system followed the European model, and the examining magistrate had something of a combined role of public prosecutor, public defender and judge for the preliminary hearings—not an easy task to fulfil, especially for a 19-year-old. Not much is known about
Mr Tchen’s performance as a junior examining magistrate, except that he was neither assassinated nor jailed in the course of his work, so he probably did reasonably well.

After a few years at court, Mr Tchen joined the staff of Mr Ding Chun Gao, a descendant of another scholarly family famous for incorruptibility and fairness as public officials, who then headed a central government commission to establish a national taxation system in those provinces under the control of the Chinese national government. This was a perilous task, as the national government’s ability to influence events in most of the areas nominally under its control was nothing more than that—nominal—and the local warlords were understandably unfriendly. It was not a task for the faint-hearted nor the foolhardy, but Mr Tchen did well enough to become Mr Ding’s chief of and often only staff.

In 1938 Mr Tchen married Mr Ding’s daughter, Mohsien. They were together for 41 years, until Mrs Tchen passed away in 1989. They had five children—four sons and one daughter. Mr Tchen joined the Chinese diplomatic service in 1940 in Chongqing, the then temporary national capital of China. In 1942 he was posted to Iran, to the Chinese embassy in Teheran, as a junior diplomatic officer. Here he achieved the unusual distinction of successfully complaining against the ambassador for inappropriate use of embassy funds. The ambassador was relieved of his duties and Mr Tchen was rewarded, in due course, by being sent to the small port city of Haiphong in North Vietnam as probationary vice-consul in 1947.

As in many South-East Asian cities, Haiphong had a sizeable Chinese population, and Mr Tchen became a popular consular representative for the Chinese government even though that government was itself less than popular. He was in Haiphong for seven years, eventually becoming a substantive vice-consul. In 1954, following the ceasefire agreement between the French colonial government and the communist Vietminh government in Geneva, Vietnam was partitioned into north and south and a large proportion of Haiphong’s population, especially the ethnic Chinese, were evacuated to the south. Mr Tchen played a large role in managing the evacuation before returning to Taiwan, where the government of the Republic of China had moved in 1949. Mr Tchen served in the Chinese foreign affairs ministry from 1954 to 1957, when he was posted to Tahiti, French Polynesia, as consul-general. He was again successful in his post as an advocate of the sizeable Chinese population in Tahiti. Notably, he successfully persuaded the French Polynesian government to abolish a discriminatory poll tax applicable only to the Chinese population.

In 1960 Mr Tchen was posted to the Chinese embassy in Senegal, where he was charge d’affaires. There he began his career as a diplomatic officer instead of a consular officer. He was engaged in a constant struggle between the two governments purporting to represent the whole of China—the Republic of China government in Taiwan and the People’s Republic of China government in Beijing. It was a constant struggle for foreign recognition and a seat at the United Nations. In 1964 the Senegal government recognised the Beijing government, whereupon Mr Tchen was sent to Vietnam as deputy ambassador in Saigon, where he spent two years. The four-year term spent in Senegal was actually longer than most people were able to serve and demonstrates his ability to develop personal relationships with the government in that place.

In 1966, he was sent to the Republic of Dahomey, now called Benin, again in West Africa, where he stayed until 1973, maintaining recognition of the ROC nationalist Chi-
nese government throughout this period. In 1973, Dahomey recognised the PRC government as the government of China, and Mr Tchen returned to Taiwan where he became a ministerial counsellor at the foreign ministry there. In 1975 he retired and came to live in Australia. He developed his English, learned to play bowls, became a pillar of his bowling club and was known popularly as Harold to all his friends. He also developed an admiration for our Prime Minister as a leader of international status.

Mr Tchen died last Sunday following complications from myelodysplasia—an acute form of anemia. My father was laid to rest alongside my mother in Springvale Cemetery on Wednesday. I would like to take this opportunity to record my thanks to Professor Yen Ling Lim and his colleagues at Epworth Hospital and also to the Melbourne Chinese Christian Church of Glen Iris for their fellowship. I thank the Senate for its courtesy to me.

The ACTING DEPUTY PRESIDENT (Senator Watson)—Thank you very much for that very moving tribute to your father.

Senate adjourned at 6.59 p.m.

The following documents were tabled by the Clerk:

**Acts Interpretation Act**—Statement pursuant to subsection—


**Parliamentary Entitlements Act**—Parliamentary Entitlements Regulations—Advice of decision to pay assistance under paragraph 18(a), dated 30 August; and 14 October 2004.

Consolidated statement of expenditure under paragraph 18(b), dated 16 November 2004.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Defence: Information Technology Equipment**

(Question No. 3126)

_Senator Chris Evans_ asked the Minister for Defence, upon notice, on 3 August 2004:

(1) Does the department have guidelines for the disposal of computers, monitors, printers and other information technology (IT) equipment no longer required by Defence; if so, can a copy of the guidelines be provided.

(2) How many computers, monitors, printers and other items of IT equipment have been disposed of by Defence in each of the past 3 financial years.

(3) How was equipment disposed of in each of the past 3 financial years (for example, sold directly by Defence, sold to a commercial business, donated to charitable or educational institutions, destroyed etc).

(4) What were the sale values of all IT equipment disposed of in each of the past 3 financial years.

(5) How many IT items have been destroyed by Defence in each of the past 3 financial years.

(6) On what basis was this equipment destroyed.

(7) Why was this equipment not sold or donated to charitable or educational institutions rather than destroyed.

(8) What is the estimated value of all IT equipment destroyed by Defence in each of the past 3 financial years.

(9) Why does Defence not sell or donate IT equipment to charitable or educational institutions.

_Senator Hill_—The answer to the honourable senator’s question is as follows:

(1) Yes. Guidelines and policy relating to the disposal of IT assets exist within the following publications:

  Defence Instruction (General) LOG 07-5 Disposal of Surplus Assets and Inventory
  The Defence Security Manual (SECMAN)
  Defence Reference Book 48 – Accounting Manual
  National Asset Management Office - Policy and Operating Procedures
  The Defence Supply Chain Manual

A copy of the Df(G) LOG 07-5, which is the main policy document, has been forwarded separately to your office.

(2)  

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>2001-02</th>
<th>2002-03</th>
<th>2003-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desktop</td>
<td>5,567</td>
<td>27,327</td>
<td>17,023</td>
</tr>
<tr>
<td>Laptop</td>
<td>289</td>
<td>602</td>
<td>563</td>
</tr>
<tr>
<td>Server</td>
<td>146</td>
<td>197</td>
<td>240</td>
</tr>
<tr>
<td>Monitor</td>
<td>2,488</td>
<td>8,223</td>
<td>9,411</td>
</tr>
<tr>
<td>Printer</td>
<td>1,208</td>
<td>2,739</td>
<td>2,781</td>
</tr>
<tr>
<td>Other 1</td>
<td>1,263</td>
<td>2,272</td>
<td>3,477</td>
</tr>
<tr>
<td>Total</td>
<td>10,961</td>
<td>41,360</td>
<td>33,495</td>
</tr>
</tbody>
</table>
Note: Other includes such equipment as power supplies, tape drives, modems, optical readers, scanners, mouse, etc

<table>
<thead>
<tr>
<th>Disposal Method</th>
<th>2001-02</th>
<th>2002-03</th>
<th>2003-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auctioned</td>
<td>4,466</td>
<td>7,604</td>
<td>10,745</td>
</tr>
<tr>
<td>Destroyed</td>
<td>4,508</td>
<td>4,972</td>
<td>7,859</td>
</tr>
<tr>
<td>Direct Sale</td>
<td>0</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Donated</td>
<td>1,936</td>
<td>28,670</td>
<td>14,833</td>
</tr>
<tr>
<td>Other</td>
<td>51</td>
<td>114</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,961</td>
<td>41,360</td>
<td>33,495</td>
</tr>
</tbody>
</table>

(4) The revenue returned from auction in the table below is exclusive of equipment taken up by the Commonwealth Government’s Computer Technologies for Schools Project.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Sale Value ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>20,518</td>
</tr>
<tr>
<td>2002-03</td>
<td>140,629</td>
</tr>
<tr>
<td>2003-04</td>
<td>195,271</td>
</tr>
</tbody>
</table>

(5) See response to part (3).

(6) Equipment is destroyed due to security requirements under SECMAN, or due to its poor state.

(7) See response to part (6).

(8)

<table>
<thead>
<tr>
<th>Written Down Value ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets Destroyed 2001-02</td>
</tr>
<tr>
<td>Assets Destroyed 2002-03</td>
</tr>
<tr>
<td>Assets Destroyed 2003-04</td>
</tr>
</tbody>
</table>

(9) Defence does donate equipment, in accordance with the security requirements under SECMAN, through the Commonwealth Government’s Computer Technologies for Schools Project.

**Defence: Project Sea 1405**

*(Question No. 3145)*

**Senator Chris Evans** asked the Minister for Defence, upon notice, on 4 August 2004:

With reference to Project Sea 1405:

(1) Can an update be provided of how phases 1 and 2 of this project, which will upgrade the Seahawk helicopters with Forward Looking Infra Red (FLIR) and Electronic Support Measures (ESM) capability, are proceeding.

(2) What are some of the problems being experienced with this project.

(3) Has there been any legal action between the Commonwealth and the prime contractor, Tenix, in relation to this project; if so, what was this action in relation to.

(4) Is it correct that this action has now been settled out of court; if so: (a) can the details of the settlement be outlined; and (b) how much money was paid to the contractor as part of the settlement.

(5) (a) How much did Defence spend on legal representation on this case; and (b) can details be provided of lawyers hired and all payments made.

(6) How much of the $170.9 million budget for this project has now been spent.

(7) How many of the 16 Seahawk helicopters have been upgraded to date.
(8) Is it possible to upgrade the remaining aircraft with the remaining balance of the project budget; if so, how.

(9) Was this project initially to be delivered in 2002.

(10) (a) What is the current expected delivery date; and (b) what is the reason for the delay.

(11) Were the delays associated with the FLIR and ESM upgrades a factor in delaying the larger Sea-
hawk upgrade project by 3 years in the new Defence Capability Plan (DCP).

(12) Did these delays also cause the budget to increase from $600 million in the previous DCP to $1 billion in the new DCP.

Senator Hill—The answer to the honourable senator’s question is as follows:

(1) The prototype aircraft has been modified and is well advanced in the testing phase with all new systems installed and powered. The modifications to the software support centre at Nowra have been accepted and the Seahawk simulator has been physically modified to represent the new aircraft standard. Actual acceptance of the prototype helicopter is now forecast for April 2005. Modification of the remaining 15 aircraft is scheduled to commence in March 2005 with the final aircraft completing the production phase in November 2007.

(2) The prime contractor Tenix has encountered a number of difficulties in delivering the contracted upgrade, including integration of the software systems, and integration of the aircraft’s Electronic Warfare Suite.

(3) There has been no legal action.

(4) Differences between Defence and Tenix in progressing this project were settled through negotiation at the Chief Executive Officer level of the Defence Materiel Organisation and Tenix.

(a) The settlement is pragmatic and commercially appropriate with concessions agreed by both parties. The Deed provides Defence with improved schedule surety, early access to Intellectual Property, and brings a number of previously out of scope activities into scope. The Deed has substantially reduced the overall project risk to the Commonwealth.

(b) The settlement amount agreed is subject to a confidentiality clause agreed to under the Deed, but it is within the project’s budget.

(5) (a) Defence spent $70,633 on legal representation in achieving this settlement;

(b) Defence applied its own internal legal resources and also sought advice from the law firm of Blake Dawson Waldron. The total amount paid to Blake Dawson Waldron was $70,633.

(6) At 31 July 2004, approximately 86 per cent ($148m) of the project’s funds had been spent.

(7) One aircraft has been modified as the prototype aircraft.

(8) Yes, the contract with Tenix will be completed within the project’s budget. The production phase in itself is a relatively low cost, low risk element of the contract.

(9) No. The original contract date for the delivery of the final modified aircraft was April 2003.

(10) (a) The current contract schedule forecasts the delivery of the final modified aircraft in November 2007.

(b) See my response to Part (2).

(11) No.

(12) No.
QUESTIONS ON NOTICE

Immigration: Children
(Question No. 3174)

Senator Bartlett asked the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 27 August 2004:

(1) On 6 July 2004: (a) how many children were in ‘immigration detention’, as defined by the Migration Act 1958; and (b) of these, how many were children of unauthorised boat arrivals.

(2) (a) How many children are currently in ‘immigration detention’, as defined by the Migration Act 1958; and (b) of these, how many are children of unauthorised boat arrivals.

Senator Vanstone—The answer to the honourable senator’s question is as follows:

(1) (a) As at 6 July 2004, there were 62 children in immigration detention facilities on mainland Australia and on Christmas Island. Of these:

- 36 were located in mainland immigration detention centres,
- 15 were in the Port Augusta Residential Housing Project,
- 11 were located on Christmas Island,

In addition to the 62 children in facilities, 12 children were in alternative detention arrangements in the community.

(b) As at 6 July 2004, one child whose parents arrived as unauthorised boat arrivals was in an immigration detention centre on mainland Australia and 11 children whose parents arrived as unauthorised boat arrivals were located on Christmas Island.

(2) (a) As at 6 October 2004, there were 55 children in immigration detention facilities on mainland Australia and Christmas Island. Of these:

- 31 were located in mainland immigration detention centres,
- 13 were in the Port Augusta Residential Housing Project,
- 11 were located on Christmas Island.

Of the 31 children in mainland immigration detention centres:

- 30 have been detained as a result of compliance action.
- 1 is the child of parents who arrived as unauthorised boat arrivals.

In addition to the 55 children in facilities, 15 children were in alternative detention arrangements in the community and one child (detained on 4 October 2004) is being held on a boat in a harbour at Willie Creek and is awaiting removal.

(b) As at 6 October 2004, one child whose parents arrived as unauthorised boat arrivals was being held in an immigration detention centre on mainland Australia and 11 children whose parents arrived as unauthorised boat arrivals were located on Christmas Island.