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RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on the following Parliamentary and News Network radio stations, in the areas identified.

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FORTY-FIRST PARLIAMENT
FIRST SESSION—FOURTH PERIOD

Governor-General

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

Senate Officeholders

President—Senator the Hon. Paul Henry Calvert
Deputy President and Chairman of Committees—Senator John Joseph Hogg
Temporary Chairmen of Committees—Senators Guy Barnett, George Henry Brandis, Hedley
Grant Pearson Chapman, Patricia Margaret Crossin, Alan Baird Ferguson, Michael George
Forshaw, Stephen Patrick Hutchins, Linda Jean Kirk, Philip Ross Lightfoot, Gavin Mark Mar-
shall, Claire Mary Moore, Andrew James Marshall Murray, Hon. Judith Mary Troeth and
John Odin Wentworth Watson
Leader of the Government in the Senate—Senator the Hon. Robert Murray Hill
Deputy Leader of the Government in the Senate—Senator the Hon. Nicholas Hugh Minchin
Leader of the Opposition in the Senate—Senator Christopher Vaughan Evans
Deputy Leader of the Opposition in the Senate—Senator Stephen Michael Conroy
Manager of Government Business in the Senate—Senator the Hon. Christopher Martin Ellison
Manager of Opposition Business in the Senate—Senator Joseph William Ludwig

Senate Party Leaders and Whips

Leader of the Liberal Party of Australia—Senator the Hon. Robert Murray Hill
Deputy Leader of the Liberal Party of Australia—Senator the Hon. Nicholas Hugh Minchin
Leader of The Nationals—Senator the Hon. Ronald Leslie Doyle Boswell
Deputy Leader of The Nationals—Senator John Alexander
Lindsay (Sandy) Macdonald
Leader of the Australian Labor Party—Senator Christopher Vaughan Evans
Deputy Leader of the Australian Labor Party—Senator Stephen Michael Conroy
Leader of the Australian Democrats—Senator Lynette Fay Allison
Liberal Party of Australia Whips—Senators Jeannie Margaret Ferris and Alan Eggleston
Nationals Whip—Senator Julian John James McGauran
Opposition Whips—Senators George Campbell, Linda Jean Kirk and Ruth Stephanie Webber
Australian Democrats Whip—Senator Andrew John Julian Bartlett
Leader of the Family First Party—Senator Steve Fielding

Printed by authority of the Senate
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(1) Chosen by the Parliament of Queensland to fill a casual vacancy vice Hon. John Joseph Herron, resigned.
(2) Chosen by the Parliament of Victoria to fill a casual vacancy vice Hon. Richard Kenneth Robert Alston, resigned.
(3) Term expires at close of day next preceding the polling day for the general election of members of the House of Representatives.
(4) Chosen by the Parliament of Tasmania to fill a casual vacancy vice Susan Mary Mackay, resigned.

PARTY ABBREVIATIONS
AD—Australian Democrats; AG—Australian Greens; ALP—Australian Labor Party; CLP—Country Labor Party; FF—Family First Party; LP—Liberal Party of Australia; NATS—The Nationals

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

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<tr>
<td>Minister for Trade and Deputy Prime Minister</td>
<td>The Hon. Mark Anthony James Vaile MP</td>
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<tr>
<td>Treasurer</td>
<td>The Hon. Peter Howard Costello MP</td>
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<tr>
<td>Minister for Transport and Regional Services</td>
<td>The Hon. Warren Errol Truss MP</td>
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<td>Minister for Defence and Leader of the</td>
<td>Senator the Hon. Robert Murray Hill</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon. Alexander John Gosse Downer MP</td>
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<td>Minister for Health and Ageing and Leader of the</td>
<td>The Hon. Anthony John Abbott MP</td>
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<td>The Hon. Philip Maxwell Ruddock MP</td>
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<td>Minister for Education, Science and Training</td>
<td>The Hon. Dr Brendan John Nelson MP</td>
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<tr>
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(The above ministers constitute the cabinet)
**HOWARD MINISTRY—continued**

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<td>Minister for Revenue and Assistant Treasurer</td>
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<td>Minister for Workforce Participation</td>
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<tr>
<td>Parliamentary Secretary (Foreign Affairs) and Parliamentary Secretary to the Minister for Immigration and Multicultural and Indigenous Affairs</td>
<td>The Hon. Bruce Fredrick Billson MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
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<td>The Hon. Sussan Penelope Ley MP</td>
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<td>Parliamentary Secretary to the Minister for Education, Science and Training</td>
<td>The Hon. Patrick Francis Farmer MP</td>
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<td>Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry</td>
<td>Senator the Hon. Richard Mansell Colbeck</td>
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SHADOW MINISTRY

Leader of the Opposition  The Hon. Kim Christian Beazley MP
Deputy Leader of the Opposition and Shadow Minister for Education, Training, Science and Research  Jennifer Louise Macklin MP
Leader of the Opposition in the Senate, Shadow Minister for Indigenous Affairs and Shadow Minister for Family and Community Services  Senator Christopher Vaughan Evans
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology  Senator Stephen Michael Conroy
Shadow Minister for Health and Manager of Opposition Business in the House  Julia Eileen Gillard MP
Shadow Treasurer  Wayne Maxwell Swan MP
Shadow Attorney-General  Nicola Louise Roxon MP
Shadow Minister for Industry, Infrastructure and Industrial Relations  Stephen Francis Smith MP
Shadow Minister for Foreign Affairs and Trade and Shadow Minister for International Security  Kevin Michael Rudd MP
Shadow Minister for Defence  Robert Bruce McClelland MP
Shadow Minister for Regional Development  The Hon. Simon Findlay Crean MP
Shadow Minister for Primary Industries, Resources, Forestry and Tourism  Martin John Ferguson MP
Shadow Minister for Environment and Heritage, Shadow Minister for Water and Deputy Manager of Opposition Business in the House  Anthony Norman Albanese MP
Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow Minister for Local Government and Territories  Senator Kim John Carr
Shadow Minister for Public Accountability and Shadow Minister for Human Services  Kelvin John Thomson MP
Shadow Minister for Finance  Lindsay James Tanner MP
Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services  Senator the Hon. Nicholas John Sherry
Shadow Minister for Child Care, Shadow Minister for Youth and Shadow Minister for Women  Tanya Joan Plibersek MP
Shadow Minister for Employment and Workforce Participation and Shadow Minister for Corporate Governance and Responsibility  Senator Penelope Ying Yen Wong

(The above are shadow cabinet ministers)
SHADOW MINISTRY—continued

Shadow Minister for Consumer Affairs and
Shadow Minister for Population Health and
Health Regulation
Laurie Donald Thomas Ferguson MP

Shadow Minister for Agriculture and Fisheries
Shadow Assistant Treasurer, Shadow Minister for
Revenue and Shadow Minister for Small
Business and Competition
Gavan Michael O’Connor MP
Joel Andrew Fitzgibbon MP

Shadow Minister for Transport
Senator Kerry Williams Kelso O’Brien

Shadow Minister for Sport and Recreation
Senator Kate Alexandra Lundy

Shadow Minister for Homeland Security and
Shadow Minister for Aviation and Transport
Security
The Hon. Archibald Ronald Bevis MP

Shadow Minister for Veterans’ Affairs and
Shadow Special Minister of State
Alan Peter Griffin MP

Shadow Minister for Defence Industry,
Procurement and Personnel
Senator Thomas Mark Bishop

Shadow Minister for Immigration
Anthony Stephen Burke MP

Shadow Minister for Aged Care, Disabilities and
Carers
Senator Jan Elizabeth McLucas

Shadow Minister for Justice and Customs and
Manager of Opposition Business in the Senate
Senator Joseph William Ludwig

Shadow Minister for Overseas Aid and Pacific
Island Affairs
Robert Charles Grant Sercombe MP

Shadow Parliamentary Secretary for
Reconciliation and the Arts
Peter Robert Garrett MP

Shadow Parliamentary Secretary to the Leader of
the Opposition
John Paul Murphy MP

Shadow Parliamentary Secretary for Defence and
Veterans’ Affairs
The Hon. Graham John Edwards MP

Shadow Parliamentary Secretary for Education
Kirsten Fiona Livermore MP

Shadow Parliamentary Secretary for Environment
and Heritage
Jennie George MP

Shadow Parliamentary Secretary for Industry,
Infrastructure and Industrial Relations
Bernard Fernando Ripoll MP

Shadow Parliamentary Secretary for Immigration
Ann Kathleen Corcoran MP

Shadow Parliamentary Secretary for Treasury
Catherine Fiona King MP

Shadow Parliamentary Secretary for Science and
Water
Senator Ursula Mary Stephens

Shadow Parliamentary Secretary for Northern
Australia and Indigenous Affairs
The Hon. Warren Edward Snowdon MP
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The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 12.30 pm and read prayers.

BUSINESS

Consideration of Legislation

Senator CONROY (Victoria) (12.31 pm)—I seek leave to move a motion to defer consideration of the Telstra bills.

Leave not granted.

Suspension of Standing Orders

Senator CONROY (Victoria) (12.31 pm)—At the request of the Leader of the Opposition in the Senate, Senator Evans, and pursuant to contingent notice, I move:

That so much of the standing orders be suspended as would prevent Senator Evans moving a motion relating to the conduct of the business of the Senate, namely a motion to provide that further consideration of the Telstra (Transition to Full Private Ownership) Bill 2005 and a related bill be made an order of the day for 4 October 2005.

Labor is seeking extra time for the consideration of the Telstra privatisation bills because we believe that it is clear that, to date, the terms of these bills have not even been able to be properly reviewed, let alone their full consequences considered. So far, the bills have moved straight from introduction to the second reading debates. Senators rising to speak on these bills at the commencement of the second reading debate were given just minutes to prepare their comments on bills outlining a complex regulatory package and providing for the sale of $30 billion worth of the Australian public’s assets. This was clearly an inadequate process.

On top of this, the Senate inquiry that has been held into the terms of these bills was farcically rushed. It is worth noting for the record a few pertinent facts about the conduct of this inquiry. The fact that the Senate was holding this inquiry was advertised for one day, in one newspaper, on the day before the only day of hearings to be held. The government’s promotion of this inquiry was so rushed that the word ‘Senate’ was misspelt in the advertisements. Witnesses had less than 24 hours to prepare and submit submissions on five complex pieces of legislation dealing with arrangements surrounding the sale of $30 billion in taxpayers’ assets. Given the limited promotion that this inquiry received, and the ridiculously short time allowed for submissions, Australians—particularly in rural and regional Australia—were effectively excluded from being able to have a say during the inquiry.

Further, the terms of reference for this inquiry were limited in an unprecedented manner. The fact that a Senate committee, inquiring into the terms of five pieces of legislation designed to facilitate the privatisation of Telstra, was prohibited from inquiring into the question of privatisation itself was high farce. Those witnesses who were dedicated enough to make themselves available at 24 hours notice were surprised to find that government senators were prepared to prevent them from expressing their views on the question of privatisation. Even Senator Joyce expressed frustration at the hearing that witnesses were unable to say whether he should support the privatisation. The fact is that the terms of reference for this inquiry prohibited them from speaking their minds on the issue.

This is not good enough. The people of Australia deserve better. They deserve better than having bills to sell off a national icon, with far reaching consequences, being rammed through parliament in less than 24 hours for the inquiry and less than a week in total for the debate. It is not good enough. There is an opportunity to revisit this issue now—right now. There is no need for the
bills to go forward this week. They can come back in two weeks time.

What is it that the government are afraid of? What is it that they are hiding? Is there extra information that the government are privy to that the chamber is not and that the Australian public do not have? Why is the Prime Minister so desperate to force the bills through this week? That is the question that I am hoping a speaker from the government will answer, though I did hear a moment ago the order, ‘No speakers.’ The government are not even prepared to participate in this to defend their actions. So what is it that they have got to hide, Senator Boswell? What extra information have you got, that the Prime Minister has got, and that Telstra have got, that this chamber and all of the senators in this chamber do not have? What is going on? An explanation is deserved.

The Australian public deserve better than what this government and the executive are forcing down this chamber’s throat. All Australians would like to know the answer to these questions. What is it that John Howard has got to hide? What is it that the cabinet have got to hide? Why are we being forced to have this debate finalised by the end of this week? There are threats, I understand, of sitting on Friday. How bizarre. We have two sitting weeks coming up in two weeks time, and the government are saying, ‘We’re going to make you sit all night on Thursday, and you’re going to sit on Friday.’ How bizarre. What have you got to hide? (Time expired)

Senator BARTLETT (Queensland) (12.36 pm)—This is an important matter. If passed, this motion will enable the Senate to defer debate on the Telstra legislation until 4 October, which is the next sitting fortnight. It is not an attempt to put it off forever. It is not an attempt to drag out debate until next year; it is just an attempt to say, ‘Let’s just wait until we come back in a couple of weeks time.’ It is hardly a radical proposal. It is hardly a sign of an obstructive Senate, to use the old jargon. If you look at the flipside of the argument, the simple question is: what is the urgency? Why do the Telstra sale bills have to be debated and passed this week, as has been insisted by government members for the past week? What is their urgency?

The only urgency I can see is that the Prime Minister is losing control. We have seen that in newspaper columns over the weekend and today. All of Mr Costello’s supporters are starting to leak things to people in the gallery, saying: ‘Mr Howard’s under pressure. He’s performing badly. He’s losing it. It’s going off the rails.’ The only reason we have to sell Telstra is to help Mr Howard in his endless struggle with Mr Costello over the leadership of the party. Surely it is time—particularly in the Senate—to rise above those things in order to look at the national interest and the public good.

There has been a lot of commentary about Senator Joyce. I wore my Queensland tie especially today to encourage him to stick with that Queenslander spirit and look after the interests of Queensland. As I said last week, I think Senator Joyce has put himself in the position where all of the pressure is on him. To some extent, that is his doing, but at least he has had a go. My message to him is to keep having a go. You always feel when you come down here that you have everyone in your ear and instant pressure is going on but, as he would have found when he went back to Queensland over the weekend, people would much rather he take his time. It is not just a matter of putting up with people putting unnecessary pressure on you; you have to live with your decisions for the rest of your life.

Senator Joyce turned up at the Senate committee inquiry on Friday and did make
the effort to ask some questions. He wanted to ask some questions of a crucial, key witness, the ACCC, right at the start and was told: ‘Sorry, there is no time. Government senators have had their allotted time.’ It was 12 minutes for all government senators, 12 minutes for Labor senators and six minutes for the rest of us. That was that. Senator Allison nobly slaved away on behalf of the Democrats. Any suggestion that those time limits are sufficient to question the regulator—the ACCC—that is going to have the responsibility for overseeing a whole batch of this regulatory regime, or sufficient for it to give its opinion on this batch of legislation that, remember, it had only seen in the 24 hours before is farcical. It was quite clear, even from the ACCC’s limited evidence, that it believed that there are still significant gaps there, and there was plenty more evidence of that through the course of the day.

As I said last week, if you are going to support this, you have a greater obligation than the people who are opposing it to make sure that it is done properly. From either side—whether you are for or against the sale of Telstra—I think we all have an obligation to make sure that there is proper scrutiny of what is before us. As the person that had to get up and kick off the second-reading debate on these two bills currently before us one minute after they were tabled, I say that it is a farcical situation. What is proposed here is to simply give a bit of integrity to the debating process in this chamber, to allow just a couple of weeks to look at all the legislation and to get feedback. Even if we cannot do it in the proper way through a formal committee process, we should at least do it informally through examination and consultation with the experts and come back here and do the job properly. If we are going to pass the legislation, let us at least do the job properly. Do not put the Senate and the whole political process into contempt with this farcical rush.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (12.41 pm)—I too support this motion to shift the bills off from debate until 4 October. I was looking at the original report on the first sale of Telstra. We took three months. That was absolutely necessary, and we were not dealing with a complicated package like the one we are dealing with today and this week. The real point I want to make is that we were not in a position to even inquire into the bills on Friday. As everyone has already said, we had one day for them, having started the debate before we even had the inquiry. Since Friday, the committee has received about 12 submissions so far. They are good submissions. They are submissions that look carefully into the legislation—more carefully than we have been able to do. It is critically important that the views expressed in the submissions can be taken on board. At the present time, there is no opportunity to question these people. Unless we ring them all up one by one and ask them how this would work, why they said that or so forth, there is no opportunity to examine what they had to say. Importantly, those who did come to the hearing on Friday said as one, ‘There is not enough time for us to give you our considered view.’

Senator Brandis—That is not the truth.

Senator ALLISON—It is indeed the truth. I will clarify that. Perhaps the department did not say that they needed another four weeks, but pretty much everybody else did, including the ACCC. Even the ACCC said that there are some problems. In fact, they said that there are problems in five areas in these bills and that they are not certain about how some things will pan out and how they will work.

Witness after witness argued that aspects of the bill could potentially have negative
consequences for the industry and, ultimately, for consumers. I want to run through a couple of those. Whether it was AAPT or whether it was the Consumers’ Association, they all said a four-week review of the legislation would give adequate time to properly examine the legislation and sort out those potential problems. Ms Corbin from the Consumers’ Association said that there was no time for consumer input and no consultation. She said:

I note that we are the only consumer organisation represented here today. That is a huge concern. I spent most of the day yesterday on the telephone, speaking to all those consumer organisations that will not have a chance to present to this hearing. So there is definitely a need to have more time. Generally speaking, the rule is at least four weeks for consultation when you get a new bill or discussion paper or something like that, and generally speaking we hear cries from industry and consumer organisations that that is inadequate. So a bare minimum at this stage would be to follow previous practice.

If members of this place need further evidence, witnesses told us there was not enough time. We are in agreement that there has not been enough time. My staff have spent the whole weekend pulling together our report on the basis of what we heard. But, as submissions keep flowing in, we are not able to cope with them because the time for finishing our report is coming fast—whereas if this motion is agreed to then we will have time for a considered report. As Senator Joyce has already mentioned, there are a whole lot of things that he wants to resolve and talk with people in Queensland about. I actually think the people in Victoria are just as interested in this issue as those in Queensland are; they are going to want to know what the impact on them is as well and I would like to be able to report to them on that.

So this process has been cobbled together. The government’s haste in pushing this Telstra legislation through the Senate is unseemly, to say the least, but we all know why it is happening. We know it is so that no-one is given a chance to change their mind or to raise questions that might be embarrassing or awkward or might not substantiate the government’s case that the sale of Telstra is in Australia’s interests. We know it is not: the selling of Telstra was never in Australia’s national interests. We now have this added complication of a package which is supposed to be the sweetener for the sale; as far as we can see, there is no support for that being preferable to the status quo. So, in order to explore that further, another four weeks is absolutely essential.

Senator MILNE (Tasmania) (12.46 pm)—I support Senator Conroy’s motion before the Senate, particularly because the Australian community has not yet seen the family impact statement on the sale of Telstra. Australians will recall during the last election campaign the famous or infamous deal between the Prime Minister, John Howard, and Family First, where Family First agreed to spend, I believe, $1 million attacking the Greens in return for a preference deal. The agreement was that family impact statements would be made on every major cabinet submission. If Telstra is not a major cabinet submission, I do not know what is. People throughout Australia were told that these family impact statements would be there for all to see, so we should be able to see what the sale of Telstra means for families in Australia.

Such a statement would also give us some insight into what constitutes a family for the purposes of family impact statements. Does a single mother in the bush with two or three children constitute a family for the purposes of family impact statements? This family impact statement would be quite insightful—and there is obviously no way that Senator Fielding of Family First could possibly sup-
port legislation for the sale of Telstra if the family impact statement had not been delivered, was not adequate, was not detailed enough or the community had not had a chance to assess it. Clearly, this delay that is being asked for would give the Australian community an opportunity to look at the family impact statement in relation to the sale of Telstra and give us some insight into what is going on.

It is very clear that the Prime Minister has reinforced to Family First many times since the election his commitment to provide family impact statements. It was reported on 16 October 2004, for example, that Peter Harris of Family First took a telephone call from John Howard and, according to Mr Harris, the Prime Minister congratulated him on his party’s success, chatted about the likely Senate result and undertook to pursue the coalition’s pre-election commitment to Family First regardless of the Senate outcome. The commitment was to provide family impact statements for all future coalition policies, and that is what we want to see.

We also know that, since the election, Mr Harris and Senator Fielding have had numerous meetings with Mr Howard. They have also met with the Treasurer, Peter Costello; the Deputy Prime Minister at that time, John Anderson; the Minister for Employment and Workplace Relations, Kevin Andrews; the Minister for Health and Ageing, Tony Abbott; and the Minister for Finance and Administration, Nick Minchin—and I would be very interested to know whether, in the course of these family impact statement revelations, they have also had meetings with Senator Coonan. You would think that they would have met with her on such a major issue as the sale of Telstra, to clarify what needed to be in the family impact statement in relation to the sale of Telstra. So it would be a breach of the coalition’s obligation to Family First to proceed with this.

Senator Brandis—Don’t tell us about our obligations.

Senator Bob Brown—Someone’s got to.

The PRESIDENT—Order! Senator Brandis and Senator Brown, Senator Milne has the call.

Senator MILNE—Senator Brandis was part of the coalition that made this election commitment, which was a preference commitment that was also about spending money to campaign against another political party in order to secure these family impact statements. I think the voters of Australia will want to see comprehensive family impact statements and I am looking forward to seeing them myself.

There is no way you could put the question on the sale of Telstra in this house without such a family impact statement unless you want to make a complete mockery of Family First’s deal with the coalition in terms of that preference arrangement and the money that was spent on the advertising against the Greens. I am very keen to see the comprehensive family impact statement that went to cabinet. That should be available to the public, because it will enlighten us on the impact of the sale of Telstra. It will also enlighten us on what Family First thinks is a family for the purposes of family impact statements for any legislation coming before this chamber.

Senator BRANDIS (Queensland) (12.51 pm)—No sooner does the week get under way than we hear another nauseating effusion of Greens pieties. Through you, Mr President, let me tell Senator Milne how concerned her party, the Greens, were about the scrutiny of the Telstra legislation at the Senate Environment, Communications, Information Technology and the Arts Legislation Committee hearing on Friday. There were 11
senators present at that hearing, which started at eight in the morning and finished at five in the evening. They sat for eight hours and worked very hard.

Usually, when there are journalists, television cameras and newspaper photographers around, you can see Senator Brown there; like a fly to the sticky paper comes Senator Brown whenever the media is around. But, unusually, Senator Brown was notable for his absence. There were no representatives of the Greens there, although they are all participating members of the committee. I thought to myself: ‘That’s peculiar. Where on earth is Senator Brown? Perhaps he’s down in Tasmania pursuing some other Green agenda; perhaps he is in inner city Sydney or inner city Melbourne talking to his constituent groups there. He obviously isn’t in Canberra today or he’d be here under the glare of the television arc lights.’

Imagine my astonishment when during the course of the morning I walked out of the committee room to see none other than Senator Brown sitting in the couches outside the committee room talking away on his mobile phone. I reported the fact to my friend Senator Ronaldson, who joined me on the committee. He went for a walk a little bit later, came back and said, ‘It’s funny; I just saw Bob Brown outside too.’ The Greens were so concerned about proper legislative scrutiny of these bills by the Senate committee that Senator Brown could not even bother to walk 10 feet from the lounges outside the committee hearing room into the committee room itself to make one of his usual cameo appearances. So, Senator Milne, do not give us the usual nauseating Greens pieties. Senator Brown, do not give us this mock outrage, of which you are the leading aficionado in this parliament. You could not even be bothered to walk 10 feet so that you could participate in the proceedings of the committee.

There has been a lot of criticism of the brevity of the hearing. The hearing was a one-day hearing. It was a full eight-hour hearing. Contrary to what Senator Conroy—who, if I may pay him a compliment, handled himself with his usual aplomb in that hearing and I think managed to get quite a bit of information out of the witnesses—said a moment ago, the bills were not exhaustive bills. It is a package of five but there are only two bills that had an immediate bearing on the matters before the committee. One of them was about 19 pages long and the other was about 12 pages long. It was not evident to me, I must say, in seeing the line of questioning pursued by Senator Conroy, Senator Lundy and Senator Allison, that they were not across the issues. As I said a moment ago, they did very well. The hearing was a thorough hearing, unlike a lot of Senate hearing committees in which one hears unfocused stream of consciousness questions from certain senators. Perhaps because of the discipline imposed by the brevity of time, the questions were focused and relevant and bore upon the issues before the committee.

This is more than we can say for the Australian Labor Party. When they privatised the Commonwealth Bank, contrary to an election commitment, did they have a Senate hearing at all? No, they did not, and the bills went through the chamber in one day. When they privatised the Commonwealth Serum Laboratories, did they have a Senate committee hearing? No, they did not. When they privatised Qantas, did they have a Senate committee hearing? No, they did not. So, Senator Conroy, you did very well for yourself on Friday. You took advantage of the process, which is more than we can say for Senator Brown. It was a full, thorough process that examined a very narrow legislative scheme, which has been a matter of public debate in this chamber and in the Australian community now for nine whole years.
Senator FIELDING (Victoria) (12.56 pm)—I rise to talk on this very important issue. The Telstra bills are too important to rush. More time would be prudent at this stage to make sure that full consideration is given. You think about people buying a house. They spend more time than we have in this Senate looking at Telstra. I do support the issue that is being put forward here.

Senator LUNDY (Australian Capital Territory) (12.56 pm)—I note Senator Brandis’s contribution to this debate. He spent three minutes talking about another political party, only two minutes on the issue itself and no minutes at all on the substance of the problem we face as a Senate, which is the detail about these bills. There are several things wrong with the way the government has handled this, and I think unfortunately it is a sign of the arrogance that will pervade this chamber whilst ever the government has complete control.

One of the problems, of course, was the terms of reference and the limitations. This was not an inquiry that they were prepared to allow on the issue of privatisation. The terms of reference were limited to the technical bills that accompanied the privatisation, and that was done deliberately to obfuscate this chamber’s opportunity to explore the full issue and impact of privatisation. We have heard from other senators in this place already what devastating impact that has had on citizens who were wanting and, indeed, needing to express themselves about their views on the privatisation of Telstra. They have been specifically denied their democratic right to express a view on this issue.

The other part of the inquiry that is a farce beyond the terms of reference, as we have heard, is its timing. It is so short—eight hours, as Senator Brandis has pointed out. That meant that several witnesses were very time limited. The opposition had a mere 12 minutes to ask questions of the ACCC. Whether you like it or not, a huge proportion of the impact of these bills, particularly relating to competition and consumer protection, involves the ACCC. What we also know is that previous legislation by the government relating to competition and consumer protection that has been passed by this chamber with the support of the crossbench has not worked. That is a prima facie case of why intense scrutiny is required with that one particular witness alone. We need to be able to explore all of those issues in full, and yet we were absolutely denied that opportunity.

The committee hearing was structured in such a way that the chair did try to allocate equal question time to both parties. The bottom line was that that resulted in single-figure numbers of minutes at times to actually ask questions. As there were many senators at the table, I certainly was one who felt the frustration of not having any time to ask the questions that I had prepared, and I know that other colleagues were in the same position.

The main issue with these privatisation bills is that we know it is a complex matter. It is flippant and arrogant of the Howard government representatives in this place to say that there have been a multitude of previous inquiries and you should know your position. That is not true. More than anything else, that stands as evidence as to why a comprehensive inquiry is needed. What we need with these five bills because they are incredibly complex—they talk about the setting up of funds, the competition rules, the technical application of the sale and so forth—is the time to go through each of the issues in as much detail as we feel that we need. Prior to the government taking control of the Senate, that is in effect what happened. Prior to the government having all power under the sun in this place, the Senate was able to put in place comprehensive inquiries
that went for more than one day, a week or even a month; they went for months to make sure that everyone had the democratic right to say their piece, express a view on not just the technical aspects and the operation of funds et cetera but the issue of privatisation itself.

The government have come in here and arrogantly not even bothered to participate in this suspension of standing orders debate to allow the reporting times to be extended. We also know that the government have failed dismally in articulating any reason why they would want to shut it down in this way. Finally, the issue before us is one of needing to extend this inquiry so that people can have the opportunity to express their democratic views on this matter. The government clearly have something to hide, otherwise they would not all be sitting across this chamber with smug looks on their faces, thinking that they can use the numbers to ram through this piece of privatisation legislation with no appropriate level of scrutiny.

The PRESIDENT—Order! The time for the debate has expired.

Question put:

That the motion (Senator Conroy's) be agreed to.

The Senate divided. [1.06 pm]

(The President—Senator the Hon. Paul Calvert)

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<th>NOES</th>
<th>MAJORITY</th>
</tr>
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<td>35</td>
<td>36</td>
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AYES

Allison, L.F.  Bartlett, A.J.J.
Bishop, T.M.  Brown, B.J.
Brown, C.L.  Campbell, G.
Carr, K.J.  Conroy, S.M.
Crossin, P.M.  Evans, C.V.
Faulkner, J.P.  Fielding, S.
Forshaw, M.G.  Hogg, J.J.
Hurley, A.  Hutchins, S.P.
Kirk, L.  Ludwig, J.W.
Lundy, K.A.  Marshall, G.
McEwen, A.  McLucas, J.E.
Milne, C.  Moore, C.
Murray, A.J.M.  Nettle, K.
O’Brien, K.W.K.  Polley, H.
Siewert, R.  Stephens, U.
Sterle, G.  Stott Despoja, N.
Webber, R.  Wong, P.
Wortley, D.

NOES

Abetz, E.  Adams, J.
Barnett, G.  Boswell, R.L.D.
Brandis, G.H.  Calvert, P.H.
Campbell, I.G.  Chapman, H.G.P.
Colbeck, R.  Coonan, H.L.
Ellison, C.M.  Ferguson, A.B.
Ferris, J.M.  Fierravanti-Wells, C.
Fifield, M.P.  Heffernan, W.
Humphries, G.  Johnston, D.
Joyce, B.  Kemp, C.R.
Lightfoot, P.R.  Macdonald, I.
Macdonald, J.A.L.  Mason, B.J.
McGauran, J.J.J.  Minchin, N.H.
Nash, F.  Parry, S.
Patterson, K.C.  Payne, M.A.
Santoro, S.  Scullion, N.G.
Treonth, J.M.  Trood, R.
Vanstone, A.E.  Watson, J.O.W.

PAIRS

Ray, R.F.  Eggleston, A.
Sherry, N.J.  Ronaldson, M.

* denotes teller

Question negatived.

BUSINESS

Consideration of Legislation

Senator ELLISON (Western Australia—Manager of Government Business in the Senate) (1.10 pm)—At the request of Senator Kemp, I move:

(1) That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:
Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005
Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005
Appropriation (Regional Telecommunications Services) Bill 2005-2006.

(2) That, after the motion for the second reading of the bills listed in paragraph (1) has been moved, they be taken together for their remaining stages with the following bills:

Telstra (Transition to Full Private Ownership) Bill 2005

Senator LUDWIG (Queensland) (1.10 pm)—Of course, again, another procedural motion has been moved by the government. This motion effectively means an exemption from the cut-off—that is the shorthand way of saying it. It is also a tacking motion. For the benefit of the Senate, it might be worthwhile explaining exactly what this motion does. The government has five Telstra bills in total. Two have currently been introduced into the Senate. Three are in the House of Representatives and are there for debate today. To be dealt with by the Senate, of course, they have to be introduced into this house, and the government has sought an exemption from the cut-off to ensure that they can be introduced into this house. That cut-off is normally given when a bill is declared urgent so that the matter can be proceeded with by the Senate. The cut-off is coupled with a tacking motion. The legislation cannot obviously be dealt with because it is with the committee at the moment and, in fact, it is also in the House. When the three bills in the House are available for debate in the Senate, they will be tacked onto the existing two and we will have a cognate debate in relation to the five bills. Those senators who will speak today on the Telstra legislation will have two bills to discuss during the second reading debate. The other three bills are currently being debated in the House, as I have said. Effectively what that means for those senators who speak prior to that tacking motion is that they can, if they choose to do so, make another speech in the second reading debate after those bills are made cognate—in other words, after they have been tacked and brought together.

Senator Bartlett—I could speak again.

Senator LUDWIG—Yes, you could speak again, if you were minded to. I have been outlining the convoluted process that this government has adopted in relation to this debate. The reason it has been a convoluted process is due to the inordinate rush that the government has sought to impose upon the Senate in relation to this legislation. In so doing, it has made a number of trips along the way: some have meant that the bills will not all be available for debate and some have meant that senators can make another contribution in the second reading debate if they so desire in relation to the remaining bills.

A far better process would have been the one outlined by Senator Conroy and which we moved last week: that all the bills be moved into a committee to report back within a very short time. That would provide a reasonable ability for the senators on that particular committee to examine the legislation and deal with it. Following that, the cognate bills would be introduced into the Senate for debate. Whatever happens from there happens, of course. That would at least allow those senators who participated in the debate to be aware of what was said in the committee inquiry and of the report. If people choose to speak early in relation to the Telstra legislation, they will not have the

CHAMBER
committee report because it is not available until this afternoon. If they wait to speak until after the report is available, they will be able to exercise their right to speak once because the bills will then be cognate or tacked together.

Last week this government ensured that the debate would continue for some time. Without substantive consultation and without the agreement of this house, they changed the hours of business so that we will sit late tonight and Tuesday night to allow the debate to be proceeded with. It is certainly an issue, as I have said in earlier procedural motions, that this government have not been able to organise their program well. They have not allowed sufficient time. They have not acceded to our practical request that the matter go to a committee and that it be dealt with in a sensible way. That would allow for witnesses to be able to go to a committee, submissions to be made, and the committee report to be developed in detail and presented to this house so that the debate could be properly informed by the committee’s findings in its report.

We have also not talked about the convoluted process that the government has sought to impose upon this house in a rushed manner, without any sense of a time line, of proportion or of how this debate should be proceeded with in a sensible and logical way. The government has sought to use a blunt instrument and bludgeon the Senate into the process which it has designed. From any perspective, the process which the government has designed and sought to impose upon this house is illogical. It does not have any coherency about it and it also fails, in a number of respects, to create situations in which people can debate. The government has allowed debate on the one bill only twice rather than allow the ordinary processes to be adopted in which you would introduce the bills, cognate them and in most cases get agreement, if not with the opposition then at least with most of the opposition and the minor parties. Sometimes the minor parties do take an opposing view on an urgency motion. That is their right, of course, but in these instances the government manages to get most of the chamber to agree on procedures so it can then proceed.

The government has now indicated that a mere majority gives it the right, procedurally, to effect changes with little or no discussion on how it wishes to proceed with the debate on any particular bill. The government has demonstrated, this week and last week, that it is also prepared to break principles that have been established in this house as to how we should proceed with these types of bills. For what, we might ask. One of the reasons that has been suggested in this house is that the National Party have their conference next weekend and we have to finish the debate on the Telstra legislation before then. Why, you might ask? Maybe the government knows something that we do not. Maybe it knows that the National Party are going to play up at their conference. Maybe it knows that the National Party are not happy with the coalition, the way this debate is to be proceeded with and the way in which the bush is going to be treated once the sale of Telstra goes through.

I will not repeat statements made earlier by Senator Hill, as it is not my intention to take up the full 20 minutes allowed to me in this debate. I have already spoken on many of these issues in relation to the exemption from the cut-off for the two bills that were introduced earlier and I do not intend to repeat all of those phrases and terms. But it is worth while going back to the 1993 debate in which Senator Hill, the then Leader of the Opposition in the Senate, said that this chamber was constantly frustrated by large numbers of bills being introduced at the end of a session. That is the purpose of the ex-
emption from the cut-off. It is designed to ensure that at the end of a session we do not have a full list of bills waiting to be gone through which we have to rush through at the end.

We are now seeing the government using this blunt instrument to ensure that it can manage its program according to the way it thinks it should be managed. We find that it is now using an exemption from the cut-off more as a tool in its armoury rather than as a sensible way of managing the program at the end of a session—and we are a little way out from the end of this session. In the 1993 debate Senator Hill went on to say that it would result in legislation being passed with greater haste than during the early parts of a sitting, leaving inadequate time for proper consultation. In proposing the cut-off in 1993, Senator Hill said:

All that is being proposed in this motion today is the setting up of a structure that would enable both houses of this parliament a reasonable time to consider the government's legislation.

That is what Senator Hill said. I notice that he has not spoken in the debate on exemption from the cut-off, and I enjoin him to come and explain to me what has changed since 1993 in terms of the principles that he espoused back then. Has he abandoned those principles and decided that, for expediency, those principles can be swept under the carpet? That appears to be what Senator Hill is now a party to. We have a government that is intent on concealing and covering up. We have a government that does not want scrutiny or public examination of the bills.

We ended up with only one committee hearing on the bills. There was a spirited defence from the coalition against the one-day committee hearing into the bills, based on the view that 8 am to 5 pm was a long day. Some of the workers with whom I was a union worker would find 8 am to 5 pm a delight to work, rather than the 12-hour shifts they had to work. And, rather than just on one day, they would work those hours for four or five days in a row, depending on the nature and requirements of the business.

In terms of the adequacy of time, no-one could agree that a one-day hearing with very little notice and very little ability for witnesses to be examined was enough. We have already heard that the ACCC representatives had about 12 minutes to have questions asked of them about this issue. If anybody thinks that that is an adequate examination in a committee hearing then I think they need to review the transcript of the proceedings to see how little opportunity each senator had to examine the issues—even though the hearing did run from 8 am until 5 pm—let alone the inadequacy of the notification and the inadequacy of time for submitter to draw up relevant submissions dealing with substantive issues.

We are talking here about a significant sale; we are not talking about a procedural change. The legislation outlines a complex regulatory package providing for the sale of $30 billion worth of Commonwealth assets. That is what the one-day hearing was about. One cannot argue that this was more than what was provided the last time this matter came before this house. It was a different time, but it may also have been the case that the government did not want a hearing and that the opposition at the time—which would have been the Liberal Party—did not ask and did not remonstrate for a hearing. It may have been agreed by the parties that the matter could proceed. It was an entirely different position from what is being confronted today, when the opposition does think that there is a need for more than simply a one-day hearing.

There is an argument for delaying the committee report, there is an argument for
ensuring that the bills are scrutinised properly, and there is an argument for allowing the committee to develop the process further than it did in the one-day hearing—especially given that Senator Joyce expressed frustration at the hearing that witnesses were unable to say, even at that stage, whether he should support privatisation. I am sure Senator Joyce can speak for himself, but when you examine the reports where he moved from a green light to a yellow light—

Senator McGauran—Notice the way he voted last time!

Senator LUDWIG—I hear the interjection, but that was on a procedural motion; it was not on the substantive motion of whether the sale of Telstra should go ahead—and I remind the Senate that that is not before the chair today. These are procedural motions, and I have indicated that I am not going to take up the full time. I am simply explaining that the process followed by the government in this respect is pitiful, woeful and inadequate.

Senator BARTLETT (Queensland) (1.24 pm)—It is appropriate to put the Democrats’ view about Senator Ellison’s motion on the record. As Senator Ludwig has said, this motion attempts to exempt three pieces of legislation relating to Telstra from the normal process of consideration. It is what is known in the jargon as an ‘exempting from the cut-off motion’. Given that Senator Joyce has put the spotlight on Queensland and engendered some latent parochialism in me, it is worth making the point that the cut-off motion was the genesis of former Queensland Senator Michael Macklin—my Democrats predecessor in this position—back in the 1980s. I am not sure if subverting the cut-off motion makes people anti-Queensland, but if we are looking for other issues for Senator Joyce to concern himself with from a Queensland perspective, he could think about the history in relation to the cut-off motion. The core of it—as was explained last week and, to some extent, in Senator Ludwig’s contribution—is quite simple but nonetheless extremely important: any piece of legislation should be properly scrutinised by the Senate before it is passed into law.

Despite all of the political drama surrounding this issue, all of the political positioning within the coalition, and the manoeuvring between Mr Howard and Mr Costello for leadership of the Liberal Party, we should not forget that, beneath all of that, the core of what we do in this place is to pass legislation. We consider legislation, amend it if necessary, and ensure that bills that become laws become good laws. This simple standing order is, at its heart, just a mechanism to try to increase the chances of making sure that the Senate actually passes laws that are good ones rather than bad ones.

Whilst we exempt legislation from that mechanism from time to time, we should never do so lightly, and we certainly should not do so with crucial pieces of legislation or with legislation that has, as in this case, appeared just in the last few days. It sends a wider message about the approach this government is taking now that it has control of the Senate. It is about much more than just the sale of Telstra, the wider regulatory regime and the funding mechanisms attached. It is about how the government approaches its responsibility of ensuring the Senate does its job of preventing bad laws and its responsibility to ensure proper scrutiny of what the government does.

The process that we see in this motion from the government and the actions of the government that we saw last week show that not only are they willing to pursue these mechanisms but they do not even bother making an attempt to consult in advance. Even from the point of view of decent man-
agement of time around these issues, the government could consult with other parties in this place and say: 'This is what we are going to end up doing and this is the time frame we are looking at. How about we manage things in this way?' Instead we have had, with no consultation at all, the introduction of bills and then debate starting on them straightaway. Even after pledges from the Minister for Communications, Information Technology and the Arts during question time that there would be a normal committee inquiry into this legislation, we have, with no consultation, motions saying that the legislation would be introduced one day, the committee hearing would be held the next day, and it would be voted on the next week. It is a ridiculous mechanism to actually start debate on the bills before a committee inquiry is held. Apart from anything else, it is just a waste of the Senate's time. We all knew that we were going to have a debate this week on this, and we all knew that there was going to be a Senate inquiry. Why not get on with other business first and then have the debate when we need to have it? Instead, the government has moved all these procedural motions to try to subvert the process, and then non-government senators are required to stand up and express their opposition to the subversion of the procedural process in order to make clear just how appalling the government’s attitude is.

This would be about the fourth different procedural debate on different aspects of the Telstra legislation in the last few sitting days that I have participated in. Leaving aside actually being able to debate and examine the legislation, we are having to continually debate all these procedural motions from the government that are aimed solely at subverting the process so that they can rush this through. We are not even getting to use the Senate’s time effectively.

Again, that is possibly no surprise. It is a reflection that the government is simply saying, ‘We’ve got the numbers now and we’ll do what we want; we don’t even need to bother talking to you and we don’t even need to attempt to try to reach agreement, but we will just do what we want and at the end of it all, if need be, we’ll just guillotine debate through.’ It probably suits the government not to have time spent even debating the legislation proper because, the more time that is spent focusing on the legislation proper, the more obvious its flaws will be. For the same reason that it is quite clearly in the government’s interest to prevent a proper Senate inquiry into it, it is in the government’s interest to prevent a proper debate on it.

You would think that the people who were actually in favour of this stuff—the ones who thought it was good for the country—would be wanting to get it looked at properly, would be wanting to sell the message and would be wanting to hear all the praise from people saying how good it was. But of course we are getting exactly the opposite. Maybe the government are just assuming that, once it is through, they can do what they do with every other measure that is controversial: they will just steal the money from the taxpayers and pay billions of dollars to the media to screen advertisements saying how wonderful the sale of Telstra is. They know they do not need to bother to win the argument anymore because now they can just dip into the bottomless pit of taxpayers' money and keep funding advertising to tell people it is good for them, whether they like it or not. Undoubtedly we will see some of the $2 billion of the supposed future-proofing trust fund being used to tell people how good the Telstra trust fund is.

I make this important point about the motion before us that enables debate to start straightaway without proper scrutiny. We saw last week that it is not good enough for
this government to grab two pieces of legislation and push them into debate straightaway; now they want to grab three more that were introduced at the same time and mush all of them into the same pile as well and have all of them pushed through as one great big unscrutinised mass of legislation.

When it comes to whether the legislation is complex, the issue is not how many pages are in it. We heard Senator Brandis earlier on today saying: ‘There are only 17 pages in one of these bills. You can read that pretty quickly. What’s the problem?’ It is not what is in the legislation. Reading it in itself is not the be-all and end-all; it is what the consequences of it will be. If you are amending things like the Trade Practices Act, setting up a trust fund of money and introducing other measures and other mechanisms, it is not reading the words on the bit of paper in itself that takes up the time; it is exploring the consequences of what is in it that takes up the time. It is the most extraordinary furphy to say, ‘It’s only a short bill, so you don’t need much time to look at it and you don’t need much time to debate it.’ That is typical of the sorts of continual attempts of the government to totally distract from the real question—to continually put up all these red herrings.

It is worth emphasising that, whilst I am sure that there are many conscientious senators amongst us, it is possible that not every single senator will read every single page of every single bill, and possibly not all of us will read every single page of the *Hansard* from the single day’s hearings. I am sure Senator George Campbell will, because he is very conscientious—he reads all these things. I see him all the time, reading very conscientiously. But the report of the Senate committee inquiry is being tabled later on this afternoon. That one-day farcical inquiry still did produce some evidence. A question from Democrat Senator Lyn Allison produced the simple piece of information that the $2 billion trust fund was another sleight of hand: the good old ‘up to’ $2 billion trick that the government has tried many times before—sometimes with success, I might sadly say. I emphasise that you could have ‘$2’ instead of ‘$2 billion’ and still meet the terms of the legislation.

So that process in itself already pulled out that one sleight of hand. But how many others are there that we have not had a chance to find out about? By allowing these sorts of motions to pass, you dramatically reduce the chances of finding any of the other sleights of hand and things that are not even deliberate dodgy behaviour, dodgy drafting and deliberate loopholes but just errors— inadvertent unintended consequences. When you are dealing with the Trade Practices Act, when you are dealing with areas to do with competition and consumer law, it is an area that is complex in its implementation. We saw that from the ACCC’s evidence last Friday. There are still some major gaps there.

So, by proceeding with the legislation immediately, as is being proposed by the motion the government has put forward, we are basically letting those loopholes, those drafting errors, those unintended consequences, and the vast blank cheque that is still sitting there in terms of all the other measures the government says it is still going to do and has not got around to yet, go through without any proper scrutiny, without any proper attempt to identify them and without any opportunity to seriously get it on the record. When the Senate committee report is tabled later this afternoon, we will once again have a crucial point in this to date appalling process.

Most senators will at least read the report. They rely on others, as we all have to, to do some of the work, to distil the key pieces of information and to report to the Senate. That is what the process is for. But we will have
this process whereby the report comes down and we are meant to start debate on it straightaway, despite all the issues that will be identified in that report. Senator Joyce himself was quoted—in numerous places, I am sure, but there are a couple that I have seen, including the widely read Northern Territory News—emphasising that Friday’s one-day Senate inquiry into the sale bill was inadequate. As he said, the Senate is not doing its job. He said:

... what I am concerned about is doing the job that we were sent down to Canberra to do and you can’t do that in one day and I’m not going to.

Unfortunately, Senator Joyce, you are going to; you have allowed it to happen. You, as an individual, were in a position to stop it, and you did not. You will have another opportunity this afternoon, when the Senate committee report is tabled, to fix that mistake and enable a more extended examination of the legislation to occur. It has been widely fore-shadowed that that is going to happen—that an effort will be made, when the report is tabled, to recognise that the one-day hearing was inadequate and that we need a more comprehensive inquiry. Until that issue is resolved, I think it is completely premature to pass this motion that will allow the debate to start straightaway without proper examination of the legislation.

Senator Joyce is quoted in the media—I presume accurately—as saying that the one-day hearing was not enough and that the Senate has not been doing its job by allowing that process to occur; that senators have not been doing the job that they are sent to Canberra to do and that it is unacceptable, inappropriate and inadequate. If he is on the record as saying that, we need to wait and see whether his comments will be reflected in the way he votes later today on the matter of whether to have a proper committee process. Until such time as that is made clear, I think it is premature to be once again allowing the government to subvert even the most basic attempt at due process by exempting these other Telstra bills from the normal process of scrutiny that is required. One of these bills contains the dodgy subterfuge that has been spoken about regarding the trust fund. Who knows what else is hiding in the rest of the legislation?

It is a clear example of inappropriate process and it is a crystal-clear demonstration of the complete arrogance of the government and their total contempt for proper process. It has only been a month since the Senate sat for the first time following the government gaining control of the Senate. In that short space of time they have already shown in a crystal-clear fashion their total disregard for any attempt at due process, any attempt at reasonable consultation and any attempt at giving a pretence of allowing the Senate to do its job properly. There has been an instant transformation into a giant rubber stamp—a rubber stamp that is wielded instantaneously, with things being railroaded through without proper scrutiny. The rubber stamp is wielded straightaway so that we can get on to the next thing and get all the difficult issues off the agenda. That is a totally unacceptable process and it is an extremely sad day for democracy and for the Senate. The Democrats will continue to oppose these actions every time they occur.

Senator GEORGE CAMPBELL (New South Wales) (1.40 pm)—I also want to speak to this motion which has been identified by my colleague Senator Ludwig as an exemption from the cut-off for legislation. He, along with Senator Bartlett, gave an explanation of its background, so I will not deal at any length with the basis upon which the exemption from the cut-off was introduced or the purpose for which it is there, other than to say that its principal use has been to ensure that bills before the parliament that are urgent can be dealt with expeditiously
and legislation can be enacted in order to
deal with specific situations.

One has to say that the proposal that is be-
fore us, which seeks to exempt three bills
that are related to the sale of Telstra from the
cut-off, does not meet that criterion in any
measure. Five bills will be presented to this
chamber over the next couple of days, all of
which interact with each other and all of
which go to the sale of Telstra in one form or
another—the sale of an asset worth some $30
billion that belongs to the Commonwealth.
This chamber will be asked to pass that leg-
islation with little or no scrutiny.

I have been a senator for eight years, and
this is the most disgraceful process I have
seen in that time. It is the most disgraceful
way in which bills have been dealt with on
an issue of major significance to the Aus-
tralian people. Legislation was introduced into
this chamber last week and was then sent to a
committee on Friday for a one-day hearing. I
am told that we were allocated something
like 12 minutes to question the ACCC about
the impact the legislation would have on the
regulation of the industry—12 minutes to
talk about regulation of the dominant com-
pany in our telecommunications industry.
That is an absolute farce. What is worse, this
chamber had commenced the second reading
debate on the legislation before the inquiry
had taken place. In fact, the second reading
debate commenced as soon as the bills were
introduced. Senators were forced to stand up
in this chamber and speak about two bills
which they had not even had the opportunity
to read, let alone comprehend and under-
stand. The situation is similar with the three
bills referred to in this motion.

I understand that when the bills are finally
brought before this chamber they will be
joined with the other two Telstra bills and
that we will be engaged in a cognate debate
on the five bills. I do not know what time
senators are going to be given to look at the
bills that are being introduced today. The
likelihood is that we will probably get back
to the debate on the second reading of this
legislation sometime later on this afternoon. I
presume that, because it is a cognate debate,
senators in their speeches in the second read-
ing debate will have to cover all five bills. To
some degree they will be lucky because they
will be able to refer to all five bills if they
have the time and the opportunity to read the
detail and content of them. But those sena-
tors who have already made their speeches in
the debate on the second reading will not
have had the opportunity, and will not get the
opportunity, to comment about the three bills
that are being introduced today.

We do not know what the interaction of
those three bills is with the two bills that
have been introduced into the Senate already
and which were the subject of the inquiry on
Friday. At the very least, all five bills should
have been subjected to scrutiny by that
committee, but they were not. The reality is
that the government have gone through a
farce process. They are not concerned
about whether or not this parliament has ade-
quate opportunity to scrutinise the legislation
it has before it. They are not concerned about
ensuring that they get the best public policy,
that they get legislation that has a minimum
of loopholes in it and has been subject to
rigid scrutiny and is, therefore, hopefully the
best that the parliament can produce. They
are not concerned at all. What they are con-
cerned about is quickly getting a decision in
respect of the selling of Telstra into their
back pocket for use in the future.

Everyone in this building knows that, if
the decision is taken this week to sell the
remaining 51 per cent of Telstra, it will not
go onto the market for some considerable
time. We are not talking about a decision that
will be put into effect once the parliament
decides it; the Minister for Finance and Ad-
ministration has already said publicly on a number of occasions that there will not be any move to sell Telstra until at least 2006. The market conditions at the moment for floating Telstra are appalling. Look at the drop in the share price of Telstra. No-one in their right mind, including this government, would even contemplate floating those shares on the stock market in the current environment in which we are dealing with this. So the issue of urgency with these bills is a farce. There is no urgency at all in terms of having this legislation passed. But we are in fact being asked to endorse legislation now to sell our largest asset at sometime in the future and in a set of circumstances which at this point of time are unknown. We are being asked to buy a pig in a poke—or, to put it into better terms, we are being asked to set up the circumstances to sell a pig in a poke. But we cannot know at this point in time what the circumstances surrounding Telstra will be when it is eventually floated. It is absurd to have a debate in that type of environment.

The reality is that this is a clear demonstration of the government’s arrogance of power. They have the numbers, they want to sell Telstra and they are going to do it irrespective of the logic or the issues that might be associated with it. There is one senator on that side of the chamber that at least is showing some mettle in terms of his concern about the data being right at the end of the day: Senator Joyce, who, interestingly enough, when he left this building and got a thousand miles away from Canberra and sat down and had a chance to reflect on the legislation, changed his mind. He has done it on the past couple of weekends and he has started to raise some real concerns. But, when he gets back here, the heavies come in, sit beside him shoulder to shoulder and hover over the top of him. He has probably been lucky to be able to go to the toilet by himself while he is in Canberra; he has been watched and frogmarched while he is in Canberra to ensure that he does not get out of step with the rest of The Nationals when it comes to making a decision to sell off this major asset.

We will have the committee report this afternoon, and I am sure there will be a debate on the committee report. I do not know what is in it, but we will probably have the debate at around five o’clock and within half an hour of that report being considered we will be back into discussing Telstra. No-one in this chamber will have the opportunity to look in detail at the issues that have been dealt with in that report and the rationale for any outcomes that the committee might have developed out of Friday’s hearing—not that I expect that there will be that many, given the circumstances that have led up to this inquiry being conducted.

As I said initially, I do not want to take the full 20 minutes to speak. I do not want to go over the areas that Senator Ludwig covered in terms of the background to the exemption other than to again say that the way in which this whole process of the bills relating to the Telstra sale and the inquiry has been dealt with is an absolute disgrace to this government. It should be sheeted home to this government. It is an abrogation of democracy
and it is another step in limiting the democratic rights and processes of the Australian parliament.

Senator KIRK (South Australia) (1.53 pm)—I rise also this afternoon to speak in relation to this motion. I do not want to repeat what has been said by Senator Ludwig and Senator George Campbell before me, but I do want to take the opportunity to put on the record what other senators have said, namely that it is an appalling abuse of process that this government is engaging in in relation to the Telstra bills. The debate today is in relation to the bills being exempted from the cut-off. As Senator Ludwig said, this process is usually only entered into where the bills that are being debated are urgent—bills that urgently need to be passed through this Senate. Of course we know that the Telstra bills that we are debating this week are not of this character, yet the government is making use of this process in order to serve its political ends.

As Senator George Campbell said, we know that this is not urgent. We have heard from the Minister for Finance and Administration that the earliest that Telstra shares are going to be sold will be next year, 2006. We know that there is no urgency for the sale. The share price as it is at the moment is hardly conducive to the sale of the remaining shares in Telstra. This is simply not going to happen any time soon. Yet what do we have happening here in the Senate? We have legislation that will make possible the sale of Telstra, which we know is a Commonwealth asset—an asset that belongs to the Australian people—valued at some $30 billion. This is an enormous asset and an asset which, as I said, belongs to the Australian people. And what do we see here? We see this government trying to push through this legislation so that it has in its hand the ability to sell the remaining shares in Telstra when it sees fit. But what is the urgency? Why is it that we have had to engage in this ridiculous process over the last few days?

Let us look again at the way this legislation has been dealt with since it was introduced. The legislation was introduced last Thursday, just a few days ago. Then, before we knew it, we found that we had an inquiry, yet an inquiry that was of merely one day’s duration. Labor’s view in relation to the legislation was that it should be referred to a Senate committee inquiry but that the committee should have a period of just over one month to consider the legislation. Our view was that the committee should have adequate time and be required to report by 10 October. This would have allowed for one month of inquiry and debate on the legislation. We were only asking for one month. Some people would say that one month is not nearly long enough to properly look at the terms of this complex legislation, to gain the views and opinions of the Australian public and to allow experts in the market and those others in the market who will be affected by the sale to put their views forward in a full sense.

So what did we get? We got a one-day inquiry. A number of speakers have mentioned this today. We hear that the Senate committee sat for a period of eight hours. It was a very long day for some senators. But during this time, as other speakers today have said, there were numerous speakers who came along—numerous people wished to make submissions in relation to this most important matter—and the time that they had was truncated. They had virtually no time at all to get their views across.

On Friday, executives appeared from Telstra, Optus, AAPT, the National Farmers Federation and the Australian Competition and Consumer Commission. All of these witnesses said at the committee that they needed more time before they could be sure
of their view in relation to the legislation. Well, that is hardly a surprise, is it? Like us, they only saw the legislation the day before. They had less than 24 hours to prepare their submissions to appear before the Senate committee and to be able to express their views to the Senate committee. This is an absolute farce; it is a total fraud.

All I can say is that this is clearly the way this government thinks is appropriate to deal with bills. There is not a bill that is more important than this legislation. As I mentioned before, this is legislation that is going to affect the sale of an asset worth $30 billion. If this is the approach that the government takes in relation to an asset of this size and of this amount, how is it going to deal with legislation in the future? Is this what we are going to see from now on? Are we going to see legislation introduced on the Thursday and have a one-day inquiry on the Friday for report on the Monday? Not to mention how this must be affecting those in the secretariat, who I am sure would have had to work all of the weekend just to enable them to complete the report and have it ready for tabling this afternoon. Mr President, I just wish to say that if this is democracy under Prime Minister Howard then I do not look forward to the next three years.

Debate interrupted.

QUESTIONS WITHOUT NOTICE
Telstra

Senator SHERRY (2.00 pm)—My question is to Senator Minchin, the Minister for Finance and Administration. I refer the minister to press reports this morning where the Minister for Communications, Information Technology and the Arts, Senator Coonan, stated that the proposed Communications Fund will be funded, started up, with $2 billion in cash as soon as possible. Can the minister confirm that the government has now reversed its policy that the Communications Fund will no longer be funded with the proceeds from the sale of Telstra? If the $2 billion required for the fund is not coming from the proceeds of the sale of Telstra, can the finance minister now indicate where this money is coming from, and over what time period?

Senator MINCHIN—Mr President, welcome back. The government’s position in relation to the Communications Fund is that this is a very, very important part of the package which the government has presented comprehensively to facilitate the ultimate sale of the government’s remaining shares in Telstra. The establishment of the fund, however, is not contingent upon the actual sale occurring but upon passage of sale legislation. The government will proceed to establish this fund upon passage, regardless of when or if the actual sale occurs.

It had been the government’s position that the fund, which will have a value of $2 billion, the earnings of which will be available for investment in regional telecommunications, could be constituted either by cash or by shares, and once the sale bill passes, of course, then it would be possible. The government would then have the authority granted to it by parliament to transfer some of its Telstra shares into such a fund. However, as announced by the Prime Minister and Senator Coonan, the government has revised that position, which will be reflected in amendments to the bill to make it clear that the fund will be constituted by cash and not by a transfer of shares.

The government, as Senator Sherry would know, has reserves available to it. It is one of the fortunate things about this government that, unlike its predecessors, we are able to run surpluses. We do not run deficit budgets and the government has available to it reserves which are available to be transferred into the Communications Fund. We have
made it clear that that is how the Future Fund will operate. We have already said that it is the government’s intention, subject to the passage of legislation relating to the Future Fund, that we would transfer approximately $16 billion from our reserves into the Future Fund. The Communications Fund would operate in a similar fashion.

Senator SHERRY—Mr President, I ask a supplementary question. I thank the Minister for outlining the government’s latest revised position on the financing of the Future Fund. Is it not correct that these reserves the minister has just referred to are in fact the budget surplus? The only place the $2 billion can be obtained from is from the existing budget surplus. Can the minister confirm that? And can he confirm—he did not answer one part of my question—over what time period the moneys will be transferred into the fund from the budget surplus? And is this not just another example of policy on the run—the minister has admitted it is significantly revised policy—and an example of the government’s gross incompetence surrounding the sale of Telstra?

Senator MINCHIN—No, it is nothing of the sort. We had said that the government would make a decision about a mix of shares and/or cash into the Communications Fund. Now, for the purposes of facilitating the passage of the bill, we are very happy to bring forward that decision and to make the decision that it will be cash. Because the government has been running surplus budgets, despite the attempts of those opposite to prevent that occurring, we have, I think, some $25 billion in reserves at the Reserve Bank. We have a savings account. Now that money can be transferred into the Communications Fund.

Senator Sherry—Mr President, I rise on a point of order going to relevance. The minister has not yet explained, or bothered to answer, over what time period these so-called reserves—the budget surplus—will be transferred over.

The PRESIDENT—There is no point of order. You know that I cannot instruct a minister how to answer questions. I would just remind the minister that there are 20 seconds left.

Senator MINCHIN—Senator Sherry is a very impatient young man, isn’t he?

Senator Sherry—Twenty seconds; we’ve been pretty damned patient.

Senator MINCHIN—I have 20 seconds to say to you that, as soon as this has executive approval, the Governor-General’s approval in Council, we will then be in a position to transfer the funds to the Communications Fund, and I would imagine that that would be immediate.

Workplace Relations

Senator CHAPMAN (2.05 pm)—I direct my question to the Special Minister of State as the Senate representative of the Minister for Employment and Workplace Relations. Will the minister outline to the Senate the benefits that reforming Australia’s overly complicated industrial relations system will bring to Australian workers and their families? Has the government considered any alternative policies?

Senator ABETZ—I thank Senator Chapman for his question and also acknowledge his longstanding interest in reforming the overcomplicated Australian workplace relations system. The most significant benefits to Australian workers and their families of reforming our overly complicated industrial relations system will be more jobs and higher wages. There is another significant benefit in improving the industrial relations system. That is allowing Australian workers to actually understand and have an input into their own working conditions. I have here a
copy of the National Building and Construction Industry Award. It is only 677 pages and only weighs three-and-a-half kilograms. Now let us see, for example—

Senator Sherry—I hope you’ve read it!

Senator ABETZ—Yes, I have read parts of it, Senator Sherry, and an interesting part—

The PRESIDENT—Order! Minister, ignore the interjections and address your remarks to the chair.

Senator ABETZ—An interesting part that I want to draw the Senate’s attention to is the full page devoted to the definition of a painter. How is this for exactitude?

Painter means an employee engaged in any manner whatsoever in:

... painting and/or decorating ... commercial, residential, industrial or otherwise ...

‘Or otherwise’; then, without limiting the generality of the foregoing,

... the work of painters includes:

... the mixing of and/or application of and/or fixing of paint or like matter or substitute or mixtures or compositions or compounds texture or plastic coating and finishes or other decorative or protective coating and/or finishes, or putty, stopping or caulking mixtures, compositions or compounds, oils, varnishes—

et cetera. And, just in case none of those are included, it specifies ‘and/or other materials’. Now that is the sort of exactitude you get after 677 pages.

I doubt that any painter in Australia, let alone the trade union officials opposite, would have actually read this document and understood it. In contrast to the 677-page document, I have in front of me a very simple 16-page AWA for the construction industry. It is a framework that is easily understandable. That is what the average Australian worker will be able to read, will be able to comprehend and will be able to refer to in order to ensure that he is in receipt of his entitlements.

We as a government want to simplify the Australian workplace agreements. Let us have another ‘who said it’. For all the opposition’s interjections, I wonder who said this: Labor is absolutely not opposing managers having the prerogative to organise workplace practices and decide how the job gets done.

Who said that?

Senator Forshaw—Phone a friend!

Senator ABETZ—Senator Forshaw says, ‘Phone a friend.’ In fact, it was his own party leader, Mr Beazley, talking to the American Chamber of Commerce. What it shows is that Labor know what the problem is. They know what needs to be done, but they do not have the backbone to fix it. We are committed to making it simpler for Australian workers so we can have more jobs and higher wages.

Senator Chris Evans—Mr President, on a point of order: I ask that you invite the minister to table the documents he referred to in answering that question.

Senator ABETZ—I am not sure the table over there would be strong enough.

The PRESIDENT—The minister is not tabling the document.

Senator Chris Evans—How do you assume that, Mr President? He did not answer the question. Will the minister table the AWA and the award that he quoted from?

The PRESIDENT—He has indicated that he will not.

Telstra

Senator CONROY (2.10 pm)—My question is to Senator Coonan.

Honourable senators interjecting—

Senator CONROY—I cannot hear for Senator Abetz.
The President—There are interjections on both sides. I ask the chamber to come to order so that we can hear Senator Conroy’s question.

Senator Conroy—Is the minister aware that, under the Corporations Act, companies are required to put their remuneration reports, which include performance hurdles, termination payments and the salaries of the top 10 executives, to a shareholder vote at their annual meeting? Is the minister also aware that the Prime Minister has described the behaviour of the current Telstra management as a disgrace? As joint shareholder minister for Telstra, can the minister inform the Senate whether, given the government’s displeasure with the performance of the Telstra management, it intends to vote against the multimillion-dollar packages awarded to Telstra’s new management team at the annual general meeting in October?

Senator Coonan—I thank Senator Conroy for his question. I think it was a few days ago that the Prime Minister said that the government retains confidence in the board. In fact, that probably ought to answer the whole question. However, in response more broadly to Senator Conroy’s question, there is an implication as to whether or not the government will be supporting the increase in the Telstra directors’ fee pool, for instance. The government will be supporting the proposal to increase the directors’ fee pool at the annual general meeting in October.

As Telstra has made clear, the bulk of the proposed increase of $680,000 is due to the board’s decision to increase separate retirement benefits for directors. These retirement benefits are currently outside the fee pool and, in the 2004-05 year, totalled about $550,000. The inclusion of these benefits in the fee pool would make the board’s remuneration more transparent and in fact align it with the ASX guidance. The balance of the increase in the fee pool would also more closely align the board’s remuneration with market comparisons. In that context, I also note that it has been two years since a modest 15 per cent increase in the fee pool was agreed to at Telstra’s 2003 AGM. There have been no other increases since 1999. The proposed increase would also provide for additional directors to be appointed to the Telstra board in the future.

With regard to the government’s voting intentions, the government will be supporting the non-binding resolution that will be moved at the annual general meeting seeking endorsement of the remuneration paid to Telstra directors and senior executives in the previous financial year. The government takes the view that the question of the CEO’s remuneration is something for the board to determine and it is certainly not something that the government interferes in. Of course, we do not know what the Labor Party would do about any of these matters. In August, Senator Conroy described Mr Trujillo as ‘untrustworthy’, as ‘a dinosaur’ and said that he should stop talking. A month later, he and Mr Beazley were, for their own opportunistic reasons, praising Mr Trujillo as an honest whistleblower. What position does Labor maintain? As usual, Labor tries to walk both sides of the fence. At the same time, the real telecommunications spokesman, Mr Tanner, was accusing Mr Trujillo of being a typical new CEO talking down the company circumstances and accused him of gilding the lily. The government’s position and voting intentions on this are quite clear: we will be supporting the proposals.

Senator Conroy—Mr President, I ask a supplementary question. After reading the completely wrong brief for the question, I was wondering if the minister can confirm that, according to Telstra’s remuneration report, its CEO, Mr Trujillo, is entitled to a termination payment of at least $6 million if
he is fired before July 2006. Is the Howard government so desperate to stop Sol Trujillo from telling the truth about Telstra that it would support a payment of $6 million just to have him sacked and get rid of him?

Senator COONAN—This is the man that Senator Conroy now thinks is extremely trustworthy, having called him a dinosaur previously. The matter of remuneration is clearly a matter for the board. The Labor Party wants to sit in on these kinds of decisions; it would like to be looking over the shoulder of every corporate AGM, trying to get a view as to what the Labor Party should do. The Labor Party should stick to branch-stacking, something it might know about.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I would like to draw the attention of honourable senators to the presence in the President’s gallery of a delegation from the parliament of Ghana. On behalf of all senators, I wish you a warm welcome to Australia and in particular to the Senate.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Illegal Fishing

Senator SCULLION (2.15 pm)—My question is to the Minister for Fisheries, Forestry and Conservation, Senator Ian Macdonald. Will the minister update the Senate on how the government’s substantial allocation of resources to combat illegal fishing in Australia’s northern waters and Southern Ocean is paying dividends? Is the minister aware of any alternative policies?

Senator IAN MACDONALD—The Australian government takes a very hard line on illegal fishing in our exclusive economic zone. Senator Scullion, as one who well understands matters marine and fishing, realises that there are four reasons for the very strong line we take. First of all, we want to protect our fish stocks; then we want to manage a very special and sensitive marine ecosystem; we take quarantine very seriously; and, of course, the broader border protection issue is one that the Howard government is very strong on. The Australian government has been active on two fronts combating illegal fishing—in the northern area, around Darwin and across the top of Australia and, on the southern front, in the Southern Ocean around Heard and McDonald Islands and around Macquarie Island. Our Navy, our Customs, our Fisheries officers, our quarantine officers and our immigration officers do a fantastic job in the way they help to protect Australia’s sovereignty.

Indicative of the international leadership position on illegal fishing is the Howard government’s five-year commitment of almost $220 million to the Southern Ocean patrols. We have taken a very tough stance in the Southern Ocean against patagonian toothfish pirates, and that was highlighted by the 21-day chase of the Viarsa. I am pleased to announce along with Senator Ellison that just last week the Australian patrol vessel Oceanic Viking came into contact with a vessel flagged to Cambodia, the Taruman, suspected of illegally fishing in Australian waters around Macquarie Island, and that vessel has now been escorted into Hobart where further investigations can be undertaken. We are particularly grateful to the government of Cambodia for the cooperative way in which they approached this matter; they in fact gave us permission to board that vessel on the high seas. This is the first boarding that the Oceanic Viking has undertaken and the first time in many years that there has been any boarding on the high seas. Investigations are continuing and, if offences are proved, charges will be laid later.

I might add—and Senator Scullion will understand this well—that our officers boarded that vessel in difficult conditions.
and, not long after they were on board, the sea state blew up to sea state 5. For those who know, those are very rough conditions, and it shows the great job that our officers do. In the north so far this year there have been 127 arrests of vessels and 196 legislative forfeitures. The patrolling is by our eight Bay class vessels from Customs, our 15 Coastwatch aircraft and our naval vessels, varying in number from time to time. We spend a lot of money on protecting our resources and we intend to continue to do so. There is a lot of diplomatic work happening as well.

I am asked about alternative approaches. The Labor Party have had five different approaches to illegal fishing and border protection since I have been minister. Over the same time, they have had five different groups of shadow ministers. Senator O’Brien has figured in a couple of them, but their shadow ministers keep changing as much as their policies do. I have no idea what they stand for. Mr Beazley has been leader now for something like 10 years, I think, and we still do not know what his policies are on this particular matter or indeed on any other matter. It is quite clear, however, that the Howard government is absolutely determined to protect our borders and our fish stocks and will continue to do that in the years ahead.

Telstra

Senator HOGG (2.20 pm)—My question is to Senator Minchin, the Minister for Finance and Administration. I refer the minister to the Telstra sale shambles. Can the minister confirm that, earlier this year, the government paid UBS, Caliburn Partnership, Gavin Anderson, and Freehills $2.5 million to conduct a scoping study into the government’s plans to sell Telstra? Can the minister confirm that study occurred before the completion of Sol Trujillo’s operational review, the release of the government’s telecommunication regulatory package, the launch of the ASIC investigation into Telstra, Telstra’s share price plummeting to $4.35 and Telstra ruling out undertaking a share buyback to support the sale process? Given recent developments, can the minister inform the Senate whether the government will now have to undertake a second scoping study to facilitate the sale?

Senator MINCHIN—I cannot confirm the exact amount, but the figure Senator Hogg used sounds approximately right for the fees that were paid for the conduct of the scoping study. But I am happy to confirm the exact figure. The government was very upfront in its position on this. Yes, we did do a comprehensive scoping study. I am happy in this chamber to formally commend those responsible for the scoping study on its excellence. It was an outstanding scoping study. It was deliberately designed and timed to inform the government in the framing of the relevant sale legislation.

It was very important that we had expert advice on the important provisions in the sale bill to ensure that the government had the requisite flexibility—if I speak too slowly for Senator Conroy, I am sorry, but I want to make sure that Senator Conroy understands every word I say; if I speak too fast he will miss it—to structure the sale in order to maximise the government’s opportunity to rid itself of ownership of this company. This is something which the government, of course, has had as policy for the whole time that it has been in office. It has been clear government policy. We very strongly believe that it is quite wrong and nonsensical for the government to own 51 per cent of Australia’s biggest domestic company.

So the scoping study was critical in terms of its timing. It was critical in informing the government how best to structure the sale bill to ensure that we had the requisite flexi-
bility. It has been an invaluable scoping study. We have said that, if the parliament does pass the sale legislation, we will then move to the appointment of joint global co-ordinators, who will then give us specific advice. The first such advice would be, of course, a report to us in the first quarter of next year as to whether a sale is achievable in the calendar year 2006, which I have said is the window of opportunity the government has remaining to it in this term of office.

So that is the clear timetable. The scoping study was a very good investment by the government with a view to removing ourselves from the share register, which I think is critically important to the future of Telstra itself. As I said before, what is terribly disappointing is the way in which the Labor Party continues to cynically use Telstra as a political football in this country. Telstra is a vitally important corporation to this country. There are thousands of men and women who work in it every day doing their best to provide Australians with telecommunications, and they are being rubbished every day by those opposite. It is a disgrace. They say they stand up for the workers. The workers at Telstra are ashamed of what you do every day, trashing their company. This is a great Australian company and it about time you woke up and stood up for the workers of Telstra.

Senator HOGG—Mr President, I ask a supplementary question. Given that the government’s haste has already resulted in the waste of millions of dollars of taxpayers’ money on a useless scoping study, does it now recognise that it needs to allow more time for the consideration of the issues surrounding the sale? Does the government accept that trying to rush this process will inevitably result in more mismanagement and incompetence?

Senator MINCHIN—What is scandalous is the fact the ALP has cost Australian taxpayers $54 billion. By their cynical opportunistic blocking of the full sale of Telstra in 1999, the ALP has cost Australians $54 billion. That is the scandal.

Family Law Reform

Senator HUMPHRIES (2.25 pm)—My question is to the Minister for Family and Community Services and the Minister Assisting the Prime Minister for Women’s Issues, Senator Patterson. Will the minister inform the Senate how the Howard government is looking after the best interests of children in separating families?

Senator PATTERSON—I thank Senator Humphries for his question. The Australian government realises and recognises the impact of family breakdown on hundreds of thousands of children each and every year, and not only the impact on the children but the impact on the community as a whole. I am extremely concerned to find that in a recent Australian Institute of Family Studies publication it was reported that over a quarter of non-resident parents have little or no contact with their children. There may be significant issues in some cases preventing this contact but I am still concerned that the figure is far too high. The Howard government is committed to tackling this difficult issue to ensure that the best possible outcomes are achieved for children, and the best outcome for a child is to have contact with both parents, if at all possible. That is why we are introducing the most comprehensive reforms to the family law system for the last 30 years.

Every picture tells a story, a report of the Joint Standing Committee on Family and Community Affairs on the inquiry into child custody arrangements in the event of family separation, highlighted the need for reform. In this year’s budget, we announced a $397 million investment in the family law system. The centrepiece of the package is the estab-
lishment of 65 family relationship centres. In July this year, the Attorney-General announced sites for the first 15 of these. The family relationship centres will provide a doorway to people seeking to strengthen family relationships and prevent separation and will assist parents to resolve conflict after separation. We are also expanding mediation and contact order programs to assist highly conflicted parents so that children maintain relationships with both their parents. Let me just say here that the whole focus of the reforms is about children.

The package also recognises that some families need extra help to stay together. Therefore, the government is significantly expanding early intervention services, including up to 40 new premarriage and family relationship education centres, 35 relationship counselling and skills services to assist people achieve and sustain relationships, and 45 men and family relationship services to help men manage relationship difficulties with partners and children.

Every picture tells a story also highlighted community concerns regarding the child support scheme. A recent study by the Australian Institute of Family Studies found that almost two-thirds of separated fathers and half of separated mothers felt the current scheme was not working well. Similar proportions of separated mothers and fathers also felt that the system was unfair. In response, this government established a ministerial task force, chaired by Professor Patrick Parkinson, to examine the child support formula. The task force was aided by a reference group made up of representatives from advocacy groups of payers and payees, and professionals with experience in parenting after separation, relationship mediation and social policy. Professor Parkinson has delivered to government a detailed set of recommendations based on a comprehensive evaluation of the cost of children benchmarked against international studies.

I would like to acknowledge that the report received broad public support. I would like to thank Professor Parkinson for his dedication and professionalism. The government is currently considering the complex and interrelated recommendations of the report. Any changes to the child support system must, as I said before, be in the best interests of the children. Through our family law reforms, this government is helping separating families ensure that the best possible outcomes are achieved for children.

Federal Election Pamphlet

Senator BOB BROWN (2.29 pm)—My question is to the Special Minister of State. Will the minister investigate a pamphlet headed ‘Keep Howard in Bennelong: what John Howard promises, he delivers’—and the first item is lower interest rates, believe it or not—that was circulated in Bennelong during the last election campaign and had an authorisation from an address of MET School, 32 See Street, Meadowbank by S. Hale? Would he investigate whether that is an Exclusive Brethren church, whether it is funded by taxpayers and whether any taxpayers’ money directly or indirectly found its way to supporting the Prime Minister’s campaign? I also ask the minister: will he establish whether the Prime Minister met with Mr Bruce Hales, the world leader of the Exclusive Brethren church, which advocates that people should not vote?

Senator ABETZ—I think we have just witnessed for all to see the extent of tolerance in the Green dictionary. Tolerance is only meant for those that actually agree with the Greens. If you happen to pursue a different ideology or a different religion such as the Exclusive Brethren, you are then to be pilloried in this chamber by the likes of Senator Bob Brown. The sort of tolerance
that the Greens preach has just been exposed once and for all by Senator Bob Brown by that stunt. In relation to the brochure, if it made the claim that Mr Howard has been responsible for low interest rates and if the brochure was produced by the Exclusive Brethren, can I say the Exclusive Brethren were spot on. They were absolutely right, and the vast majority of Australians fully accept that because of the stewardship of this country’s finances we do have lower interest rates. The person who presides over all of that, apart from the Treasurer, is of course the Prime Minister. That is why the Prime Minister does deserve credit for the low interest rates.

It is within the province of every individual citizen of Australia to make a complaint to the Australian Electoral Commission if they believe that a document may somehow breach the Commonwealth Electoral Act. Nothing that Senator Brown has disclosed in his question would suggest that there has been any breach whatsoever of the Commonwealth Electoral Act, so why on earth would I seek to refer that brochure 10 months or so after the event—

Senator Barnett interjecting—

Senator ABETZ—Thank you for that, Senator Barnett—when it is so patently truthful when it talks about the low interest environment that we enjoy in this country? It might surprise Senator Brown but it also gives us an insight into Senator Brown. I do not go around as Special Minister of State trying to track down everybody that happens to authorise political material. The suggestion that I, as Special Minister of State, should undertake such an activity shows yet again the sort of Stalinist approach that could well be taken by the Greens if they ever got the numbers in this place. That is the sort of behaviour that you would expect from a totalitarian regime, especially when on the face of it nothing has been disclosed in the brochure that might somehow be in breach of the law.

I think most senators would be aware that the Exclusive Brethren hold to a view that they do not vote, and that is their religious view. They have certain other religious views with which, I respectfully say to them, I do not agree. I understand the Jehovah’s Witnesses similarly take a view that they should not be engaged in worldly activities. That is why Exclusive Brethren do not belong to any worldly organisation, as they put it, and that is a view that one would have thought those that preach tolerance, like Senator Brown, might be willing to accept and respect. Even if you do not agree with them, at least accept it and respect it. I hope Senator Brown does ask me a supplementary question, because undoubtedly that will give us a further insight into the Greens’ approach. (Time expired)

Senator BOB BROWN—Mr President, I ask a supplementary question. Was Mr Bruce Hales, who may or may not have met the Prime Minister and who heads up this church, associated with the authorising of that leaflet in John Howard’s electorate? Is it the same Bruce Hales who orchestrated $500,000 to support the campaign of George Bush last year and is that the same Exclusive Brethren church which now in an international conspiracy—

Government senators interjecting—

The PRESIDENT—Order! Senators on my right will come to order.

Senator BOB BROWN—and a shadowy conspiracy have turned up in New Zealand with a $500,000 campaign against Labour and the Greens using brochures with the exact same template as those that were used in Tasmania during the last election campaign and supporting Mr Brash, the leader of National, who at first lied about the existence of
this support but then had to back down? *(Time expired)*

**Senator ABETZ**—I thought Pauline Hanson’s bid to get into the Senate had been thwarted but instead of wearing a dress she now seems to be wearing a suit, because the talk of international conspiracies was exactly the sort of talk that One Nation used to engage in. Isn’t it strange that the political spectrum seems to be a circle where the extreme Right meets with the extreme Left and you really cannot tell much difference between One Nation and the Australian Greens? If we are onto international conspiracies, the Australian Greens might like to explain to the Australian people whether they had ever benefited from international funds coming to the Australian Greens, in particular from the Swedish Greens, from a country where there are no disclosure laws for political donations. So Senator Brown might like to explain to the Australian people before he makes these ridiculous assertions about people that are genuinely Christian Australian citizens. *(Time expired)*

**Money Laundering**

**Senator FERGUSON** (2.37 pm)—My question is to the Minister for Justice and Customs, Senator Ellison. Will the minister update the Senate on measures being taken by the Australian government to address the global problem of money laundering and terrorist financing?

**Senator ELLISON**—I thank Senator Ferguson for what is a very important question in today’s environment. Australia has a very good name internationally in the war that we wage against money laundering—in particular, our international efforts are recognised. We are a founding member of the Asia-Pacific Group on Money Laundering. In fact, we have been working in the region to set up financial intelligence units which can tackle money laundering in our region—in both the Pacific and South-East Asia. We have also been working at home. In 2003, FATF, the financial action task force, which is the leading international group in relation to the fight against money laundering, issued 40 recommendations. We set about implementing these recommendations and working with industry. This year, FATF finalised a further nine recommendations which went to terrorist financing. We have been working with the financial sector in particular in relation to the implementation of these recommendations.

I can report to the Senate that just last week I held the fourth in a series of roundtable meetings with the financial sector. I am happy to say that we agreed on a way forward and that we should have an exposure draft bill. We agreed on basic principles in relation to the fight against money laundering. In approaching this, we realise that, if this is to succeed, we need the cooperation of the financial sector of Australia. I want to acknowledge the constructive assistance that we have had from that sector. Mr Tony Burke, a director of the Australian Bankers Association, has co-chaired these meetings with me.

In relation to the package as a whole, it will require us for the first time to look at lawyers, accountants, real estate agents and jewellers—they are all included. We have been looking at the experience gained in the United States, the United Kingdom and Canada and they too are on the same path of implementation that we are. We have decided to do it on a phased basis; that we will look at the financial sector first and then move on to those other sectors after that. That is an approach which is not out of sync with what is being done by our counterparts overseas.

What is important out of the series of roundtable meetings that we have held is that we now have a basic in-principle agreement
to move forward. AUSTRAC will play a key role in relation to the implementation of this new regime. We realise that it will be comprehensive. It will cover a wide range of activities and there will be time needed for consideration of this exposure draft and for implementation. There will be rules and guidelines which will be put in place in consultation with industry. But we are not going to over-regulate so that we strangulate and emasculate the financial sector of Australia, because that would not achieve our objective and, of course, would result in over-regulation. We are willing to work with the financial sector to achieve Australia’s obligations, and we will do just that. Internationally, Australia can stand very tall in the fight against money laundering, and we do that through a number of different things we have done in the South-East Asian region, the Pacific region and, more importantly, in a global context, in the fight against money laundering.

Fuel Prices

Senator CROSSIN (2.41 pm)—My question is to Senator Minchin, the Minister for Finance and Administration. Is the minister aware of reports suggesting that profiteering by oil companies has contributed to the sharp jump in petrol prices over the last few weeks and that retail prices have increased before the increased cost of crude oil prices has flowed through? Has the government sought an ACCC investigation to determine the extent to which this practice is occurring? If not, why not?

Senator MINCHIN—I am surprised it has taken this long for a question on petrol prices, but I do acknowledge and the government acknowledges the level of community concern about petrol prices. No-one likes petrol prices being as high as they are. As anyone in this chamber, I think, would rightly acknowledge, the reason for high petrol prices is directly related to the price of oil. It is a world-traded commodity and we, like everyone else in the world, pay a world price for oil. In this case, unlike other episodes of high oil prices, the high prices largely result from excessive demand rather than particular restrictions on supply, and China’s enormous growth has been a real driver of the rise in world oil prices. That has been compounded, of course, of late by hurricane Katrina, which has badly affected refining capacity in the United States. That has restricted supply and therefore put up general refining prices around the world. We are oil price takers in the case of petrol prices. While the government does have considerable sympathy for ordinary Australian families in relation to what is for many a basic necessity, there is really nothing that anybody can do about that in the current circumstances.

In relation to the question of the role of the ACCC, under our Trade Practices Act the role of the ACCC is to monitor, expose and act upon any activity which is monopolistic, profiteering, exploitative or manipulative. I am advised that the ACCC is constantly monitoring petrol, diesel and auto LPG prices around the country. Where there is evidence of any collusion or anti-competitive behaviour, the ACCC has acted and will act against that behaviour. It did most recently act against price fixing in Ballarat in Victoria and the Federal Court imposed a fine of $23 million in that particular case.

Indeed, if particular evidence were brought to the government’s attention of any such activity, we would immediately refer it to the ACCC. If the opposition has such evidence, we would be happy to receive it and happy to refer it to the ACCC. I am not aware of the government having been given any such specific evidence, but it is certainly a very easy political jibe to immediately assume that retailers, wholesalers or refiners of
petrol are profiteering. I think that is unfair in the absence of real evidence to that effect. But if there is such evidence, we would be happy to receive it. I am sure Graeme Samuel would be happy to receive it, and the ACCC has a strong record of acting in this area, as I just cited.

Senator CROSSIN—Mr President, I ask a supplementary question. My question did not go to price fixing; it went to the question of retail prices increasing well before the cost of crude oil has flowed through. Has the government seen last week’s comments by the Chairman of the ACCC, Mr Graeme Samuel, that referred to a significant increase in margins by oil companies? Why hasn’t the government taken any action to protect the Australian public from being ripped off at the petrol pump?

Senator MINCHIN—Frankly, I regard that as an irresponsible aspersion upon people in the retailing of petrol. To just come in here and slander everybody who is involved in the petrol-retailing business is very unfair and unfortunate. If you have any evidence of such activity, the opposition should take it to the ACCC and they will act upon it.

Structural Taxation Reform

Senator MURRAY (2.45 pm)—My question is to Senator Minchin, the Minister representing the Treasurer. Minister, are you aware that last week the Labor Party, the Democrats and the Greens supported—and the coalition opposed—a motion calling on the government to produce a white paper on structural tax reform that would outline detailed tax reform proposals or alternatives? In view of the approach that has been made by the Premier of Victoria, Mr Bracks, in calling for structural tax reform, and in view of the national debate well under way, will the government reconsider its opposition to providing Australia with detailed tax reform proposals and alternatives in a white paper?

Senator MINCHIN—As other members of the government have said repeatedly, this government is very proud of its record on taxation. We have endeavoured at every opportunity to reduce the tax burden on Australians, but we have consistently said that the country’s options in relation to taxation are a function and a derivative of ensuring responsible fiscal management, of ensuring that while the economy is growing we are producing surpluses, and of ensuring that we have a tax system which generates the revenue needed to ensure that we meet all those services and functions which are expected of the government—and they are never ending. The demands from this chamber itself for more and more government spending are never ending. This chamber has opposed on any number of occasions government proposals to restrain the growth in government spending, and therefore restricted, by the actions in this chamber, the government’s capacity to reduce the tax burden on Australians.

Frankly, the hypocrisy that emerges from other parties on this question in saying, ‘Don’t you dare suggest that we should do anything to restrain the growth in government programs—and, by the way, we want you to cut tax substantially,’ is just nonsensical and is what leads, in some countries and under previous administrations, to massive budget deficits. This government puts a primary focus on responsible management and delivering strong fiscal outcomes, and that task is going to become increasingly burdensome on this country, as anyone who has read the Intergenerational report will realise. It is going to become increasingly difficult to ensure that we do balance our budgets and pay for the services which the community expects, given the ageing of the population.

We are very conscious of the desirability—and this is a fundamental tenet of our parties—of keeping the tax burden on ordi-
nary Australians to the bare minimum but commensurate with those other responsibilities. I remind the Senate that the very first bill passed by this new Senate was the bill to give effect to the government’s $22 billion in income tax cuts over the next four years—something that those opposite strongly opposed all the way through and that was only possible because the Australian people gave this coalition a majority in the Senate at the last federal election. Our record on keeping taxes to a minimum is a proud one, and we will endeavour at every opportunity in the normal budgetary process to look for opportunities to reduce the burden of taxation.

As to this proposition that there should be wholesale tax reform, we are a government that has brought about the biggest tax reform in this country’s history through the ANTS package, which was also violently opposed by the Labor Party. It was the most significant structural reform of our tax system. Wider reform inevitably involves, particularly if it involves reductions in the tax burden, facing up to the question of what expenditures you are going to cut. You cannot deal with the issue of tax reform—that is, tax reduction—without addressing the expenditure side of the ledger. I have seen no proposals from any other party for substantial cuts in expenditure which would pave the way for substantial cuts in taxation.

Senator MURRAY—Mr President, I ask a supplementary question. I thank the minister for his answer. Why will the government not respond in detail to whether the tax-free threshold should be raised considerably, whether the tax rates should be indexed, how the base should be broadened, how the tax and welfare intersects should be reformed and, only after all that, address where the tax rates and top thresholds should apply? Why does the minister and the government not recognise that parties around this chamber and persons throughout the community have many contributions to make on the tax reform debate, and it is the job of government to corral all those together and to come back with a considered structural tax reform view—not the bit-by-bit approach it has been taking to date?

Senator MINCHIN—We did respond, I think, to each of those items in the course of the debate on the recent tax changes in which Senator Murray, for example, advocated a substantial increase in the tax-free threshold, to which my response was to point out the cost of such a proposal. The government, in the course of its annual budget process, actively seeks and receives from many interests in the community submissions in relation to both expenditure and revenue. In every annual budget process there is government consideration of all the proposals put to us by all interests in the community about its revenue and expenditure. If Senator Murray or the Democrats wish to put a comprehensive proposal to us in the course of the annual budget round, they are welcome to.

Private Health Insurance

Senator McLUCAS (2.51 pm)—My question is to Senator Patterson, the Minister representing the Minister for Health and Ageing. Is the minister aware of proposals to offer no-claim bonuses to young Australians to encourage them to maintain their private health insurance? Won’t a side effect of introducing a no-claim bonus system be that young Australians will simply use public hospitals, even if they do have private cover, in order to maintain their no-claim bonus? Instead of addressing the fact that nearly 50,000 Australians under the age of 55 dropped out of private health insurance last year, won’t a no-claim bonus system simply put more pressure on the public hospital system? Can the minister now indicate whether the government will support the introduction
of a no-claim bonus for private health insurance?

Senator PATTERSON—That is a hypothetical question that Senator McLucas has asked me and it ought to be ruled out of order. Let me say that, when Labor was in government, we saw an absolute bleeding of membership from private health insurance funds—to the point where the then health minister, former Senator Richardson, said that it was not sustainable at the levels it was dropping to. That is the sort of private health insurance that Labor presided over. What we did was to introduce a private health insurance scheme to encourage young people to participate and join private health insurance funds; and, if they did not, there would be a two per cent increase in their costs each year after they reached the age of 30. Our measures to ensure a balance between our public health system and our private health system have made us the envy of countries around the world.

We have seen Labor never making a commitment to whether they would continue with the 30 per cent rebate, and we have increased that rebate for people over 65 and people over 70 to assist them to pay for their private health insurance. We have ensured that the viability of private health insurance is maintained. Labor did not take that position but left private health insurance schemes just about on their knees when we came into government. We are about ensuring that we maintain a healthy balance between private health insurance and public hospitals.

Senator McLucas—Mr President, I ask a supplementary question. I note that Senator Patterson went nowhere near answering the question. Does the minister recall promising in 2001 that the government’s policies would ‘lead to reduced premiums’? Is the minister aware that, in February this year, the government approved an average premium increase of 7.96 per cent—the highest increase in four years? Can the minister indicate why the government continues to rubber-stamp large premium increases without doing anything to ensure that Australians who purchase private cover get real value for money?

Senator PATTERSON—I do not accept the premise of the last part of the question at all, because a number of measures were taken—for example, with prosthetics—to ensure the viability of private health insurance. Let me just say that Labor’s record was that in one year there was something like a 17 per cent increase—I cannot remember the exact figure—in private health insurance, and that was in one year alone. The average increase in private health insurance under Labor was higher than the average increase in private health insurance under our government. I have indicated that we would work to make sure that we kept downward pressure on private health insurance. There will always be increases in private health insurance because of the cost of services delivered by health services, but we have maintained a lower pressure on increases in prices, while Labor had, in one year alone, an increase of 17 per cent.

Whale Protection

Senator TROETH (2.55 pm)—My question is to the Minister for the Environment and Heritage, Senator Ian Campbell. Will the minister update the Senate on the Howard government’s continuing efforts in whale protection and conservation? Is the minister aware of an alternative approach?

Senator IAN CAMPBELL—I thank Senator Troeth for a question that I know is very important to many Australians across the length and breadth of this beautiful nation. We are doing a whole range of things to protect whales both domestically and, of course, very importantly, internationally.
Senator Troeth will be interested to know that, within Australia, we have put in place a comprehensive protection regime through the federal government’s environment law—the Environment Protection and Biodiversity Conservation Act. Under that act, we have established a recovery plan for whales.

There are a number of threats to whales around the Australian coast. A few weeks ago I announced a protection plan to ameliorate some of those risks. We have also put in place a process to develop a set of national guidelines for whale watching. As many Australians would know—and you would know yourself, Mr President—whale watching in Australia is an expanding business, and that is for a very good reason. Back in 1979, the Liberal Prime Minister, Malcolm Fraser, and the Fraser government put in place a ban on whaling in Australia and worked internationally to create a moratorium on whaling. As a result, the humpback whale species, which had been hunted to such an extent that around 97 per cent of its population had been wiped out—so you can imagine a population down at three per cent—has seen a massive build-up in numbers since 1979 right around the coast of Australia, which, of course, has enabled an expansion of whale-watching businesses in many tourism areas.

Working constructively with the state governments, we are putting in place a set of national guidelines. During my visit to South Pacific nations to lobby them to vote with Australia at the International Whaling Commission, I met with officials from South Pacific nations and invited them to be part of the guidelines. For example, in Tonga they have a whale-watching business that is just starting. They have had their first couple of seasons of visits by very small families of whales, and they now have a multimillion dollar business helping to make that South Pacific economy more sustainable. They have asked that Australia help with developing whale-watching guidelines there.

We also host disentanglement workshops. Disentanglement is an increasing problem as the numbers of migrating whales around the Australian coastline increase. Senator Troeth and other honourable senators would have noticed in the press lately reports of whales entangled in shark nets off the Queensland coast. Entanglement with fishing nets is a problem, and Australia is leading the world in trying to find methods to safely disentangle whales from nets. We are also funding science and research, with record amounts of money—millions of dollars—going into research. As I said earlier, internationally we are working with like-minded nations who are supporting Australia’s leadership in seeking to save whales. Countries like the United States, New Zealand, the United Kingdom, France and Germany are working with Australia through the IWC to try to convince countries like Iceland, Norway and Japan to stop their so-called scientific whaling and, of course, to stop commercial whaling.

Senator Troeth asked about alternative policies. Although most towns and local councils throughout this country were taking my lead and writing to Japanese sister cities and so forth to urge them to stop their whaling, one member of this parliament—the member for Brand—decided that he would encourage his local constituents to write to me and urge me to stop whaling. He missed out on the news that Australia stopped whaling generations ago and leads the world in the global fight to stop whaling for all time. I call on the member for Brand to get serious about whaling and stop playing cheap politics.

**Family Services**

Senator MOORE (3.00 pm)—My question is to Senator Patterson, the Minister for Family and Community Services. I refer the
minister to reports that nearly 40 per cent of the wealthiest two per cent of Australian households receive an average of $680 in family payments each year. Hasn’t this gross inequity only occurred because of the government’s flawed system, which saw 352 families with annual incomes of over $500,000 receive obligation-free family payments last year? Does the minister recall indicating last month that she would review the system to try to address this problem? Is the minister also aware of a subsequent comment by the Prime Minister on 29 August:

... I want to make it clear I’m opposed to changing the family tax benefit system ...

Does the minister stand by her earlier commitment to review the system or is she now in line with the Prime Minister and opposed to changing the same system?

Senator PATTERSON—I thank the honourable senator for her question. It gives me the opportunity to talk about the family tax benefit and the fact that Australia has high and rising living standards. The benefits of this are being shared widely across the community. I think the senator mentioned an article that talks about the issue that she raised. But it is typical of Labor, which only tells you half the story. The article says that the main winners in the government system are low-income and large families. These are the very families that Labor, under its election commitment before the last election, was actually going to make worse off—that is, the lower your income and the larger your family, the worse off you were. It was the most unbelievable policy that you have ever imagined. Then it went around saying that the $600 additional family tax benefit for families for each and every child was not real. The Australian public knew what was real and what was not real and knew how to evaluate Labor’s policy.

A recent study by a Treasury officer has demonstrated that this government’s tax and family policies have resulted in significant increases in real disposable income and effective tax thresholds for all family types since 1996. The report showed that not only is the Howard government’s responsible economic management seeing an increase in wages but the government’s targeted assistance through family payments—

Senator Chris Evans—Mr President, I rise on a point of order. I draw your attention to the question of relevance. The minister is one of a number of ministers who increasingly just want to read out whatever brief they have. It is generally about the Labor Party or some offence from the 1980s. There is no attempt at all—

Senator Ferguson interjecting—

Senator Chris Evans—Senator Ferguson, you may think it is an appropriate abuse of question time, but there is no attempt to answer the question at all. She was asked specifically about quoted comments by the Prime Minister regarding family tax benefit B. She has sought in no way to address those issues.

The PRESIDENT—You know the story about questions, but I will remind the minister of the question.

Senator PATTERSON—The Labor Party does not like the answers because I am talking about the benefits for families—all families. The report shows that not only has the Howard government’s responsible economic management seen an increase in wages but the government’s targeted assistance through family payments is benefiting those most in need. Single-income families can now earn $11,000 more than they could in 1996 before they were effectively paying tax, largely due to the family tax benefit.

Changes this government has made to family tax benefit, the age pension and the
Medicare levy mean that low- and middle-income earners have up to 30 per cent more in their pockets. The ABS income distribution data shows that the benefits of Australia’s strong economic growth under this government have been widely and evenly shared. The average disposable income of low-income households increased in real terms by 22 per cent since this government was elected. The findings reinforce the analysis undertaken by NATSEM, which has highlighted the important gains for low-income families as a result of the Howard government’s support for families, including the More Help for Families package.

As the key purpose of family tax benefit B is to provide extra assistance for single-income families, it is not income tested for sole parent families. For couple families, family tax benefit B is available where the secondary income earner has low adjustable taxable income. The government considers it important to provide extra help for couples who choose to have one partner remain at home until their youngest child reaches school. FTBB has been specially designed to assist those families who face both the normal costs of raising young children and the indirect costs of reduced work force participation.

One purpose of FTBB is to compensate single-income families for the fact that they only have access to one tax-free threshold, something the Labor Party does not mention. Dual income families benefit from access to two tax-free thresholds, and they also benefit from the lower rates of taxation applicable to their incomes under the graduated tax scales. It is quite possible for certain families with varied incomes to legitimately receive family tax benefit B. It is also possible that a customer with a high annual income can be legitimately entitled to income support for part of the year and will therefore be eligible for family tax benefit A.

Low-income families stand to make further gains under measures announced in the last budget. From July next year, the income tax free area for more than minimum rates of family tax benefit part A will be increased by $4,000 a year and family tax benefit B recipients will receive an ongoing $300 extra from the 2005-06 financial year. It is no wonder that the head of ACOSS has said that currently the family tax benefit scheme is very good, at least providing income parity for people who have children. (Time expired)

Senator MOORE—Mr President, I ask a supplementary question. I remind the minister that my question was about high-income families, but I will try again with the supplementary. Can the minister confirm that a total of 107 families with annual earnings of over $1 million received family payments in 2003 and 2004? Can the minister now explain why she has done precisely nothing to stop these 100 millionaire families from being paid up to $3,372.60 each in mutual-obligation-free welfare over the last two years? Who is right—the minister when she says that the system needs to be reviewed or the Prime Minister when he attempts to defend the indefensible?

Senator PATTERSON—What I have indicated is that I have asked my department to give me detailed profiles of the sorts of people in that category. They have increased slightly. What Labor have to understand—and they would not understand this, because they ran the social security system appallingly—is that sometimes, when imposing a limit, it costs more to eliminate those few families than it does to pay for them. I am having a look at that and, if I feel it is of concern, I will raise that with the Prime Minister. I do not know the details of the profiles of those families. I have asked the department to give me that information.
Senator Hill—Mr President, I ask that further questions be placed on the Notice Paper.

DEPUTY PRESIDENT

The PRESIDENT—Order! Before senators leave the chamber, I would like to take the opportunity to sincerely thank my deputy for standing in for me last week. I understand he did a fine job, and I thank him very much.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Workplace Relations
Senator ABETZ (Tasmania—Special Minister of State) (3.07 pm)—During question time, a suggestion was made by Senator Evans that I table the documents that I was referring to. Rather than carrying over 3½ kilograms of documents back to my office, I table them.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Telstra
Senator STEPHENS (New South Wales) (3.08 pm)—I move:

That the Senate take note of the answers given by the Minister for Finance and Administration (Senator Minchin) and the Minister for Communications, Information Technology and the Arts (Senator Coonan) to questions without notice asked by Senators Sherry, Conroy and Hogg today relating to Telstra.

What we really heard today in those answers to questions was a blindly ideological debate which begged belief and put reason absolutely on the backburner, because there seems to be no rationale for the activities that are going on regarding Telstra. We need to be very mindful of the situation that has been occurring. We have been debating the process of the Telstra legislation all day today, as well as for most of last week. Some members of the Senate Environment, Communications, Information Technology and the Arts Legislation Committee had the opportunity on Friday to listen to the evidence that was placed before the committee, which was inquiring into the legislation. It was a very short and pathetic effort at exposing the details and the concerns that people had; nevertheless it was a process that raised many more questions than it answered.

On top of that, on Friday afternoon Telstra’s annual report was released, which told us quite a lot about what is going on inside Telstra. We know, first of all, that last year Telstra executives awarded themselves an extraordinary pay rise. Between them, they are now taking home more than $25 million, just as the company’s share price rose by 4c—4c for the mum and dad investors and $25 million for the company executives. We know that Mr Switkowski was paid $6.7 million, including his retirement benefits, and that Donald McGauchie, the man picked by the Prime Minister to preside over the board as non-executive chairman, had his package tripled, an increase of $497,000. All of this was happening at the same time as one in 10 of the company’s phone lines were faulty. So the 10 directors and senior executives almost doubled their collective pay. It just goes to show what really is important in the land of Telstra.

So that we understand what is important for the people outside Telstra who are trying to use those services, I refer to a survey undertaken by the New South Wales Farmers Association in July this year, which covered most of the farming population of New South Wales. It found that 80 per cent of farmers were opposed to the sale of Telstra, more than half said that telecommunications were not meeting their needs, 63 per cent said that their mobile phone lines were unreliable, and 60 per cent said that their internet speed was unsatisfactory. The survey also found that services were significantly worse beyond the Great Dividing Range, with over
a third of people unable to rely on their basic landline telephone service.

During the weekend I drove to Bathurst. That is not very far from here; it is about a 3½-hour drive. I have to say that for three hours of that 3½-hour drive there was no mobile phone service. The people of Crookwell, Trunkey Creek and Pertheville might consider that access to mobile phone services is important, but access to internet services is very important as well. We need to know who is actually providing those services in regional New South Wales. The former Telstra chief, Ziggy Switkowski, famously said, ‘If you see a competitor’s van in the bush, it’s lost.’ And that is the reality, really. Telstra has the responsibility for providing those services, and it is just not happening.

The National Farmers Federation gave a verbal submission to the inquiry last Friday in which they expressed their concerns. They said that there were huge service problems in the bush and that they were problems that must be fixed. They said that the repair time frames are in fact getting worse and that networks are breaking down more frequently. They said that telecommunications services in rural and regional Australia are still not at a level that they think is satisfactory.

Those findings are backed up by the kind of anecdotal stories that we all hear in our electorates. Recently, I received an email from a constituent named Theresa who lives in Nimmitabel in the electorate of Eden-Monaro. She explained that her community has struggled and, finally, after 12 months of lobbying, they have a commitment that a mobile phone tower will be built. (Time expired)

Senator RONALDSON (Victoria) (3.13 pm)—I was interested to hear the comments of Senator Stephens. I note that, perversely, Senator Bob Brown is in the chamber today, which I am a little surprised about. I, along with others, including Senator Wortley, Senator Adams, Senator Brandis and Senator Conroy, attended the hearing of the inquiry held by the Senate Environment, Communications, Information Technology and the Arts Legislation Committee on Friday. Senator Brown is a member of that committee. Senator Brown’s nameplate was there, which led us to believe that he was ready to involve himself in the inquiry on Friday. We were due to start at eight o’clock and go through until five o’clock. The night before, Senator Brown, who has been carrying on for months, probably years, about a Telstra sale, sent his apologies because he had to be in the city. The committee said, ‘Well, if you can’t be there, it’s a great pity.’ If he had matters of great import—

Senator Marshall—Is that what the committee said?

Senator RONALDSON—Yes, it is actually in the Hansard. The committee said that if he had matters of great import and he could not be there, then that was to be. Senator Bob Brown, the member of the committee, the man who has been carrying on for months and months about the Telstra sale and about regional and rural Australians, was actually in Parliament House. He was wandering within 15 metres of where this committee was being held, talking on his mobile phone—presumably getting very good service because he was on it for a long time. Did he venture once into that committee? Not once. And there, sitting lonely, in front of the secretary of the department, was the name ‘Senator Brown’ on one of those big, white bits of cardboard, waiting for him to come in and ask questions to a number of telecommunications carriers, the department, Telstra—a roundtable of people that had been invited. Did he take that opportunity to come into the committee of which he is a member and ask the questions? No. There
was not one single question from him, not one minute of attendance at a Senate committee that went from eight o’clock in the morning until five o’clock at night.

I think it would be extraordinary for Senator Bob Brown to stand up during the week and give his typical speech on Telstra. He forfeited the right to talk on this behalf of the Australian Greens. He forfeited any right to participate in this debate until the passage of this legislation. I cannot believe he had the gall or, quite frankly, the stupidity to apologise and then to be within earshot of that committee and not to ask one single question. Senator Brown, you stand condemned for apologising to that committee and then being within earshot of the proceedings. I am sure everyone who was there, everyone who was listening and everyone since will be absolutely horrified that you chose to abuse the process. No doubt you will further abuse it this week by speaking on this legislation.

On Friday, in the committee hearing, Senator Adams went to some length to talk about this government’s response to the number of inquiries that have been held by the Senate and others. While I respect Senator Stephens’s right to talk about the matters she did, it is just as well that she was not on this side of the house talking now, in 2005, because the Australian Labor Party’s contribution to telecommunications infrastructure and policy in the last 10 years has been negligible. In fact, when they left power in 1996, they had effectively taken away from the great bulk of constituents in regional and rural Victoria the opportunity to use a mobile phone, because they had removed the analog service.

Senator Marshall—Reintroduce it, then. Go on, put it back, then.

Senator RONALDSON—Senator Marshall is sitting there thinking, ‘I don’t understand this.’ Of course he does not understand it, because the Labor Party do not know what happens in regional and rural Victoria. They do not know what happens in regional and rural Australia. Senator Marshall can sit down there in Melbourne and flick through reports. He has no idea, and his shadow minister has no idea. (Time expired)

Senator CROSSIN (Northern Territory) (3.18 pm)—What a sad performance and contribution to the debate that was. I fail to understand, Senator Ronaldson, how an abuse of process comes about when you actually speak on legislation. I am sure Senator Bob Brown will speak many times this week on the legislation, and he is quite welcome to do so. Contributions will be fine; they are not an abuse of process. What is an abuse of process is this. Let us have a look at this quote:

... the legislation’s turned up on Thursday, we had a review on Friday and we’re supposed to vote for it on Monday ... the Senate is not doing its job and I’m not so concerned about my political career, I don’t quite know whether it’s worth it actually but what I am concerned about is doing the job that we were sent down to Canberra to do and you can’t do that in one day and I’m not going to. I will not even give you a dollar to guess who said that. It is the king of the Telstra sham these days, Senator Joyce. You want to talk about an abuse of process. The abuse of process is this. You have five bills tabled last week; you hold an inquiry for one day, on Friday; you try and give people 24 hours to even just look at the bills and present evidence before the Senate committee about the impact of those bills; the report will be tabled today; and the bills debated this week. That is an absolute abuse of the process of a democracy and an abuse of the parliamentary process in the Senate, as far as I am concerned.

I do want to say this in my contribution. I was tempted on Friday night to send a fax to the Australian for their back page. I wanted
to say, ‘Good on you, Telstra, for sending the girls in to front that committee on Friday when the boys weren’t able to do it.’ I noticed that when the heat in the Telstra kitchen got a bit too hot with this government, it was a woman who was sent in to try and defend Telstra’s position—and a good job I think she did too of trying to highlight to this government that selling Telstra is not exactly what should be on the cards at this point in time.

If Senator Barnaby Joyce cared to spend a little more time in the pub with his mates having a drink or two, he might find that in Queensland there would be very few people who want Telstra sold. In fact, I would say that nobody in the Northern Territory has ever canvassed me about getting in there and selling Telstra. Nobody in the Territory—from the Cattlemen’s Association to pastoral property owners to Indigenous people in remote communities, let alone those on outstations—that I have spoken to has said to me: ‘Get in there, Crossin. Get down to Canberra and get that company sold.’ Nobody wants the company sold. Nobody believes that selling Telstra is going to deliver a better service for rural and regional Australia, particularly if you are out bush. Everybody believes that a privatised Telstra will walk away from the bush, will walk away from its obligation to ensure that some of these communities even have a payphone.

If you go to a remote Indigenous out station in the Northern Territory where there may be 50 Indigenous people or fewer, you will see that some of them struggle to have even one telephone line that works. Generally, there is nothing. They have to wait till they get to a main centre for telecommunications or they take satellite phones or a radio with them. So services out bush are not up to scratch. In fact, in some places they are not even there. And nobody believes that a privatised Telstra would sidle up to the bush and look after their telecommunications problems and that it would be in their best interests. The bottom line would be that the shareholder would be looked after and people in the bush would have to pay big dollars to get telecommunications that they now expect and enjoy from Telstra.

I just say this, Senator Barnaby Joyce: you know, those who fly highest at the beginning of their political careers have the furthest to fall, and what a hard fall it will be. This debate on the sale of Telstra is an absolute sham. There is no urgency for this. The Australian public, shareholders and people who are interested in this debate need much longer to have a look at this. Senator Fielding is still waiting for his family impact statement on what the sale of this company means. But this is going to be rushed through during this sitting fortnight. If there has been any abuse of process in this Parliament House then the debate of these bills is certainly it. (Time expired)

Senator ADAMS (Western Australia) (3.23 pm)—The government has continually stated the importance of ensuring adequacy of services now and into the future before Telstra is sold. The Estens inquiry made 39 recommendations to improve services in regional Australia, and the government is committed to implementing all of them. Services have already improved as a result of the government’s response to the Estens recommendations, and 32 recommendations have been implemented.

As someone who lives in rural Western Australia, in the last 30 years I have had the experience of looking at how communications in rural areas have improved. We went from having no telephone to having a telephone that you rang up on the exchange. Our call sign was dot-dot-dash, so it was really tricky trying to work out with the other five families whose phone was ringing. We had a
telephone service for four hours in the morning and two hours between four o’clock and six o’clock at night. We then moved on to another party line with three people on it, then further on to having our own phone line, and then we finally got a fax. As I said the other day, the first fax machine I had was as the secretary of the country race club, and it was like a suitcase as big as me. We have now moved on from that to having a proper fax. And, having had a dial-up service from nine to 26.4, I have now gone to the HiBIS satellite, and I can assure you that is absolutely brilliant. So things are moving on, and money is being spent in rural and regional Australia.

The government has not set any specific time for any further privatisation of Telstra but has consistently stated that any further sale is conditional on the following regulations being met: all Australians, in particular people living in regional Australia, having access to adequate telecommunications service; the passage of sale legislation by the parliament that removes the obligation for the government to own a minimum of 50.1 per cent of Telstra shares; and market conditions being conducive to achieving an appropriate return for taxpayers from the sale. The government considers the sale of Telstra to be in the interests of the company itself, its shareholders, the wider telecommunications industry and, most importantly, all Australians.

There are a number of reasons for supporting the sale of Telstra. The private sector is better placed than the government to make judgments about the risks of share ownership. It will allow Telstra to realise its full potential as one of Australia’s most important companies in the information age and to make operational and investment decisions on the same basis as its competitors such as Optus and AAPT. It will remove the inherent conflict of interest that exists when the government has the job of setting the rules for all phone companies while at the same time having a direct financial interest in Telstra’s commercial success.

Senator WORTLEY (South Australia) (3.27 pm)—Despite the growing concerns of the Australian people, despite the current investigation by ASIC and despite the concerns among its own members, this government is pushing ahead with the sale of Telstra. In doing so, it is challenging the parliamentary system in the process. The one-day Telstra inquiry held last Friday demonstrated nothing but contempt for the Senate, the parliamentary process and the people of Australia. It went some way in undermining the Senate’s legitimate role as the house of review. It was an attempt by the government to reduce the role of the Senate to being nothing more than a rubber stamp, despite reassurances from the government in this chamber that this would not occur.

The message from the one-day inquiry was clear: there are faults with the legislation as it stands. And very soon we will be asked to pass this legislation without real consultation—without interested parties having a real opportunity to scrutinise the bills and put their point of view. This is not the Australian way. This is not a fair go. And now we hear that the minister is prepared to put some guarantees in place in an attempt to satisfy Senator Joyce’s genuine concerns about the money for the bush. What else is missing? What other consequences, gaps, deliberate omissions or deceptions are lurking in the legislation that the inquiry was given only hours to consider?

A privatised Telstra is all about profits, not people. And even then it does not seem to be about honesty to its shareholders, as illustrated by the withholding of information about where its dividends come from. Telstra has not been up front with the shareholders,
and its major shareholder, the government, appears to be complicit in its deception of how Telstra is operating. Labor is continuing to take up the fight, representing the vast majority of Australians who oppose the sale of Telstra—the thousands of Australians who have taken the time to write to their parliamentarians, government and opposition, saying categorically they do not want Telstra sold. ‘Fix Telstra, don’t sell it,’ is the message coming across loud and clear.

How can the people of Australia trust a fully privatised Telstra to look after services? A fully privatised Telstra will desert communities where it cannot make a large enough profit. No amount of money thrown in the direction of Telstra after the sale has gone through can be guaranteed to be spent in the areas where it is needed. Telstra CEO Sol Trujillo admitted that Telstra has underinvested in its telecommunications network and estimated that it will cost over $5 billion to even get the network anywhere near up to scratch. Currently, 1.4 million Australians have a faulty telephone line because Telstra has underinvested in its network.

The telecommunications sector has the distinction of being the most complained about to the ACCC. The services to remote, rural and regional areas of Australia are inadequate. Even if the billions of dollars which lured the Nationals to the sale do eventuate, will future technological advancements be embraced? What happens if telemedicine, remote education and other forms of e-health and e-education beyond what we can imagine today do not generate desired profit under a fully-privatised Telstra? Will Telstra deliver? Already, Australia is falling behind the rest of the world in infrastructure investment. Out of 30 OECD countries, Australia ranks 21st in the use of broadband.

It is not only our remote areas which are suffering. Major cities in Australia suffer black spots in telecommunications. Join any group of people, mention Telstra and listen as the horror stories spill out. Last year, Telstra was the subject of almost 27,000 complaints to the Telecommunications Industry Ombudsman. The complaints came from rural and metropolitan Australia, and it is no secret that, since the government commenced its privatisation agenda, services have plummeted and prices have increased.

Labor regards telecommunications services as essential services. They should be accessible and affordable to all Australians. In government hands, and with the proper adherence to parliamentary procedures, investment in the infrastructure needs of Australia and therefore its economy can be ensured.

Question agreed to.

Federal Election Pamphlet

Senator BOB BROWN (Tasmania) (3.32 pm)—I move:

That the Senate take note of the answer given by the Special Minister of State (Senator Abetz) to a question without notice asked by Senator Bob Brown today relating to election pamphlets.

The answer given by Senator Abetz in relation to electoral spending by certain entities should be noted. A question has arisen in New Zealand about the funding of pamphlets which have been dropped nationwide in the run-up to that country’s elections on Saturday. I was in New Zealand two weeks ago and warned that some of the dirty-tricks campaign that was used in the election campaign here in Australia might surface there. I had no sooner left the country than, on Saturday a week ago, a pamphlet was dropped nationwide condemning the Green Party in New Zealand, which, of course, has nine members of parliament and will have a lot to
do with who forms government after the election on Saturday.

The following day, a pamphlet was dropped nationally about the Labour Party, and more have followed since. To cut a long story short, after a lot of denials by the leader of ‘National’ as it is called there, the leader of the opposition, Dr Don Brash, it has now surfaced that he had known that a series of pamphlets was in the making, and that these were being funded by the very shadowy Exclusive Brethren church.

A couple of days ago, seven businesspeople who are members of that sect admitted that they were behind the pamphlet drop. It is interesting that one of the seven, Greg Mason, according to the New Zealand Herald, said on Sunday—that is, the Sunday before last—that the pamphlets were created from scratch, without overseas inspiration. However, that is not true. I find this very difficult to believe—that somebody, on behalf of a church which does not vote and looks askance at politics, should be so clearly able to deceive people on the public record.

A pamphlet that was distributed in Tasmania, and authorised by one M. William Mackenzie of 11 Baden Powell Place, North Rocks, New South Wales, in October of last year, against the Greens, was the template for the pamphlet that has now been used in New Zealand against the Greens. In other words, Mr Mason was not telling the truth. The fact is that the information from Australia has been injected into the election campaign in New Zealand to try to ensure the election of National against the election of Labour and/or the Greens in New Zealand.

Why should this matter? Well, everybody has a right to take part in election campaigns, even if they do not vote—and of course in New Zealand voting is not compulsory. But what is emerging here is that the Exclusive Brethren is in fact orchestrating an international campaign to have right-wing governments elected. It has spent some $500,000 on advertisements in the United States on behalf of what was called ‘Thanksgiving Committee 2004’, to support the re-election campaign of President Bush. It emerges that here in Australia a pamphlet, or a number of pamphlets indeed, that circulated in Prime Minister Howard’s own electorate of Bennelong were authorised from an address in Meadowbank, which I gave during question time, in See Street, which turns out to be a school of the Exclusive Brethren.

The question, which was not answered by the minister but which should be answered, is whether that was a legitimate use of that address and whether the S. Hales who used that address is related to the Mr Bruce Hales who is the world leader of the Exclusive Brethren.

All I say is: let this information be out in front of the public. It is quite wrong for a Christian church, one which believes in telling the truth, to not be telling the whole truth. They might look at the ninth commandment, because it is important that the public not be misled on the way to the ballot box. If people are authorising pamphlets on behalf of a religious group, or an organisation of any sort, they ought to say so, and not deceive people into believing that individuals, of their own vocation, are authorising and funding these pamphlets, when in fact that is not the case—it is the Exclusive Brethren church. I will have more to say about this because I intend to pursue the matter with the Electoral Office. (Time expired)

Question agreed to.

CONDOLENCES

Dame Nancy Eileen Buttfield DBE

The PRESIDENT—It is with deep regret that I inform the Senate of the death on 4 September 2005, of Dame Nancy Eileen Buttfield, a senator for the state of South

Senator HILL (South Australia—Leader of the Government in the Senate) (3.38 pm)—I move:

That the Senate records its deep regret at the death, on 4 September 2005, of Dame Nancy Eileen Buttfield, DBE, former senator for South Australia, and places on record its appreciation of her long and meritorious public service and tenders its profound sympathy to her family in their bereavement.

Nancy Buttfield was born into the famous Holden family on 12 November 1912 in Adelaide to Ted and Hilda Holden, later Sir Edward and Lady Hilda May. She was educated at a private school in Girton, Woodlands Church of England Girls’ Grammar School in Adelaide and at finishing school in Paris. As a part-time student at Adelaide university, she studied psychology, music, logic and economics. She became heavily involved in charity work, especially in relation to migrants, child-welfare, handicapped persons and maternity hospitals. She married Frank Buttfield on 19 February 1936.

Dame Nancy’s interest in politics began after she joined a model parliament where members learnt to speak in public and to think on their feet. After seeking advice from family friend Robert Menzies, she became a member of the Council of the South Australian Liberal and Country League. She won Liberal Party endorsement in 1954 to contest the federal seat of Adelaide and, although achieving a swing towards the Liberal Party, was defeated at the polls. The following year, Dame Nancy was nominated by the South Australian parliament for the vacancy left after the death of Senator George McLeay. In doing so, Dame Nancy became the first South Australian woman in the Australian parliament and the fifth woman to serve in the Senate. Dame Nancy served as a senator until 1965 and was re-elected in 1968, serving until 1974.

Dame Nancy was a tireless advocate for the interests of her home state and a woman who served her state and the Liberal Party with dignity, dedication and a great sense of public duty. Dame Nancy was an early advocate for women’s rights. She lobbied ferociously for equal pay for women and the ending of the marriage bar for women in the Public Service. With the encouragement of Prime Minister Sir Robert Menzies, Dame Nancy also demonstrated her feisty approach, breaking down long-established barriers at Old Parliament House by becoming the first woman to drink at the previously male-only members’ bar. Dame Nancy was a member of the Commonwealth Immigration Advisory Council and served as a member of several Senate and joint committees, including being chairman of the Senate Standing Committee on Health and Welfare. After politics, Dame Nancy continued her service to the public by involving herself in a variety of arts and charity work, with a particular focus on helping young people. She was created Dame Commander of the Most Excellent Order of the British Empire, in January 1972 in recognition of her public service. On behalf of the government, I extend to her two sons, Ian and Andrew, and her family and friends our most sincere sympathy in their bereavement.

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (3.41 pm)—I also want to make a few remarks in the condolence motion for Dame Nancy Buttfield. As Senator Hill said, she was quite a remarkable woman. I did not know her personally, but she was obviously a woman of great achievement. I think the word that has been used most commonly to describe her is ‘feisty’.
She served as a senator from 1955 to 1965 and from 1968 to 1974, so she was a long-serving senator and the first South Australian woman in the Australian parliament. Dame Nancy was married to Frank Buttfield, and they had two sons. Her father is famous as the principal founder of the Australian automotive industry. Before she entered parliament, she was very much involved in charity work during the Great Depression and had wide philanthropic interests, including with regard to people with disabilities, immigrants, children’s welfare and maternity hospitals.

In 1955, Dame Nancy was appointed to the Senate under section 15 of the Constitution following the death of Senator George McLeay. She served on a number of Senate committees, including the Senate Standing Committee on Health and Welfare, which she also chaired, and on the Joint Committee on Foreign Affairs. She also travelled quite widely and had an interesting travel history, including travelling both to China and to the Soviet Union during the Cold War. She made five visits to Papua New Guinea during her time in the Senate.

As Senator Hill said, Dame Nancy was a strong advocate for the rights of women. She was the first woman to drink in the members’ bar at Old Parliament House. I hasten to add that the members’ bar has closed. It has all gone now. We lead a much more chaste existence these days. According to the State Library of South Australia, at the time it was a very important place to be seen and to get involved. They say it took the support of Prime Minister Menzies to sanction her right to drink at the shrine of male chauvinism, the members’ bar at Old Parliament House. He was quoted as saying: ‘That is where politics are discussed. You should certainly have the right to drink there. It is a members’ bar and you are a member.’ Dame Nancy recalled, ‘To the horror of my male colleagues, I duly fronted up there.’

She was also at the forefront of lobbying for equal pay for women and the abolition of that terrible marriage bar on Public Service employment. I gather some of her activity on those issues did not make her necessarily popular with her party, but she was a woman of strong convictions. I also note for current Liberal senators that she crossed the floor six times during her parliamentary career.

Senator Hill—Shame!

Senator CHRIS EVANS—Yes, she must have been a true liberal!

Senator Stott Despoja—That’s why she lost the ticket!

Senator CHRIS EVANS—Yes, as a result, I notice, she was bumped down the ticket at the next election. It is recorded that she was placed third on the South Australian Liberal ticket in 1964 and, despite getting 25,000 more primary votes than the second candidate, she failed to gather enough preferences to be returned. However, she was re-elected to the Senate in 1967 and she retired from the Senate in 1974. After retirement, she continued to devote herself to community and philanthropic activities, including setting up a youth venture club which provided leadership training for more than 10,000 young people. She became a Dame Commander of the Most Excellent Order of the British Empire and published an autobiography in 1992, the foreword to which was written by her friend the ALP’s Clyde Cameron.

Dame Nancy passed away on Sunday, 4 September. She is survived by her two sons and their families, including five grandchildren. On behalf of the Labor opposition, I want to pass on my condolences to her family. She was obviously a remarkable woman who lived a very full and active life. We wish her family all the best and we acknowledge
the contribution she made to the Senate and to public life in Australia.

Senator STOTT DESPOJA (South Australia) (3.46 pm)—On behalf of the Australian Democrats I would also like to support the condolence motion on the death of Dame Nancy Buttfield that has been moved today by the Leader of the Government in the Senate. I would also like to express, on behalf of the Democrats, our condolences to her family and in particular to her sons, Ian and Andrew. You have heard a bit about her background leading up to politics, her schooling and indeed her lineage; of course, the Holden family is a well-known name in this country. But I do want to place on the record the special place that this woman has in our history—our ‘herstory’ might be more apt!

Dame Nancy was one of the first women in the federal parliament but, most notably for the state of South Australia—my home state and that of Senator Jeannie Ferris, Senator Robert Hill and others in this place—she was the first South Australian woman to enter any parliament when she became a senator. For those of you who have seen or read her autobiography, to which Senator Evans referred, it is actually quite a lively read. It provides a bit of an insight into her experiences as a woman in a male-dominated parliament and profession but it also gives some insights into all the key issues of the day, from the Petrov affair through to her personal and political views on Menzies as Prime Minister, Gorton as Prime Minister, McMahon as Prime Minister, the ‘night of the long prawns’—you name it, it is in there.

I think her book also reminds us of some of the experiences of women who entered parliament in those days, in the fifties—she became a senator in 1955—are not so different from the experiences of women in parliament today. Certainly, Mr President, when I spoke at the Janine Haines memorial lecture the week before last, we were commenting on how, in the 1980s, Senator Haines was asked some outdated questions. The questions that Dame Nancy Buttfield was asked and recorded in her book were things like ‘How do you expect to cope with family and do a political job? What sorts of meals are your family eating these days? Does your family live on tinned food?’

Senator McLucas—I am still getting those questions.

Senator STOTT DESPOJA—Senator McLucas says she is still getting those questions. I think it is very important for us to acknowledge here today Dame Nancy’s role as one of the first female politicians. Some of my colleagues would be aware that in 1994, the Centenary of Women’s Suffrage in South Australia, we took the opportunity to acknowledge the achievements and the work of female pioneers such as Dame Nancy.

She first ran for office in 1954, in an unsuccessful campaign for the seat of Adelaide. She was the first female Liberal preselected for 28 years. Ironically, the previous one was Agnes Goode, who also lost when she ran for the seat of Adelaide. Yes, she did record, I think, a three per cent swing for the Liberal Party, but unfortunately she lost that campaign, despite doorknocking around 6,000 houses and having made about 56 speeches as part of her campaign. The other interesting thing for any Democrats here is that the person that she defeated in that preselection—by one vote, I might add—was Robin Millhouse, the first Democrat elected to a parliament. So that was her first campaign and it brought her some insight into how she as a female politician was going to be treated.

By October 1955—I think, 11 October—she was appointed a senator. On 18 October, she was sworn in. She recorded her experiences at that time. She was then in the Senate
for about six weeks, I think, before an election was called and then of course she had to fight to get re-elected to the Senate from third position on the ticket, not from fourth position which she had when she was originally preselected. On 11 October, when she did become a senator, she was one of five female senators, including Liberals Annabelle Rankin and Ivy Wedgwood, Country Party Senator Agnes Robertson and of course the ALP Senator Dorothy Tangney.

In Dame Nancy’s book, she records some of the difficulties she had fighting to get into the Senate from the No. 3 position, despite the fact that she was theoretically an incumbent. She served several terms, as we have heard, between 1955 and 1974, and had the experience of losing—for a variety of reasons, I might say. I do want to make the point that, in her own words, she talks about the difficulties she had because she was a woman but also the difficulties she had within her own party. She maintained that she was treated differently because she was a woman but also the difficulties she had within her own party. She maintained that she was treated differently because she was a woman, her status on the Senate ticket was affected because she was female and, by implication, there was no elevation to the ministry. If anyone wants to know Clyde Cameron’s comments in this regard, even though he was a political opponent he thought she should be in the ministry. Dame Nancy observes:

… the Liberal Party was never very loyal to me through most of my time in politics. Normally a sitting Senator, particularly one with 9 years experience, would be given preference over any newcomer and placed either in the safe first or second positions on the ballot paper leaving the newcomer to fight for the uncertain third seat. So when in the 1963 preselection she was again relegated to the third spot on the Senate ticket, despite being perceived externally and internally as a hard worker and a good campaigner, she was ‘devastated’. She talks about what may have been the reasons for her relegation: firstly, being female, and she talked about the similar fate that befell the WA ALP member Dorothy Tangney; and, secondly, some of her infamous clashes and conflicts with Sir Thomas Playford. She does make some interesting points about our former premier in her book as well. Forgive me for taking up the Senate’s time, Mr President, but she was an important woman for women in South Australia. She talks about the fact that she was not a women’s libber—she goes to great lengths to emphasise that, I must say—or ‘an up girls and at ’em type’. I cannot think what she means by that.

**Senator Boswell**—Have a look at yourself!

**Senator STOTT DESPOJA**—Look at myself! I take that interjection as a promising remark. You will be calling me strident again, Senator Boswell, if I am not careful! She said she believed in a fair go, which, she said, ‘often meant that I supported many women’s issues or tried to advance women’s causes wherever I could’. She went on to talk about some of those experiences. Yes, we have heard about the marriage bar in relation to the Public Service. There is a bit of an interesting debate about equal pay for women, which some senators may be aware of as well. But one that got her into, I think, a bit of trouble on one occasion was where she was advocating that women perhaps could fill the vacancy when it came to a lack of male shearers.

But she realised her political life was affected by being a woman. In the 1973 preselection campaign she was again preselected third, despite her vote and experience. Her ability to attract personal votes was even used against her—that is, the argument that she was third on the ticket; therefore, she should be in a better placed position because of her personal vote to get elected. As she said:

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**CHAMBER**
The LCL male dominated Council never did that to the men. I was expendable.

So, 10 months after that preselection, with grace and dignity, she made a decision to resign. I think the irony is that she would have been elected had she run in that election campaign.

Mr President, as you have heard, her interests spanned areas including tourism, immigration—she was on the Commonwealth Immigration Advisory Council but not for long because she was shortly selected to the Senate—PNG and overseas travel. I will not reveal our family friend Stewart Cockburn’s ditty about her experiences in PNG. There is a very funny story for those who want to read her autobiography. She understood the power and influence of the media. She had her own radio show, Fair go. She had a television career. She not only understood the power and influence of the media but used television because she recognised that it was accessible to people who normally were not in contact with politicians and politics. I think that is an incredible point about how modern a politician she was.

She had a supportive family and a supportive husband, whom she pays particular tribute to in her autobiography. In fact, she makes some funny comments about how the spouses of female politicians were treated during those times. After her decision to retire, the Courier-Mail in 1973 published a poem on the announcement of her retirement. If I may, I will read it to the chamber, hopefully very quickly:

    Seven women senators, very cluey chicks,
    Robertson retired and then there were six.
    Six women senators, very much alive,
    Tangney went to third place and then there were five.
    Five women senators holding the floor,
    Breen faced retirement and then there were four.

    Four women senators, vigilant and free,
    Retirement cut down Wedgwood and then there were three.
    Three women senators, feeling rather few,
    Our Annabelle went to Auckland and then there were two.
    Two women senators basking in the sun,
    Buttfield took a powder and then there was one.
    One woman senator, our story is not done,
    Stick to it Guilfoyle, or else there’ll be none.

Thanks to the work of those pioneering women, there are more women in parliament today. I pay particular tribute to this woman who meant a lot for my state of South Australia. I did not always agree with some of her decisions and some of her views but I think today we could not let this moment pass without the recognition of those pioneering women who have paved the way for many of us to follow.

Senator BOSWELL (Queensland—Leader of The Nationals in the Senate) (3.55 pm)—I would like to associate the National Party with the condolence motion moved by the Leader of the Government in the Senate for the former senator for South Australia, Dame Nancy Buttfield, who passed away on 4 September at age 92. Dame Nancy was the first South Australian woman to serve in an Australian parliament and the fifth woman to serve in the Senate. She was a member of the Senate for 17 years, which is a pretty good span, serving as a Liberal senator for South Australia from 1955 to 1974. I was not around at the time but I am aware of her strong character. Listening to Senator Stott Despoja pay tribute to her, she must have been a pioneer for women entering parliament. For that reason alone, we pay her great respect.

She was a contributor to parliament and she was dedicated to her state and her party. I am told that she entered parliament because
she wanted to do something, and she cer-
tainly did that. She was a member of the very
famous Holden family, which I suppose
would have been a big thing for her in South
Australia. As we have previously heard, she
was an advocate for women’s rights, lobby-
ing for equal pay for women and ending the
marriage bar for women in the Public Ser-
vice, which is something I am old enough to
remember. When women got married, that
was the end of them. They went home and
did not participate in the work force. That, I
think, stopped around the late sixties.

I think one of her more famous escapades
was that she was the first female member to
go down and have a drink in the Old Parlia-
ment House members’ bar. She took seri-
sously the need to have the voice of women
represented in parliament, opening many
doors, particularly for women who followed
her. She was against the women’s lib move-
ment. She once said that a woman’s home
may be a centre but it does not have to be a
boundary.

She was a woman of vision. She pio-
neered and paved the way for many other
women to come into federal parliament. Af-
after her retirement she was involved in the
arts and charity work, with a particular inter-
est in helping young people. She had a pet
project, a Youth Venture Club, that she and
her husband devoted more than a decade to
on their grazing property in the Adelaide
Hills. She is survived by two sons and their
families. On behalf of the National Party in
the Senate, I extend my condolences to them.

Question agreed to, honourable senators
standing in their places.

PETITIONS

The Clerk—Petitions have been lodged
for presentation as follows:

Forestry Policy
To the Honourable the President and Members of
the Senate in the Parliament assembled:

This petition from the undersigned respectfully
points out that there is an increasing and urgent
demand from the people, to protect all remaining
high conservation value forests which support
flora and fauna unique to Australia, thus comply-
ing with the United Nations Biodiversity Conven-
tion to which Australia is a signatory. We have a
responsibility to future and present generations,
and the necessary reasons, knowledge and tech-
nology to act now on the following achievable
solutions.

Your petitioners therefore request that the Senate
legislate to:

- immediately stop all logging and woodchipping
  activities in high conservation value na-
tive forests;
- ensure intergenerational equity by planning
  for the rights of future generations, and pro-
tecting in perpetuity all biologically diverse
  old-growth forests, wilderness, rainforests
  and critical habitats of endangered species;
- facilitate rapid transition of the timber indus-
ty from harvesting high conservation value
  native forests to establishing mixed species
  farm forestry on existing cleared and de-
graded lands, using non-toxic methods to
  protect ecological sustainability;
- maximise use of readily-available plantation
  timber for industry needs, using appropriate
  forestry techniques and progressive minimal-
waste processing methods, such as radial
  sawing, and wherever possible, reuse and re-
cycle wood and paper products;
- support incentives for nationwide employ-
ment in composting, soil remineralisation
  programs, and the planting of trees and an-
nual fibre crops, inter-grown with appro priate
  fruit and nut trees and medicinal plants;
- encourage sensitively-managed, environ-
mental education tourism in appropriate for-
est areas, with full respect for natural ecosys-
tems, Aboriginal cultural heritage, sacred
sites and other sites of significance;
- progressively transfer expertise and re-
resources from the military sector, to help im-
plement these tree planting solutions; and to
motivate the international community to fol-
low this example.
by Senator Bob Brown (from 108 citizens).

**Education: Austudy**

To the Honourable the President and Members of the Senate in Parliament assembled.

The Petition of the undersigned draws to the attention of the Senate concerns that Austudy recipients currently do not have access to Rent Assistance, which means that thousands of students around Australia are missing out on up to $98 each fortnight simply because of their age.

Your petitioners believe:

(a) the costs faced by students aged 25 and over are usually equal to—if not greater than—those faced by younger students;

(b) there is no rational basis for excluding older students from the extra assistance that Rent Assistance can provide; and

(c) Austudy recipients should be eligible to receive Rent Assistance.

Your petitioners therefore request the Senate urge the Government to make Austudy recipients eligible for Rent Assistance.

by Senator Stott Despoja (from 35 citizens).

**Education: Student Fees**

To the Honourable the President and Members of the Senate in Parliament assembled.

The Petition of the undersigned draws to the attention of the Senate concerns that abolishing universal student union fees will disadvantage students—particularly poorer students and those in rural and regional areas.

Your petitioners believe:

(a) student organisations play an important role in protecting students’ academic and social rights, and it is essential this advocacy role is not compromised;

(b) poorer students will be hardest hit by so-called voluntary student unionism, as many will not be able to afford the full cost of services currently subsidised by student associations—such as counselling, child care and advocacy; and,

(c) these services are particularly important in regional and rural areas, where student organisations may be the only organisations providing them.

Your petitioners, therefore, request that the Senate oppose the Government’s legislation to abolish universal student union fees.

by Senator Stott Despoja (from 117 citizens).

Petitions received.

**NOTICES**

**Presentation**

Senator Hutchins to move on the next day of sitting:

That the Foreign Affairs, Defence and Trade References Committee be authorised to hold a public meeting during the sitting of the Senate on Tuesday, 13 September 2005, from 4 pm, to take evidence for the committee’s inquiry into Australia’s relationship with China.

Senator Hutchins to move on the next day of sitting:

That the time for the presentation of the report of the Foreign Affairs, Defence and Trade References Committee on Australia’s relationship with China be extended to 10 November 2005.

Senator McLucas to move on the next day of sitting:

That the Senate—

(a) notes:

(i) that there are 2.5 million carers in Australia who look after family members or friends with a disability, a mental illness, a chronic condition or who are frail aged,

(ii) the contribution carers make is not only to the people they care for, but also to the community and to the economy more broadly,

(iii) it is estimated that carers save the Australian economy approximately $20 billion annually through unpaid work, and

(iv) that on 13 September 2005, Australian carers are conducting a national day of
action, the ‘Walk a Mile in our Shoes’ campaign to raise awareness of issues of concern that affect carers and those they care for and to request an inquiry into disability and mental health support services and a review of the Commonwealth-State/Territory Disability Agreement which they believe has failed to meet even the most urgent needs of disabled citizens; and

(b) calls on the Government to:

(i) provide greater recognition for carers in government policy,

(ii) provide greater support in the workplace to manage competing priorities of paid and unpaid work, and

(iii) consider the special and varied needs of carers when implementing policies across a range of portfolio areas that ultimately affect carers’ participation in community life.

Senator Trood to move on the next day of sitting:

That the Senate notes:

(a) the plight of the endangered Australian native marsupial, the bilby;

(b) the first official National Bilby Day was commemorated on 11 September 2005 in Charleville, Queensland;

(c) before European settlement, bilbies covered approximately 70 per cent of the Australian mainland but can now be found only in a small area in south west Queensland and isolated areas in the Northern Territory and Western Australia;

(d) the decline of bilbies is due to the loss of habitat through land use change, overgrazing, hunting and predation from introduced species, such as foxes and feral cats; and

(e) the Save the Bilby Fund has been raising awareness of the plight of the marsupial for many years and has established a 25 square kilometre wildlife enclosure near Charleville to try and protect the species.

Senator Siewert to move on the next day of sitting:

That the Senate—

(a) notes the ‘Walk a Mile in our Shoes’ gathering on the lawns of Parliament House on 13 September 2005 to demonstrate support for the family carers of Australia;

(b) acknowledges the work that Australia’s 1.6 million unpaid family carers do to look after the frail, the sick and the aged, and those with dependent disabilities;

(c) recognises that:

(i) in many cases this work is done at great personal cost to carers’ physical and mental health, marriages, other family members’ welfare, and employment and retirement, and

(ii) were it not for this voluntary family care the wider community would be faced with substantial additional costs;

(d) acknowledges the increased burden on these carers caused by shortfalls in availability of support services to those needing care; and

(e) calls on the Government to address the unmet need for support services for those needing care and their carers.

Senator Watson (Tasmania) (3.59 pm)—I give notice that at the giving of notices on the next day of sitting I shall withdraw business of the Senate notices of motion Nos 1, 3 and 4 standing in my name for nine sitting days after today for the disallowance of the Export Control (Meat and Meat Products) Amendment Orders 2005 (No. 1), the Modification Declaration No. 1 and the Veterans’ Entitlements (Veterans’ Children Education Scheme-Scholarships, Statistics, MRCA) Instrument 2004-Instrument No. R11/2004. I seek leave to incorporate in Hansard the committee’s correspondence concerning these instruments.

Leave granted.

The correspondence read as follows—
Export Control (Meat and Meat Products) Amendment Orders 2005 (No. 1)

16 June 2005
The Hon Warren Truss MP
Minister for Agriculture, Fisheries and Forestry
Suite M1.26
Parliament House
CANBERRA ACT 2600
Dear Minister

I refer to the Export Control (Meat and Meat Products) Amendment Orders 2005 (No. 1) made under regulation 3 of the Export Control (Orders) Regulations 1982. The Committee raises the following matters with regard to these Orders.

First, new subclause 12.4, which is inserted by item [40] of this instrument, requires an occupier of a registered establishment to give the Secretary written notice if the manager or controller of operations carried on at the establishment is convicted of a serious offence. It is not clear whether this subclause is intended to create an obligation on the part of the occupier to inquire about any convictions that a manager or controller may have or, conversely, whether there is an onus on managers or controllers to inform occupiers about such convictions. The Committee seeks your advice on the effect of this provision.

Secondly, items [73] and [74] omit two items in Schedule 10, Table of Contents and substitute two others. The Committee notes that the substituted items seem identical to the items omitted. The Committee would appreciate your advice on the above matters as soon as possible, but before 29 July 2005, to enable it to finalise its consideration of these Orders.

The Committee would appreciate your advice on the above matters as soon as possible, but before 29 July 2005, to enable it to finalise its consideration of these Orders. Correspondence should be directed to the Secretary, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Tsebin Tchen
Chairman

16 August 2005
The Chairman
Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator

Thank you for your letter of 16 June 2005 from Senator Tsebin Tchen, the previous Chairman of the Standing Committee on Regulations and Ordinances, regarding the Export Control (Meat and Meat Products) Amendment Orders 2005 (No. 1). The intent of subclause 12.4 is to require the occupier, in a situation where the occupier is an individual or partnership, to provide information to the Secretary of the Department of Agriculture, Fisheries and Forestry if a person within the organisation who manages or controls, is convicted of a serious offence. There are no penal provisions in the event that notification is not provided, however, appropriate sanctions may be applied. The Orders do not place any obligation on the occupier to formally inquire about convictions nor do they place any onus on the managers or controllers to advise the occupier of any convictions. They simply require that this information be provided to the Secretary if known by the occupier. Compliance with this requirement of the Orders would be considered part of good management practice.

I am advised the Department proposes to amend subclause 12.4 to read:

12.4 If:

(a) the occupier of a registered establishment is an individual or a partnership; and
(b) a person who manages or controls the operation carried on at the establishment is convicted of a serious offence;

the occupier must give the Secretary written notice of the conviction within 7 days after the occupier becomes aware of the conviction.

Appropriate sanctions that may be applied by the Secretary in the event of non-compliance with subclause 12.4 are described under clause 30 of
Schedule 1 of the Orders which allow for revocation or suspension of registration.

With regard to the amendments inserted by items [73] and [74], I appreciate the Committee bringing this to my attention. I am advised the error has been identified and will be corrected by amendments presently being prepared for my approval.

The wording will be amended to read respectively:

16. Clauses to apply in lieu of Divisions I and II of Part 10 of these Orders, and
30. Clauses to apply in lieu of Divisions I and II of Part 10 of these Orders.

Thank you again for bringing the Committee’s concerns regarding these Orders to my attention. I trust that the information provided is of assistance.

Yours sincerely

Peter McGauran
Minister for Agriculture, Fisheries and Forestry

18 August 2005
The Hon Peter McGauran MP
Minister for Agriculture, Fisheries and Forestry
Suite M1.26
Parliament House
CANBERRA ACT 2600
Dear Minister


Subclause 12.4 of the Orders requires an occupier to notify the Secretary if a person in a managerial position is convicted of a serious offence. In your letter you state that the Orders place no obligation on an occupier to formally inquire about any convictions, or on managers to advise occupiers of any convictions—the Orders simply require that this information be provided to the Secretary if known by the occupier.

The Committee appreciates the amendment which you have proposed to clarify this intent. However, the Committee remains concerned that the amendment proposed will not have this result. While the amendment refers to the occupier ‘becoming aware of the conviction’ it does not explicitly address the situation of whether there is any obligation to become aware. This issue is significant because sanctions may be applied in the event of non-compliance by an occupier.

On 17 August 2005, the Committee gave a notice of motion to disallow these Orders to give it more time to resolve this issue.

The Committee would appreciate your further advice on the above matter as soon as possible, but before 6 September 2005, to enable it to finalise its consideration of these Orders. Correspondence should be directed to the Chairman, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
John Watson
Chairman

6 September 2005
The Chairman
Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator Watson

Thank you for your letter of 18 August 2005 concerning the Export Control (Meat and Meat Products) Amendment Orders 2005 (No. 1) (the Amendment Orders) made under regulation 3 of the Export Control (Orders) Regulations 1982. I appreciate your patience and am pleased for the opportunity to provide further clarification to you.

The Committee is concerned about subclause 12.4 of Schedule 1 of the Export Control (Meat and Meat Products) Orders 2005 (“the Meat Orders”) which was inserted by the Amendment Orders. The Meat Orders regulate the preparation and export of meat and meat products from Australia. The Orders are made under the Export Control Act 1982 (the Act).
Subclause 12.4 imposes an obligation on the occupier of a registered establishment, if the occupier is an individual or a partnership, to give the Secretary written notice within seven days of the conviction for a serious offence of a person who manages or controls the operations carried on at the establishment.

The purpose of the amendment is to impose the same notification obligation on an occupier who is an individual or a partnership as that which already applies to an occupier that is a corporation under subsection 4.18 of the Export Control (Prescribed Goods—General) Order 2005 (the PGGO). Subclause 12.1 requires compliance with this section of the PGGO. The occupier has the same notification obligation in the event that the occupier is convicted of a serious offence.

These notification obligations are significant in the context of the overall regulatory framework for the export of meat and meat products. They provide the Australian Quarantine and Inspection Service with the information it needs to satisfy the Secretary that an occupier and a person who manages or controls the operations carried on at the establishment continues to be ‘fit and proper’. The ‘fit and proper’ test is set out in section 4.05 of the PGGO.

Section 4.05 of the PGGO is incorporated by reference to the Meat Orders. Under subclauses 5.1 and 18.1 of Schedule 1 of the Meat Orders, the Secretary may refuse to register an establishment or may suspend or revoke the registration if an occupier or a person who manages or controls the operations carried on at the establishment is not or ceases to be ‘fit and proper’. In addition, under subclause 18.2 of Schedule 1 of the Meat Orders, the Secretary has the discretion to suspend or revoke the registration of an establishment if the occupier or a person in management and control at the establishment is convicted of an offence.

The ‘fit and proper’ test as set out in the section 4.05 of the PGGO is in substantially the same form as it existed in the now repealed 1985 version of the PGGO. The need for the ‘fit and proper’ test arose from concerns about the integrity of some participants in the export trade following an incident involving the labelling of kangaroo and horsemeat as beef in the early 1980s. This substitution activity posed a serious threat to the future of Australian food exports to the United States and to the United Kingdom and resulted in the enactment of the Act in 1982. The Act continues to play a crucial role in protecting the international reputation of Australia’s food exports.

I appreciate the Committee’s concerns about the ambiguity of the occupier’s obligations in the current formulation of subclause 12.4. In response to those concerns, I propose to replace subclause 12.4 with a new subclause which imposes a direct obligation on a person in management or control to notify the Secretary within seven days of being convicted of a serious offence. As well, I propose to place an obligation on the occupier to inform, in writing, all persons in management or control of this notification requirement. A fine of 10 penalty units (equal to $1,100) would apply if the person in management and control were to be convicted of failing to notify the Secretary. If the occupier failed to inform the person in management or control of the obligation to notify the Secretary, no penalty would apply but the Secretary would have a discretion to suspend or revoke the occupier’s approved arrangement under subclause 20.1 of Schedule 1 of the Meat Orders. I undertake to make this amendment at the earliest opportunity.

Thank you again for bringing the Committee’s concerns to my attention. I trust the information provided is of assistance.

Yours sincerely

Peter McGauran
Minister for Agriculture, Fisheries and Forestry

Modification Declaration No. 1 made under section 177 of the Retirement Savings Account Act 1997
16 June 2005
The Hon Mal Brough MP
Minister for Revenue and Assistant Treasurer
Suite M1.22
Parliament House
CANBERRA ACT 2600
Dear Minister

I refer to the following instruments made by the Australian Prudential Regulation Authority.

- Modification Declaration No 1, made under section 177 of the Retirement Savings Account Act 1997
- Modification Declaration No 24, made under section 332 of the Superannuation Industry (Supervision) Act 1997

The Committee raises the following matters with regard to these instruments.

First, the Committee notes that section 17 of the Legislative Instruments Act 2003 directs a rule-maker to be satisfied that appropriate consultation, as is reasonably practicable, has been undertaken particularly where a proposed instrument is likely to have an effect on business. Section 18 of the Act provides that in some circumstances consultation may be unnecessary or inappropriate. The definition of ‘explanatory statement’ in section 4 of the Act requires an explanatory statement to describe the nature of any consultation that has been carried out or, if there has been no consultation, to explain why none was undertaken. The Explanatory Statement that accompanies each Declaration makes no reference to consultation. The Committee therefore seeks your advice on whether consultation was undertaken and, if so, the nature of that consultation.

The Committee also seeks an assurance that future explanatory statements will provide information on consultation as required by the Legislative Instruments Act.

Secondly, both Declarations commence on the date they are signed, being 2 May 2005. The instruments were registered on 6 May 2005. The consequence of subsection 12(2) of the Legislative Instruments Act 2003 is that where an instrument takes effect before the date it is registered, the Committee requires that the Explanatory Statement give an assurance that no person other than the Commonwealth is disadvantaged by the retrospective commencement. The Explanatory Statement accompanying each instrument does not give such an assurance. The Committee therefore seeks an assurance that no person has been disadvantaged by this retrospective commencement.

The Committee would appreciate your advice on the above matters as soon as possible, but before 29 July 2005, to enable it to finalise its consideration of these Declarations. Correspondence should be directed to the Secretary, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Tsebin Tchen
Chairman

5 September 2005
Senator John Watson
Chairman
Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA AC 2600
Dear Senator Watson

I am writing in response to the letter from the Standing Committee on Regulations and Ordinances (the Committee) dated 16 June 2005 (ref: 102/2005) concerning the making of Modification Declaration No. 1, under section 177 of the Retirement Savings Account Act 1997 (RSA Act), and Modification Declaration No. 24, made under section 332 of the Superannuation Industry (Supervision) Act 1993. The letter requests advice as to whether consultation was undertaken in the making of the two instruments. The letter also seeks an assurance that no person has been disadvantaged by the commencement of the instruments and that future Explanatory Statements will provide information on consultation as required by the definition of ‘Explanatory Statement’ in section 4 of the Legislative Instruments Act 2003 (LIA).

It was an oversight on the part of the Australian Prudential Regulation Authority (APRA) not to include a reference in the Explanatory Statements as to whether consultation had been undertaken. Subsection 18(2) of the LIA provides that an instrument that is of a minor or machinery nature and that does not substantially alter existing arrangements is an instrument for which consultation is unnecessary or inappropriate. The Ex-
planatory Statements did advise that Regulation Impact Statements were not necessary because the Modification Declarations were of a minor or mechanical nature, however, it should also have been made clear that consultation was not required for the same reason. Explanatory Statements provided by APRA will in future provide information on consultation as required by the LIA.

The Modification Declarations commenced on 2 May 2005, the date they were signed, and were registered on 6 May 2005. The Explanatory Statements noted that the instruments commenced on the date they were signed but did not give an assurance that no person (other than the Commonwealth) would be disadvantaged by their commencing before the date of their registration. As the Modification Declarations implemented transitional provisions and provided relief in the 2004-05 financial year from the operation of amended regulations, it was considered that their commencement before the date of registration was not capable of disadvantaging any person. Future Explanatory Statements provided by APRA will, where statutory instruments commence prior to registration, advise why the earlier commencement date is not contrary to subsection 12(2) of the LIA.

I note that you, on behalf of the Committee, gave notice on 17 August 2005 that 15 sitting days after that date, you would move that Modification Declaration No. 1 made under section 177 of the RSA Act be disallowed as the Explanatory Statement that accompanied this Declaration made no reference to the issues raised by the Committee. I apologise for not responding to you by 29 July 2005 as requested. However, I hope that the Committee will find the above explanation satisfactory as to the issues raised and not move to disallow the Modification Declaration.

I trust this information will be of assistance to you.

Yours sincerely

Mal Brough
Minister for Revenue and Assistant Treasurer

12 May 2005
The Hon Phillip Ruddock MP
Attorney-General
Suite M1.21
Parliament House
CANBERRA ACT 2600
Dear Attorney-General

This instrument was made on 9 December 2004. Clause 2 of the instrument states that it commences on its approval by the Minister for Veterans’ Affairs. That approval was given on 4 January 2005. The instrument was registered on the Federal Register of Legislative Instruments on 5 April 2005.

Section 55 of the Legislative Instruments Act 2003 [the Act] has the effect that where a legislative instrument was made before 1 January 2005, but was not published in the Gazette before that date, the instrument is to be treated as if it had been made on 1 January 2005 and thus comes under the requirements of the Act. It does not appear that this instrument was published in the Gazette before 1 January 2005. If that is the case, the instrument is subject to the Act.

Subsection 12(1) of the Act provides that a legislative instrument may take effect from a day, or a day or time, that is specified in the instrument for the purposes of commencement (or, which is not relevant here, from the day or time of the commencement of an Act). In any other case, the instrument takes effect from day after registration. In the present instance, the instrument refers only to commencement upon approval by the Minister. It does not specify a day or time. It is arguable, therefore, that the instrument commenced on 6 April 2005. The Committee therefore seeks your advice as to whether a commencement provision of the type found in this instrument amounts to
specifying a date for the purposes of subsection 12(1).

The Committee would appreciate your advice on the above matter as soon as possible, but before 17 June 2005, to enable it to finalise its consideration of this instrument. Correspondence should be directed to the Chairman, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Tsebin Tchen
Chairman

15 June 2005
Senator Tsebin Tchen
Chairman
Standing Committee of Regulations and Ordinances
SG49
Parliament House
CANBERRA ACT 2600

Dear Senator Tchen


In relation to that particular instrument, I understand that you have also written to the Minister for Veterans’ Affairs, the Hon De-Anne Kelly MP, seeking her advice on the date of commencement of that particular instrument and her assurance that the instrument does not adversely affect persons in accordance with subsection 12(2) of the Legislative Instruments Act 2003 (the LIA). I understand that the Minister will be responding to you on these matters.

In relation to your question on commencement provisions, you raised your Committee’s concern with the meaning of subsection 12(1) of the LIA. Subsection 12(1) explains when instruments covered by the LIA take effect. Paragraph 12(1)(c) provides that an instrument (made on or after 1 January 2005) may be expressed to take effect from the day of the occurrence of an event specified in the instrument. I consider that the Minister’s approval could constitute such an occurrence.

As mentioned in the Explanatory Memorandum to the Legislative Instruments Bill 2003, the ability provided by subsection 12(1) to commence a legislative instrument by reference to the occurrence of an event (the example given in the Explanatory Memorandum was the entering into force of a treaty) is an expansion from the existing provisions in the Acts Interpretation Act 1901 and ensures maximum flexibility.

Your letter also mentions section 55 of the LIA. As I understand it, there is no requirement in the Veterans’ Entitlements Act 1986 for these particular instruments to be gazetted so section 55 would not seem to apply in this case.

Yours sincerely
Philip Ruddock
Attorney-General

12 May 2005
The Hon De-Anne Kelly MP
Minister for Veteran’s Affairs
Suite M1.19
Parliament House
CANBERRA ACT 2600

Dear Minister


This instrument was made on 9 December 2004. Clause 2 of the instrument states that it commences on its approval by the Minister for Veterans’ Affairs. That approval was given on 4 January 2005. The instrument was registered on the Federal Register of Legislative Instruments on 5 April 2005.

Section 55 of the Legislative Instruments Act 2003 has the effect that where a legislative instrument was made before 1 January 2005, but was not published in the Gazette before that date, the instrument is to be treated as if it had been made on 1 January 2005 and thus comes under...
the requirements of the Act. It does not appear that this instrument was published in the Gazette before 1 January 2005. If that is the case, the instrument is subject to the Act.

If this instrument is taken to have commenced on the date of the Minister’s approval (4 January 2005), and the Legislative Instruments Act 2003 applies, an issue may arise under subsection 12(2) of the Act. That subsection provides that an instrument which purports to take effect before the date it is registered has no effect if it adversely affects the rights or liabilities of a person other than the Commonwealth. While it appears that this present instrument does not have any adverse effect on persons other than the Commonwealth, no such assurance is given in the Explanatory Statement. Indeed, the Explanatory Statement indicates that there is no retrospective effect. The Committee therefore seeks your advice about the proper commencement date of this instrument and an assurance that it does not adversely affect persons in accordance with subsection 12(2) of the Act.

In the meantime, the Committee has written to the Attorney-General seeking his advice on the commencement provisions in the Veterans’ Entitlements Act 1986 as they relate to those provided for in the Legislative Instruments Act 2003.

The Committee would appreciate your advice on the above matter as soon as possible, but before 17 June 2005, to enable it to finalise its consideration of this instrument. Correspondence should be directed to the Chairman, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
Tsebin Tchen
Chairman

26 August 2005
Senator Tsebin Tchen
Chairman
Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600

Dear Senator Tchen


You will recall that my advice was sought about the date on which the instrument commenced and you also sought my assurance that the instrument did not adversely affect persons in the terms of subsection 12(2) of the Legislative Instruments Act 2003.

The legal advice from the Department of Veterans’ Affairs (Department) is that the instrument commenced on the date when I approved it in accordance with the requirements of subsection 117(3) of the Veterans’ Entitlements Act 1986 ie. 4 January 2005.

The above commencement date has resulted in the instrument having retrospective effect in relation to the date on which it was registered under the Legislative Instruments Act 2003. However, I am advised that the instrument is entirely beneficial in nature and does not adversely affect anyone. Indeed, the instrument widened eligibility by removing the prohibition on recipients obtaining benefits if they also received other Commonwealth benefits and enabled the Veterans’ Children Education Scheme Boards to deal with claims under the similar scheme established under the Military Rehabilitation and Compensation Act 2004.

I acknowledge that the Explanatory Statement incorrectly stated that the instrument did not have retrospective effect. However this error was caused by delays arising from the Christmas/New Year period.

When the Explanatory Statement was prepared in December 2004 it was believed that the instrument would have been made prior to the commencement of the Legislative Instruments Act 2003 (1 January 2005). Unfortunately, that timetable was unable to be met and the Explanatory Statement was not revised to reflect the changed circumstances.

Although the instrument was lodged for registration on 4 March 2005 and registered on 5 April 2005, some three months after the date I approved
it, I am advised that this should not be a cause for concern in relation to the legality of the instrument.

There is no specific time limit in the *Legislative Instruments Act 2003* for the lodging of new instruments other than that the instrument must be lodged “as soon as practicable” after it is made. I understand that the Attorney-General’s Department has advised that the Department may lawfully administer beneficial legislative instruments (eg. the present instrument) before they are registered.

I apologise for the error in the Explanatory Statement and trust that the above information is of assistance to addressing the concerns of the Committee.

Yours sincerely
De-Anne Kelly MP
Minister for Veterans’ Affairs

**LEAVE OF ABSENCE**

**Senator BARTLETT** (Queensland) (4.00 pm)—by leave—I move:

That leave of absence be granted to Senator Allison for the period 7.30 pm, 12 September to 15 September inclusive on account of parliamentary business overseas.

Question agreed to.

**NOTICES**

**Postponement**

The following items of business were postponed:


Business of the Senate notice of motion no. 1 standing in the name of Senator Bob Brown for today, proposing the reference of matters to the Community Affairs References Committee, postponed till 14 September 2005.

General business notice of motion no. 238 standing in the name of the Leader of the Australian Democrats (Senator Allison) for today, relating to ethanol in petrol, postponed till 13 September 2005.

General business notice of motion no. 252 standing in the name of Senator Milne for today, relating to the Nuclear Non-Proliferation Treaty, postponed till 13 September 2005.

**MATTERS OF PUBLIC IMPORTANCE**

**Private Health Insurance**

The **DEPUTY PRESIDENT**—The President has received a letter from Senator McLucas proposing that a definite matter of public importance be submitted to the Senate for discussion, namely:

The failure of the Howard Government to ensure that private health insurance is affordable, provides cover for needed services and provides real value to Australian families.

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

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

The **DEPUTY PRESIDENT**—I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

**Senator McLucas** (Queensland) (4.02 pm)—I thank the Senate for agreeing that we should be debating this matter of public importance today. People reading the *Australian* newspaper this morning would have found out that the government is firming in its intention to sell Medibank Private but is also considering instituting a series of reward schemes, including no-claim bonuses, for young Australians who have private health insurance. These two revelations in today’s media indicate to me and those on this side of the chamber that the government has completely failed in its commitment to de-
liver on a sustainable private health insurance sector in this country.

Mr Acting Deputy President, you would remember that at the introduction of the 30 per cent private health insurance rebate the government promised to drive premiums down. They promised to make private health insurance sustainable by getting more and more young Australians, so they said, into private health insurance. They have failed on both counts. They have failed because Minister Abbott simply ticks off on private health insurance premium increases every year. We used to have a system where the private health insurance sector had to bring their proposals for increases to the minister of the day, but that has changed. That has changed because the minister felt a little bit of heat when private health insurance premiums were going up, so he simply pushed it to one side and basically said, ‘Whatever you ask for you will get.’ He does not make the private health insurance sector explain anymore why it is that they need premium increase rises.

The other reason that I put to the Senate as a reason why the government have failed in making the private health insurance sector sustainable is that they have missed an opportunity with Medibank Private. Medibank Private is a publicly owned private health insurer. In that, it provides the government with a fantastic opportunity to set a benchmark for the rest of the industry, to use their ownership of Medibank private to show the rest of the industry what can be done to deliver sustainable, quality private health insurance to the community. But instead of using Medibank private as a market leader, as a benchmark, Minister Abbott has taken a completely hands-off approach to the management of this company. A great opportunity has been lost.

The government have actively encouraged more older Australians to take out private health insurance with the increased rebate for older Australians. There is nothing wrong with anyone being able to take out private health insurance, but by putting in the incentive, the increased rebate to older Australians, the government have made a decision to encourage older Australians into private health insurance, with a net lack of benefit for younger people who have private health insurance.

The solution to the mess that the government has got itself into on private health insurance is simple. Firstly, just as with Telstra, rather than selling Medibank Private today it should be fixing it so that it is a market leader and it is delivering value for money products. Secondly, if the government is contemplating allowing rewards schemes for younger Australians, these must not include a no-claim bonus policy. If they are done on that basis, it will simply mean that younger Australians who take out private health insurance will continue to use the public system so that they do not end up breaching or losing their no-claim bonus. It is of no net advantage to the health system to have people take out highly subsidised private health insurance and then use the public system in any event.

If you have taken out your private cover on the basis that you will get some form of reward or discount if you do not use it and then you need access to the health system, you are obviously going to use the public system. For example, if a young person with a sporting injury is going to lose access to rewards or be faced with increased costs if they rely on their private health insurance, they are much more likely just to turn up at their public hospital. What we are trying to do with private health insurance, particularly given how heavily subsidised it is, is to use it to lift the burden off the public system.
Clearly, with a no-claim bonus rewards system such as mooted in today’s press, that simply will not happen.

You cannot compare private health insurance with, say, car insurance. Let us take a situation where a person has had a car accident which is not significant and the bill for fixing the car is not huge. That person is faced with a couple of options. If they use their car insurance, they will lose their no-claim bonus. The other option is to pay for fixing the car themselves. That is a sensible, logical decision that a person could make. But you cannot compare car or house insurance with private health insurance. Let us say a person has a sporting injury that is not serious. The options for that individual are very different. The first option is to pay for it themselves, which is highly unlikely in today’s climate. The second option is to access their private health insurance and potentially lose their no-claim bonus. The third option, and it is this option that a young person in this situation will always take, is to turn up at their local public hospital. After a car accident, you do not have the option of a publicly funded panel beater or mechanic, but you do have an option when it comes to health in this country. That option must stay there. But, if a no-claim bonus policy is brought in in this country, that option will never be of benefit; it will do the worst. If the private health system will pick up the slack for people who are opting out of using their private health insurance because of a no-claim bonus, they will always take that option.

Irrespective of the protestations and commitments that the government gave, especially during the 2001 election, private health insurance premiums keep on rising. Back in 2001 Senator Patterson, along with the Prime Minister, gave an absolutely unequivocal—I suppose we could say ‘ironclad’—guarantee that premiums would be reduced. The Prime Minister repeatedly said that the introduction of the 30 per cent private health insurance rebate would put, in his words, downward pressure on private health insurance premiums. Earlier this year, though, we know that Minister Abbott approved an increase of 7.96 per cent on average to private health insurance premiums. This is the fourth consecutive annual premium increase for private health insurance funds.

The latest increase follows rises of—and these are averages—7.58 per cent in 2004 and 7.4 per cent in 2003. The increase this year of almost eight per cent is the highest increase since the government implemented the private health insurance rebate changes four years ago. Private health insurance is now 33 per cent more expensive than in 2001, completely wiping out the 30 per cent rebate that was instituted in that year. The 7.96 per cent average increase in premiums will cost the government this year at least $200 million more due to the 30 per cent rebate. The increase in premiums is also on top of the increase in gap fees and exclusions in policies by the providers. Gap payments to doctors increased by 19.2 per cent in 2003-04, according to the Private Health Insurance Administration Council.

As I said, in 2001 the Prime Minister and the Treasurer promised downward pressure on premiums and that private health insurance would be more affordable and attractive to consumers. That simply has not happened. We have had a 33 per cent increase over four years and the industry has changed the package of offerings that it has for the community. On top of that, we have had increases in gap fees. The gap fees keep rising. In July of this year Minister Abbott launched a report that confirmed that 44 per cent of hospital visits attract a gap of $720 on average. Australians will not be surprised by that news, because they know that after nine long years of the Howard government private health
insurance is costing them more but that, if they use it, they face increased gap fees and exemptions. There could be no clearer example of this than the game that the private health insurance sector is involved in to avoid paying for insulin pumps for children with diabetes. It means that privately insured families can still be up for around $8,000 for an insulin pump because their private health insurance fund is not going to pay up.

Minister Abbott did not know anything about gap fees until he personally experienced them in October of last year. In February he promised to do something about them. But all these months later nothing has been done, and Minister Abbott’s only response to date has been to say that he will sit down with doctors and the private health insurance sector and have a chat about it. Minister Abbott, it is time to stop chatting and start doing something. He has the power to force private health insurers to get this problem fixed. As minister for health he has the power in the first quarter of every year to approve or not approve increases in private health insurance premiums. Private health insurance is also subsidised by almost $3 billion every year from taxpayers. After nine long years of this government, private health insurance costs keep going up while gap fees skyrocket and more exclusions creep into the system. After nine long years of the Howard government, Australians are paying more and getting less.

The Howard government seniors rebate, as I have mentioned, is an unsustainable policy that will eventually cost Australian families more. The latest figures, from the March 2005 quarter, for private health insurance membership and benefits paid prove that the Howard government seniors rebate is an unsustainable policy that will cost Australians, and especially Australian families, more and more. Around 24,000 people aged over 55 took out private health insurance in that quarter; around 21,000 people aged under 55 got out. That means that the number of people with private health insurance only went up by 2,846 since December 2004. And it is not surprising that health funds have paid out a record amount in benefits—an 8.2 per cent increase from last March. That simply highlights the point that people over the age of 55 tend to be net drawers from private health insurance, whereas those younger than that are net contributors. It is inevitable that premiums are going to continue to creep up because those in the insurance sector are older and are requiring the use of their insurance at a greater rate. The majority of those withdrawing from private health insurance are younger people and, consequently, so are their children. Many younger people and their families simply can no longer afford to pay for private health insurance, because the minister for health has failed to ensure value for money.

There are a number of other points that I know my colleague Senator Polley is going to cover in this debate, but let me simply reiterate that the failure of the government to ensure that private health insurance is affordable is a reality. We have watched while Minister Abbott in particular has had his hands off the steering wheel. He should not leave the private health insurance sector to do what it wants. Unfortunately, Minister Abbott has power that he has not been able to use. He has not kept downward pressure on premiums. We have seen increases of 33 per cent over the last four years. We have seen gap fees rising exponentially. We have seen the private health insurance sector bringing in exemptions and developing packages that are unsustainable. At the same time, we are encouraging older Australians into private health insurance and therefore discouraging younger Australians from going into private health insurance. I think the argument is very clear. This is an absolute case
of mismanagement and incompetence. (Time expired)

Senator HUMPHRIES (Australian Capital Territory) (4.17 pm)—I want to take issue with much of what Senator McLucas has said in today’s debate on this matter of public importance. In particular, I want to emphasise how important it is that the government federally pursue policies that commit to a balanced health system which provides a place for both public and private sector involvement in the health system. In doing so, the present government, the Howard government, have done more to sustain the affordability of private health insurance than any other government in Australia’s history, even though we live in an age when the cost of health care is rising at a greater rate in this country, as indeed it is everywhere else in the Western world, than the general rate of inflation. It is vitally important that any government have a balance in the health system between the roles of the private sector and the public sector, and that they invest in both of those sectors. That is precisely what the present federal government have done.

In the years since it came to office the government has increased expenditure on Australian health very dramatically in both private and public health care. In the 2004-05 budget, about $40.5 billion was spent federally on the health of Australians. That represents a very substantial increase in both the dollar amount and the proportion of GDP that was spent formerly by the Labor government at the federal level. It also represents a very substantial increase in spending on health, above and beyond increases that have been sustained in recent years by state Labor governments. Let us be clear: it is the federal Liberal coalition government that has invested heavily in the quality of health care for Australians, and it continues to do so.

Of course, not only are we spending more on providing for public health in this country but we are also spending substantially on private health. The centrepiece of our investment in private health is the private health insurance rebate, and $2.7 billion is expended to achieve that centrepiece of government policy on health care. Very simply, it ensures that private health insurance in this country remains affordable to thousands more Australians than otherwise would be the case. Indeed, at the present time, something like 8.7 million Australians have some form of health insurance, very largely as a result of the policies which provide for it to be within their reach through a rebate on the cost of private health insurance. In those figures, it is significant that approximately one million Australians on incomes below $20,000 a year—self-funded retirees, people on low incomes, students et cetera—are able to afford private health insurance as a result of this government’s policies.

Why do we invest in providing for people to take out private health insurance? Why is that important in running a good health system in this country? There are three reasons principally. First of all, it adds to the health system a large number of dollars which would not otherwise be there, because Australians are encouraged to spend from their own pockets on the maintenance and improvement of their own health care. It is very important to recall that if we did not have a private health insurance rebate we would not have that money being spent by Australians on private health insurance, and that burden would fall back on the public sector. Secondly, the private health insurance rebate, and the expansion of private health insurance generally, provide for pressure to be taken off the public hospital system, and that is extremely important. The then President of the Australian Medical Association, Dr Bill
Glasson, said to the Senate select committee inquiry into Medicare in 2003:

The only reason the public hospitals are surviving to any extent that they are at the moment is because of the 30 per cent private health insurance rebate ...

That assessment was borne out by the figures that were produced to that committee, which demonstrated that a huge number of cases are being diverted from overworked, under pressure public hospitals into private facilities, which is making it easier for Australians who do not have or cannot afford private health insurance to use those public facilities. For example, in 1999, after the rebate was introduced, there was a very substantial reduction in the number of public hospital separations that took place in Australia. In 2000-01, although there was an increase of just over 12 per cent in private hospital separations, there was actually a small decline in public hospital separations in this country. Such a decline in the number of public hospital admissions is probably unprecedented since records were first kept.

Everybody has to concede that that is a good thing, because we know that we cannot continually add pressure to public hospital waiting lists, emergency departments and so forth without seeing the system under very considerable stress. The sorts of cases that are being diverted into private hospitals and facilities are not, as has been suggested by some people, those lower acuity, more lucrative matters that otherwise would not be very profitable. They are measures like malignant breast conditions, chemotherapy, and cardiac valve and hip replacement procedures—things that are pretty important and pretty high-volume matters for Australians that would otherwise have to be pursued in a public hospital, where in most cases waiting lists are very considerable and people have to wait a long time to get those services. Of course, that is not the only measure. There are measures such as Lifetime Health Cover, which this government has put in place, and increases in that private health insurance rebate in recent years for people above the ages of 65 and 70.

The third reason that it is important to have subsidies or support for private health insurance is that every person who takes out private health insurance is an empowered consumer who is able to demand more from the health system, and that is a very important point. Those who are paying for those services are able to say, 'I demand this level of quality in what I personally am paying for.' Without that kind of signal within the health system, we run a risk that quality measures will not be adequate to keep rises in the standard of health care at a level that Australians have come to expect.

This debate is taking place in the absence of any clear alternatives from the Australian Labor Party. They criticise the policies of the government, but they have not put any of their own policies on the table in the course of today's debate. I invite Senator Polley or any of the other speakers in this debate to indicate what Labor’s policies actually are. I do not know what they are. We had criticism today of a measure which has been considered by a consultant to the government regarding ways of being able to improve private health insurance uptake. That does not seem to sit well with the Labor Party. Great. Tell us what you would do. Tell us what your alternative is. We are a year out from the last election; it is about time some policies were developed. We would like to know where you stand on those issues.

Of course private health insurance rebates are costing more. They will always cost more because health will cost more. The cost of health rises more rapidly than other costs in the community—that is, the health inflation rate is, sadly, greater than the general infla-
tion rate because of the onset of new technology and the greater capacity of medical science to solve or deal with more problems than was the case in the past. So it is really disingenuous politics on the part of the Labor Party to say, ‘Health costs have risen and private health insurance premiums have risen very quickly under this government, therefore the government cannot be trusted with private health insurance.’ There is nothing that the opposition could do in government, even if they had ideas, to prevent those sorts of increases from taking place. If there is something they could do, I would like to hear it in the course of this debate. The measures we have put in place are effective and have made health insurance affordable for millions of Australians, and millions of Australians have taken out private health insurance for that very reason. That is why this policy should be pursued, and to make hay over the fact that those costs have increased is very cheap politics indeed.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (4.27 pm)—The Democrats say that it is time for the Howard government to come clean on its failures in the area of private health insurance instead of, as we have seen in recent times, trying to hide the bad news. Since 1996, this government has introduced a lot of measures that have pushed people into private health insurance, and it consistently promised that these measures would mean that private health insurance would be more affordable. What a joke we know that to be. We know that private health insurance fees have increased enormously over the last four years. We know this even though the health minister has tried to bury this information by releasing notification of premium hikes on the same day as interest rates have gone up, hoping that bad news in one area would overshadow bad news in another.

We have seen private health insurance premiums rise on average by around seven per cent in each of the past four years. In 2002 they went up 6.9 per cent. in 2003 they went up 7.4 per cent, in 2004 they went up 7.82 per cent and in 2005 they went up eight per cent. If you add all that up, it comes to more than 30 per cent since 2001, which effectively wipes out the government’s 30 per cent private health insurance rebate. And these are only the average increases. Some premiums have risen by 10 to 20 per cent a year, far overshadowing any relief that may have come from the government’s rebate—a rebate which is costing the Australian community more than $2.5 billion a year. And because the rebate is tied to the annual cost of premiums, the cost to the taxpayer is guaranteed to escalate. If the government keep rubber stamping premium increases for private health insurance, as they have done in the past, then we can expect those costs to grow and grow.

It is certainly true that the failure of state and federal governments to adequately fund the public health system has meant that more people feel that they are not going to get the health care that they need unless they have private health insurance. Even though they may believe that private health insurance is almost a necessity, many ordinary Australians are starting to realise that the government’s private health insurance incentives are structured in such a way that more benefits go to the wealthy than to those who are on modest incomes.

A recent paper by the Australia Institute found that fewer than one in four Australian families with incomes below $25,000 have private health insurance, while more than two-thirds, or 69 per cent, of families with incomes over $100,000 have private health insurance. So not only are these people more likely to have private health insurance but they can also afford more expensive forms of
a private health insurance and receive an even larger rebate.

Even if you can afford private health insurance, you get stuck with huge out-of-pocket hospital costs costs. The Minister for Health and Ageing recently released figures, based on a survey of more than 4,000 private hospital insurance claimants, that showed that 44 per cent of patients were left facing extra bills on top of what they had already paid for their private health insurance cover. On average, they faced a cost of $720 per hospital stay. According to this survey, after paying of the order of $1,000 to $2,500 in premiums, some patients were paying up to an extra $1,250 for their treatment.

Australians are paying more and more for their premiums and the government, through its rebate, is also paying more and more. And all of that money is going towards the very expensive private hospital sector, rather than into funding essential public health and medical services. We do not think that is sustainable. We also do not think it is fair.

One of the other aspects of private health insurance is that there is an effective public subsidy of 30 per cent on premiums that cover allied health services. If you want to go to a psychologist or a physiotherapist or a podiatrist, you can get cover for it that is subsidised by the government. Yet, if you are not part of private health insurance then—apart from some small programs that operate through GPs—there is no federal funding which flows into those areas. In the public sector, there is no entitlement to receive a rebate for those services

Unless the government is committed to introducing an Americanised health system into Australia where only the rich get access to health care, it cannot continue to cut the legs out from underneath Medicare while throwing billions of dollars towards the private sector. As I said, it is a very expensive sector. For every dollar going into private health insurance, I am sure we would get far greater value if those dollars went into the public sector.

Senator POLLEY (Tasmania) (4.33 pm)—A tank of petrol or private health insurance? For the majority of young Australian families, there is no choice. Today’s newspapers show that the government is clearly positioning itself to sell off Medibank Private. The latest grand health insurance scam this government is considering is a reward scheme for young Australians. Doesn’t this suggest that the government has completely failed to deliver on private health insurance? Didn’t the Howard government promise to drive premiums down? Didn’t it promise to make private health insurance more sustainable by getting more young Australians into the scheme? It has failed.

How about delivering some of the incentives they promised at the last election? After nine long years, the Howard government still have not managed to get premiums down. After nine long years, they still have not transformed Medibank Private into a market leader. It has all become too hard. Rather than fix Medibank Private, they want to ‘do a Telstra’ and sell it off. They should be fixing it. I guess you can say they are consistent: if they cannot fix it, they sell it.

Incentives? No-claim bonuses? What will happen to the overburdened public health system when a young footballer decides to present at a public hospital with a corked thigh rather than lose his private health insurance no-claim bonus? Younger Australians will continue to use the public system so that they do not end up breaching the conditions of their no-claim bonus and losing the bonus altogether. It is of no net advantage to the health system to have people take out a highly subsidised private health insurance product and then use the public system any-
how. What we are trying to do with private health insurance, particularly given how heavily subsidised it is, is lift the burden. Clearly, a rewards system is not the answer.

Bring costs down? Nonsense. The average health insurance premium rose by 7.9 per cent earlier this year after Minister Abbott approved yet another increase. In each of the last four long years we have seen rises averaging 7.58 per cent. That makes private health insurance 33 per cent more expensive than it was in 2001. You might have blinked and missed the 30 per cent private health insurance rebate as it raced out the back door, gone forever.

And what about gap fees? According to the Private Health Insurance Administration Council, gap payments to doctors have gone up by 19.2 per cent. In July, Minister Abbott launched a report which confirmed 44 per cent of hospital visits attracted a gap of $720 on average. What young family can afford that? That is half the average monthly mortgage payment. Why should they struggle to find that gap when they are already paying hefty private health insurance premiums? Australians will not be surprised to learn that, under the Howard government, private health insurance is costing more, they are getting less and the gap payments are growing out of control. Nine long years ago, John Howard’s election policy booklet *Heading in the right direction* promised that his government’s policies would lead to reduced premiums.

And what about the service loopholes? My fellow Tasmanian, Senator Guy Barnett, should look closely at the disadvantages his diabetic constituents face under the Howard government. Insurers still refuse to pay for insulin pumps for kids with diabetes—incroyable! Privately insured families can still be up for nearly $8,000 for an insulin pump because private health funds will not cough up.

Is it any wonder that, when it comes time to choose, young Australian families are topping up their petrol tanks and dropping their health insurance? Who would not, when health insurance premiums skyrocketed this March anywhere from 7.9 per cent to 20 per cent? It is time for the health minister, Minister Abbott, to get tough with the private health insurance industry and force them to deliver value for money. He has the power to force private health insurers to fix the problems. He has the power to approve or veto increases in private insurance premiums.

This industry is subsidised by almost $3 billion a year by mum and dad taxpayers. Why should they not get value for money? Why should they have to find more and more money each week to meet their health insurance premiums? We all know what impact the next round of health insurance premium increases will have on health fund membership—just remember to shut the door on your way out. The average wage earner does not have any more dollars left to prop up Medibank Private. Under this government, mum and dad taxpayers will exercise their personal right to veto and opt out of this underperforming scheme.

It is astounding to consider that, while 24,000 people aged over 55 took out private health insurance, around 21,000 under 55 dropped out. That means that, since December 2004, just 2,846 Australians have taken out private health insurance. If they were offered value for money, young families would embrace private health insurance. Instead, the price goes up, the gap gets greater, exclusions are on the rise and value for money has never been realised. Why should Australians pay more and get less if they choose private health insurance?
And what about our senior Australians? The March quarter figures show that the seniors rebate is an unsustainable policy that will end up costing Australian families more and serves no purpose for most of their needs. The Howard government promised cheaper private health insurance when they introduced Lifetime Health Cover—another broken promise, after nine long years. It is no stretch to claim that Minister Abbott has failed to deliver a market leader through Medibank Private. Instead, he is chickening out and opting for the sale—just like with Telstra.

Senator ADAMS (Western Australia) (4.40 pm)—When speaking about the affordability of private health insurance, it is very interesting to note that, in June 2004, 8.627 million Australians had private health insurance cover and, in June 2005, this number had increased to 8.7 million. When Labor left office, as at June 1993, the number of Australians covered by private health insurance was 6.967 million. In 1992-93, under Labor, before the rebate was introduced, the cost of private health insurance, expressed as a percentage of average annual earnings, was 3.7 per cent. As a result of the Howard government’s rebate, the cost of private health insurance as a percentage of average annual earnings dropped to 3.1 per cent. If the 30 per cent rebate were scrapped, this cost would blow out to 4.5 per cent of average annual earnings. I have a graph of the premium rises from 1985-86 to 2005-06. It is interesting to note that in 10 years under Labor the average increase was 11 per cent and in 10 years under the coalition the average increase was 5.6 per cent.

We cannot deny that the cost of health care is rising across the health care system. This is largely due to increasing technology costs, rising wages for nurses and other health professionals, and the use of prostheses, such as cardiac pacemakers and joint replacements. As technology moves on these things have to be replaced more and more. The cost is being kept under control as best it can, but people must not be denied this technology. It is unrealistic to think that private health insurance can be isolated from these price increases, particularly if we as a nation want to continue to enjoy the benefits of the latest technologies.

Australia has a world-class health system. It is a mixed system, with a strong public sector and a strong private sector. Both sectors cooperate to give Australians choice and access to high-quality, affordable health care. Nearly nine million Australians now have private cover and can choose to receive treatment in private hospitals, freeing up the resources in public hospitals for public patients. Government incentives, including the 30 per cent rebate, have encouraged Australians to take out private cover, lifting membership to approximately 43 per cent of the population in March 2005 from 30.1 per cent in December 1998. The 30 per cent rebate makes private health insurance more affordable for Australian families. It contributes around $850 every year to the health care costs of millions of Australian families—but, for many, the benefit is over $1,000. It also helps families on low incomes. Over one million Australians on incomes less than $20,000 per year have private cover.

The higher rebates for older Australians make private health insurance more affordable for older Australians. The higher rebates of 35 per cent for people aged 65 to 69 years and 40 per cent for people aged 70 years were introduced from 1 April this year. The higher rebates will help to keep premiums affordable for the over one million older Australians with private health insurance. Couples and families eligible for the higher rebates will save between $100 and $200 per year on top of the savings they already receive from the 30 per cent rebate. Many of
these people have held private health insurance throughout their lives, and this measure rewards them for maintaining that cover.

Critics of the rebates claim that, by supporting private health, the government fails to support public health. This argument ignores the extensive funding that the government is providing to the state and territory governments for public hospitals. This argument assumes that, if the money provided for the private health insurance rebate were given to public hospitals, there would be no waiting list. This is plainly wrong. When the government helps people choose to go to a private hospital, it takes pressure off the public hospitals. Private hospitals are treating more patients. The long-term trend shows that private hospital separations are growing more quickly than public hospital separations. More than 50 per cent of all surgery is now provided in private hospitals. Private hospital separations increased by 16 per cent in the three years to 2002-03, while public hospital separations increased by eight per cent.

Senator NETTLE (New South Wales) (4.45 pm)—As I have said before in this chamber, the Howard government’s private health insurance rebate policy is a failure. We have seen the average private health insurance premium rise nearly eight per cent over the last 12 months. That is similar to premium increases that we have seen over the last four years and it is well above the consumer price index. The Howard government told us that the private health insurance rebate would take pressure off health insurance premium increases and, unsurprisingly, the private health insurance industry backed the call for more public funds to be given to their industry in the form of the private health insurance rebate. The continual private health insurance premium increases show that the government’s argument, that the rebate would take pressure off premium increases, was wrong. The government and insurers also said that the rebate would take pressure off public hospitals and, yet again, we see that this is not the case and that the public health system remains stretched to the limit. Last year, a study by Canberra University health economist, Ian McAuley, found the government subsidies to the private health insurance industry were not resulting in the expected increases in work done in private hospitals but were putting pressure on public hospital staffing levels. The only thing that is clear from these two examples is that both this government and the self-serving private health insurance industry cannot be trusted on this issue.

As premium costs rise, so does the corresponding 30 per cent publicly funded private health insurance rebate subsidy that is happily handed over by this government to the private health insurance industry each year. Recent research by the Australia Institute shows that seven in 10 people with incomes over $100,000 have private health insurance, while for those earning under $25,000 a year the figure is substantially lower at one in four people with private health insurance. This clearly shows that the 30 per cent private health insurance rebate amounts to nothing short of a scandalous transfer of public funds to the well-off. These funds would be far better spent on the strained public health sector. As the Greens have said repeatedly, it is the public health sector that is best placed to provide the most efficient and equitable health services to all, based on medical need not an ability to pay for services.

The private health insurance scheme does not provide cover for needed services in regional areas where private health insurance cover is particularly low. Low rates of private health insurance in regional Australia are hardly surprising when some areas have no hospitals and no specialists, and their delivery of health services and of health out-
comes are worse. Consequently, there is no perceived need for people in these communities to take out private health insurance.

The government is now considering allowing further incentives to attract young, healthy Australians into private health insurance. The Howard government has tried to attract these fit, young Australians before, with the Lifetime Health Cover policy, but the trend continues to be clear—young people are leaving private health insurance in droves. The latest Private Health Insurance Administration Council figures show that between June 2001 and June 2005 108,000 young people under the age of 30 abandoned private health insurance while 130,000 people over the age of 55 signed on. Why should we believe that this time the government and the private health insurance industry will be able achieve what they are trying to do with this second proposal, to try to attract these young, fit and healthy Australians into buying private health insurance?

The government’s current private health insurance policy is part of this government’s agenda to push Medicare into the corner while promoting a two-tiered health system: one standard and set of rules for the wealthy, and a safety net based welfare system for those who cannot afford private health insurance. The government uses public funds to give ever increasing subsidies to the private health insurance industry. The Greens want to see an end to this transfer of public funds to a private industry away from our fair and equitable public health system. That is the best way to ensure that quality public health care is delivered to all Australians on the basis of their medical needs rather than their capacity to pay for a private form of health insurance, as this government advocates.

Senator McGAURAN (Victoria) (4.50 pm)—I join the debate on this matter of public importance which states:

The failure of the Howard government to ensure that private health insurance is affordable, provides cover for needed services and provides real value to Australian families.

The government rejects this so-called matter of public importance out of hand. We do that with a backdrop that the previous government speaker, Senator Adams, rightly mentioned when she said that we have a world-class system in Australia; a world-class health system on any benchmark or analysis. Australia has much to be proud of and we are able to confirm that we have one of the best health systems in the world, if not the best.

You would have to question the genuineness of the opposition in bringing forward this matter of public importance today, given that at no time since the election have we debated this matter. You would imagine that if this were a bubbling concern to those on the opposite side we would have got at least a question during today’s question time at the very latest. But we have heard nothing from them. They have taken no opportunity in any previous forum to raise this issue at all. So what has happened?

What has happened today is that, bereft of ideas and policy—no speaker from the opposition brought any policy issue to this debate—they have simply picked up the Australian newspaper and read about this on the front page and decided that it is now a matter of public importance. The opposition is so media driven, so bereft of ideas and so lacking in imagination and political wit that they rely on the media to give them today’s issue.

What the Minister for Health and Ageing, Mr Abbott, said in the Australian today was something worth saying. He said that the government is looking at various options for improving loyalty rewards, no-claim bonuses and similar rewards. That statement has come on the back of the release of new figures by the industry regulators showing that
there has been a drop in young people taking up membership in private health insurance. But there has been an even greater increase in the number of older people taking up health insurance. There is nothing surprising about that. These have been concerns of the industry for some years, going way back—even to when the Labor Party were in government. Australia has an ageing population and this is something we have to come to grips with. We put these reforms in place to meet these challenges when we first entered government in 1996, and they will be ongoing challenges with the need for ongoing reforms.

If those across the other side were not so lazy they would not have had to rely just on the *Australian* newspaper today. Julia Gillard is their shadow minister. If she were really on the ball and really concerned, she would have noted that Mr Abbott, the health minister, made the same comments back in June this year to an open and public forum of those in the industry at the fourth private health insurance summit in Sydney. This is what he said in his address:

Health insurance premiums have risen about 8 per cent annually over the past three years. Loyalty bonuses which don’t compromise community-rating and ‘no claim’ bonuses which don’t become self-defeating are strategies worth pursuing to try to keep premiums down. They might help attract and hold younger members and are usually easy to explain to people familiar with insurance products.

Our minister made this statement back in June, to which you have just come on board. I do not know what your shadow minister has been doing but she has not been on the ball at all, which just shows the lack of genuineness in the motion we have here today.

As I said, we know that the nation faces problems in this area, in particular because of our ageing population. That situation is manageable and would be way worse if we had not taken the actions we did when we first came into government—to which those on the other side objected every step of the way. We have the Greens over there—as we heard in Senator Nettle’s contribution—still objecting to the government’s successful 30 per cent rebate.

When we came into government the take-up of private health insurance was as low as 30 per cent. When Labor came into government they enjoyed in 1983 the subscription of some 63 per cent. In their term in government it collapsed from 63 per cent to 32 per cent. I remember the health minister at the time, former Senator Richardson, just prior to his resignation, was so concerned about the collapse of the private health insurance system that he said that if take-up fell as low as 25 per cent the system would collapse. That is the legacy we were left with. To that end we introduced reforms: the private health insurance rebate and the life health cover initiative, which time does not permit me to go into. But the reforms are there and we reject this motion out of hand.

The ACTING DEPUTY PRESIDENT (Senator Brandis)—Order! The discussion on the matter of public importance is concluded.

DOCUMENTS

Tabling

The ACTING DEPUTY PRESIDENT (Senator Brandis)—Pursuant to standing order 166, I present the document listed below which was presented to the Deputy President since the Senate last sat. In accordance with the terms of the standing order, the publication of the document was authorised.

Health and Ageing—Pregnancy counselling and family planning [Received 9 September 2005]
Workplace Relations

The ACTING DEPUTY PRESIDENT (Senator Brandis)—I present a letter from the Speaker of the Legislative Assembly of the Northern Territory, Ms Aagaard, transmitting a resolution of the Assembly relating to the Commonwealth government’s industrial relations legislative agenda.

COMMITTEES

ASIO, ASIS and DSD Committee Report

Senator EGGLESTON (Western Australia) (4.58 pm)—On behalf of the Parliamentary Joint Committee on ASIO, ASIS and DSD, I present a report on the Intelligence Services Legislation Amendment Bill 2005, and seek leave to move a motion in relation to the report.

Leave granted.

Senator EGGLESTON—I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

The Minister for Defence referred the Intelligence Services Amendment Bill 2005 to the Committee for inquiry and report on 16 June 2005. This bill results from a number of reviews of the operations of the Intelligence Services Act 2001.

The first review of the intelligence services agencies, conducted by Mr Philip Flood, was a result of a recommendation of this Committee made in March 2004. In his report, Mr Flood recommended that the mandate of the Joint Parliamentary Committee be extended to encompass three additional agencies, ONA, DIO and DIGO, on the same basis as it currently oversees ASIO ASIS and DSD. He also recommended that the functions and accountabilities of DIGO be formalised in the Intelligence Services Act on a basis comparable with that which applies to DSD and ASIS. The bill achieves these recommendations.

Other amendments were initiated to create consistency of oversight. The Act governing the powers of the Inspector-General of Intelligence and Security will be changed to include scrutiny of DIGO; and the Office of National Assessments Act 1977 will also be amended to reflect the changes recommended by Mr Flood.

A second review into the intelligence agencies was coordinated by the Department of Prime Minister and Cabinet following a recommendation in the Annual Reports of the Inspector-General of Intelligence and Security. This review sought to fine tune the accountability mechanisms of the agencies.

Finally, at the end of the last Parliament, after the experience of the operation of the Act over one parliament, the Committee itself reviewed its role as specified in the Act. The result was a letter to the Prime Minister from the Chair of the Committee, Mr David Jull, suggesting some amendments to change the structure, name and powers of the Committee. These recommendations have been taken up in the current amendments, with the exception of a suggested amendment to section 7, narrowing the scope of the restrictions on disclosures to Parliament.

The Committee’s current review has sought to evaluate the implementation of all these recommendations in the legislation currently before the Senate. The amendments change the definition of ‘intelligence information’, which has been widened. Section 11 has been amended to allow this intelligence to be communicated to appropriate Commonwealth and State authorities, or to authorities of approved other countries. In respect of this change, the Committee expressed the view that ‘while the removal of barriers to cooperation between government agencies may be helpful, it would be prudent to draw attention to the implications for the administration of a whole range of government policies of this increased communication.’

Other amendments relate to the collection of intelligence by ASIS and DSD: clarification of the roles and functions of these agencies, and clarification of the ministerial authorisations necessary before the production of any intelligence on Australians. Consideration was given, in particular to Item 22. The amendment is intended to have the
effect of protecting Australians in Australia in the same way as the existing Act protects Australians who are overseas.

The Committee noted in the report that ‘it is the case that the foreign intelligence gathering agencies can currently be authorised to obtain intelligence on Australians inside Australia regarding the capabilities and intentions of persons outside Australia. The Committee, therefore, approved the proposed amendment at Item 22, but requested additional provisions, to ensure consistency in the requirements on all agencies, domestic or foreign intelligence gathering.

In particular, the Committee recommended that, ‘as the regime moves from Ministerial direction to legislated Ministerial authority as proposed in Item 22, it should generally replicate the provisions of and have identical authorisation to those that apply to ASIO’.

I hope that these recommendations will be given due consideration in the debate over the passage of the bill.

I commend the report to the Senate.

Senator EGGLESTON—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Treaties Committee Report

Senator WORTLEY (South Australia) (4.59 pm)—On behalf of the Joint Standing Committee on Treaties, I present the 67th report of the committee entitled Treaties tabled on 21 June 2005, together with the Hansard record of proceedings and minutes of proceedings. I seek leave to move a motion in relation to the report.

Leave granted.

Senator WORTLEY—I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

Report 67 contains the findings and recommendations of the Committee’s review of two treaty actions tabled in Parliament on 21 June 2005. The proposed treaty actions relate to social security benefits between Australia and Ireland and cooperation on scientific balloon flights with the United States. I will comment on both treaties.

Mr President, the Committee examined an Agreement on social security between the Government of Australia and the Government of Ireland which provides access to certain Australian and Irish social security benefits. The Agreement is part of a network of bilateral social security agreements that Australia has with other countries.

The Agreement makes the following changes to the existing agreement:

• The Disability Support Pension (DSP) is restricted to people who are considered to be severely disabled or people assessed as having no capacity to work or no prospects for rehabilitation within two years of being granted a DSP.

• The rate of benefit will remain the same for the first 26 weeks for temporary visitors to Australia. When a person departs Australia, on a temporary basis, the rate of benefit will remain the same for the first 26 weeks of their absence.

• Double coverage provisions have been included to ensure that employers in both countries do not make two superannuation contributions for an employee working in either country temporarily.

The Agreement provides for shared responsibility in the provision of benefits between the Parties and also allows people to lodge claims from either Australia or Ireland. The Agreement will overcome restrictions on portability of payments between Australia and Ireland and provide for mutual administrative assistance to determine entitlements for recipients. The Agreement also allows for the recognition of periods of working life residence in both countries in determining a claimant’s benefits.

The changes bring the Agreement into line with Australia’s other revised bilateral social security agreements and are intended to reduce the inci-
dence of overpayments to pensioners who undertake temporary visits between Australia and Ireland.

The Committee was informed that the Australian Government is currently negotiating a number of bilateral social security agreements with other countries, including Norway, Switzerland, Japan and Korea. Preliminary discussions have also occurred or are taking place with Greece, Hungary, Latvia and Sweden.

The second treaty examined by the Committee will allow for the continued cooperation between Australia and the United States of America on scientific balloon flights. Since the expiration of the previous agreement in 2002, balloon flights have continued under a non-legally binding arrangement between the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the National Aeronautics and Space Administration (NASA). Over 100 flights have been conducted from the Alice Springs Balloon Launching Station. The fruits of the collaboration feature significant scientific findings over the last ten to fifteen years such as the discovery of the first gamma ray emission from a spinning neutron star, the discovery of a gamma ray annihilation line from a black hole at the galactic centre, observations of 1987A, a supernova star that exploded in 1987 which have not been repeated since, and high resolution images of the centre of Our Galaxy. This Agreement will enable Australia to continue to contribute to international research in astronomy with increased potential for further significant scientific discoveries from its vantage point for viewing the Milky Way.

Mr President, in conclusion, the Committee believes it is in Australia’s interest for the treaties considered in Report 67 to be ratified. I commend the report to the Senate.

Question agreed to.

Foreign Affairs, Defence and Trade Committee: Joint Report

Senator PAYNE (New South Wales) (4.59 pm)—On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I present the report of the committee entitled Australia’s human rights dialogue process and seek leave to move a motion in relation to the report.

Leave granted.

Senator PAYNE—I move:

That the Senate take note of the report.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Foreign Affairs, Defence and Trade Committee: Joint Report

Senator PAYNE (New South Wales) (5.00 pm)—On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I present the report of the committee entitled Reform of the United Nations Commission on Human Rights and seek leave to move a motion in relation to the report.

Leave granted.

Senator PAYNE—I move:

That the Senate take note of the report.

As Chair of the Human Rights Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I wish to make some brief comments on the committee’s two reports: Australia’s human rights dialogue process and Reform of the United Nations Commission on Human Rights. In 1997 the Australian government initiated a high-level bilateral dialogue on human rights with China. Similar formal talks commenced with Vietnam and Iran in 2002. The aim of the dialogues is to hold frank and constructive discussions to demonstrate the commitment of each country to the talks and the overall strengths of their bilateral ties with Australia. Since 1997 there have been nine rounds of talks between Australia and China, three between Australia and Vietnam and one with Iran.

In March 2004 an inquiry was established to review Australia’s human rights dialogue
process to date. Clearly, electoral matters intervened in the consideration of that reference. But I am pleased to say in tabling this report today that the committee has come to some very interesting conclusions. The committee examined five areas: parliamentary participation and oversight, involvement of non-government organisations, the role and obligations of participating agencies, reporting requirements and mechanisms, and the monitoring and evaluation of outcomes. While the committee received the bulk of its evidence on the Australia-China dialogue, which is the more established of the three, the focus of the inquiry was on process rather than specific dialogues.

It is, however, worth noting the evolving developments of the Australia-China dialogue because they do illustrate the potential of the dialogues for bilateral engagement on human rights concerns. The committee was pleased to hear from the Australian government and NGOs alike that the Australia-China dialogue these days is characterised by an increasing degree of openness and trust. Over the years, delegations from China and Australia have expanded to include representatives from a number of different agencies, and discussion takes place on a widening range of human rights concerns. I have seen the development in that process myself, having participated in several of the dialogues in recent years. Also in recent years, the Australian delegation has been invited to visit provinces outside Beijing and also in Tibet. In 2004, for the first time, Australian NGO representatives were able to meet with Chinese government officials in advance of the official talks to discuss human rights concerns. That meeting went well, as recorded by both parties. Subsequently, the Chinese government invited the NGOs to attend future dialogue sessions in China.

The committee also wants to acknowledge the important complementary role of the technical cooperation activities which are associated with the dialogues. The Australia-China Human Rights Technical Cooperation Program makes a very practical contribution to protecting and improving human rights through capacity building and institutional strengthening activities, with its focus on legal reform, women’s and children’s rights and ethnic and minority rights. At this stage the Vietnam and Iran dialogues do not have a similar dedicated program. However, the Human Rights and Equal Opportunity Commission has sponsored study tours to familiarise delegates from those two countries with Australia’s institutional structure for the promotion and protection of human rights, and has helped partner countries to identify areas in which Australian expertise might usefully contribute to their priorities for promoting and protecting human rights.

Although the committee notes the achievements of Australia’s bilateral human rights dialogues, it is of the view that there is scope for improving the transparency and accountability of the process as a whole. For that purpose, the committee has made five recommendations in its report which will build on and enhance the existing level of parliamentary participation and oversight, the involvement of NGOs and also reporting requirements and mechanisms.

I now turn to the committee’s most recent inquiry, into the reform of the United Nations Commission on Human Rights. On Wednesday of this week more than 170 heads of state and government, including Australia’s Prime Minister, John Howard, will attend the 2005 world summit at the UN headquarters in New York. At that three-day gathering, world leaders will review progress which has been made since the Millennium Declaration was adopted by member states in 2000. The agenda is based on the UN Secretary-General’s report In larger freedom, which contains a range of recommendations
for strengthening the three pillars of the UN: development, security and human rights.

One of the more significant proposals is to replace the Commission on Human Rights with a Human Rights Council. In that context and as a result in part of a visit I made to the Commission on Human Rights in Geneva earlier this year, the committee decided to convene a roundtable public hearing on 12 August this year to discuss the current human rights reform agenda and to hear views for and against the establishment of a Human Rights Council from Australian stakeholders. The committee invited a range of witnesses from the Australian community to participate in our discussions at Parliament House. Participants included UN representatives, NGOs, and human rights and legal experts both from Canberra and more broadly.

The committee was very pleased with the level of interest generated by the inquiry. Many witnesses commented during the proceedings on the importance of these topics being debated in the parliamentary environment. It seemed clear to me that they appreciated the opportunity to address them in that roundtable format. The committee certainly found the discussions engaging and hopes that the report and the hearing can contribute to informed debate on UN reform within the parliament and the Australian community.

At this stage it is difficult for the committee to comment on the suitability of the Human Rights Council proposal. Details remain vague for the implementation of the proposal and views are varied: we determined that during our roundtable hearing. Nonetheless, the committee will follow the outcomes of the September summit with interest. Irrespective of whether member states adopt the Human Rights Council proposal at the summit, the committee wishes to see this very important human rights body continue to function in a strengthened rather than a weakened form. It would be of great concern if the summit this week did not reach a resolution on this matter and the current Commission on Human Rights remained in some state of limbo as a result. It is very important, if change is not preferred, that the current commission continues to operate, obviously with the potential for further reform. I am grateful to all those who gave evidence to both of the inquiries. I wish to thank my colleagues for their participation, the Department of Foreign Affairs and Trade and, of course, the secretariat for their assistance. I commend the reports to the Senate.

Question agreed to.

Membership

The ACTING DEPUTY PRESIDENT (Senator Brandis)—The President has received a letter from a party leader seeking to vary the membership of a committee.

Senator IAN MACDONALD (Queensland—Minister for Fisheries, Forestry and Conservation) (5.08 pm)—by leave—I move:

That Senator Carol Brown be appointed to the Joint Standing Committee on Treaties.

Question agreed to.

WORKPLACE RELATIONS AMENDMENT (BETTER BARGAINING) BILL 2005

First Reading

Bill received from the House of Representatives.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (5.09 pm)—I move:

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

Question agreed to.

Bill read a first time.
Second Reading

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (5.09 pm)—I table a revised explanatory memorandum relating to the bill and move:

That this bill be now read a second time.

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

Leave granted.
The speech read as follows—

The Workplace Relations (Better Bargaining) Bill 2005 proposes to amend the bargaining provisions of the Workplace Relations Act 1996 (Cth). This bill is consistent with Government policy and reinforces the object of the Workplace Relations Act that the primary focus of negotiations should be at the enterprise level between employers and their employees.

The Government is committed to the measures proposed by this bill to provide a fairer bargaining framework. They are underpinned by good policy and represent worthwhile reforms that will ensure Australia’s economic prosperity. The Government supports collective bargaining at the enterprise level. It is this approach to bargaining that ensures that the needs of employers and their employees are met. The measures in this bill will facilitate workplace bargaining, and they come at a very important time in the bargaining cycle.

The measures in this bill are required to facilitate bargaining at the enterprise level during the next intensive round of negotiations. Between 1 June 2005 and 31 March 2006, 62 per cent of all federal certified agreements will expire, including 84 per cent of agreements in the building and construction industry and 42 per cent of agreements in the manufacturing sector.

The measures proposed by this bill will: provide remedies against pattern bargaining to wind back industry-wide negotiations back to the enterprise level; facilitate enterprise bargaining by ensuring that industrial action is not used inappropriately; and allow for limited ‘cooling off’ during periods of protected industrial action to assist negotiating parties reach agreement, or where industrial action is threatening to cause significant harm to a third party.

No industrial action before expiry of agreement

The parties to a certified agreement should be bound by its terms and conditions – including the dispute settling provision. Under the proposed provisions, parties to a current certified agreement will be required to use their agreed dispute settling procedure to resolve workplace disputes, rather than by resorting to industrial action.

Accordingly, this bill ensures that industrial action taken during the life of a certified agreement is not protected industrial action. Preventing industrial action during the life of a certified agreement is vital to ensure that parties keep to the bargain they have struck, and enjoy the certainty that a certified agreement is meant to provide.

Measures against pattern bargaining

Government policy promotes bargaining directly at the enterprise level to ensure that agreements are tailored to meet individual business needs. However, unions typically engage in pattern bargaining that imposes common outcomes on employers across an industry or part of an industry, with all resulting agreements having identical nominal expiry dates. In pursuing common outcomes, unions organise protected industrial action on an industry-wide basis.

Pattern bargaining is the antithesis of genuine enterprise negotiation. Pattern bargaining takes the negotiation, consultation and decision-making away from the control of the parties at the workplace.

It is predominantly the construction unions, and to a lesser extent, the manufacturing unions, that are driving pattern bargaining.

In many cases, the threat of industrial action is enough to lock employers into inflexible workplace agreements.

Pattern bargaining’s ‘one-size-fits-all’ approach may lead to businesses being required to pay real wage increases without any accompanying increase in productivity. It reduces enterprise negotiation to a mere formality and centralises decision making processes away from the workplace.
Pattern bargaining robs employers and employees of choice in agreement making. The Government believes that Australian employers and employees should have the ultimate choice about their working arrangements – whether that be through Australian Workplace Agreements, or collective agreements that have been genuinely negotiated at the enterprise level, not the industry level.

The unions have exploited a loophole in the legislation that undermines the spirit of the legislation. These proposed provisions will ensure that the spirit of the legislation and the spirit of enterprise negotiation is respected.

The proposed measures are required circumvent pattern bargaining, including any industrial action taken to support pattern bargaining, during the next intensive round of negotiations.

The proposed provisions will strip protected status from industrial action that is taken to support claims by a negotiating party that is engaging in pattern bargaining.

The proposed provisions will also provide additional remedies to counteract pattern bargaining by requiring the Australian Industrial Relations Commission to suspend or terminate a bargaining period if pattern bargaining is occurring in relation to the proposed agreement. An ‘appropriate court’ may also order an injunction to stop or prevent industrial action that is taken to support claims by a negotiating party that is engaging in pattern bargaining.

These proposed provisions will provide benefits to employers and employees alike. The pattern bargaining measures will promote bargaining at the enterprise level, which will enable employees to genuinely bargain about the terms and conditions of employment that affect them. Through this process, employees will gain a greater understanding of the way their workplace operates. Businesses will be more productive and operate more efficiently, because negotiated agreement will be tailored to meet individual business needs.

The Government firmly believes that employers and their employees are the best placed to effectively and efficiently manage their workplaces. These reforms will ultimately return choice of agreement-making options back to employers and their employees at the enterprise level.

**Industrial action taken in concert is unprotected**

This bill will also clarify that industrial action is unprotected action where it is taken in concert with employees of different employers. This is consistent with Australian Government policy to promote workplace bargaining at the enterprise level.

**Protected action and related corporations**

Likewise, the bill also provides that two or more related corporations cannot be treated as a single employer for the purpose of identifying certain action as protected action.

**Cooling-off periods**

In some cases, negotiations for a new certified agreement become heated, protracted and generally lose their focus. Cooling-off periods allow negotiating parties to take a step back from industrial conflict and refocus on the real issues in dispute.

The bill will allow the commission to suspend a bargaining period for a period of cooling off if it would assist the parties in resolving the issues in dispute. Anything done by a negotiating party or any other person during the period of suspension in respect of the proposed agreement would not be protected action.

The duration of a cooling-off period is a matter for the commission’s discretion. The commission would be able to extend the cooling-off period once only, on application of a negotiating party, and after giving the other negotiating parties the opportunity to be heard.

**Suspension for third parties**

The bill recognises that industrial action may have an unintended detrimental affect on third parties to an industrial dispute. It allows an organisation, person or body directed affected by the industrial action, other than a negotiating party or the minister, to apply to have a bargaining period suspended. Such a suspension may be extended in a similar manner to the extension of cooling-off periods under the bill.

The commission would be required to consider a number of factors to determine whether suspension is appropriate, including whether the action
is threatening to cause significant harm to any person other than a negotiating party.

This measure will provide for cooling off to protect third parties from significant harm, while still maintaining the existing rights of employees to take protected industrial action.

**Conclusion**

The measures in this bill will provide a fairer bargaining framework in time for the next intensive round of negotiations. It will facilitate bargaining at the enterprise level, and ensure that protected industrial action is not used inappropriately. It will also allow for ‘cooling off’ to assist negotiating parties reach agreement, or where industrial action is threatening to cause significant harm to a third party.

Debate (on motion by Senator Colbeck) adjourned.

**POSTAL INDUSTRY OMBUDSMAN BILL 2005**

*Consideration of House of Representatives Message*

Message received from the House of Representatives returning the Postal Industry Ombudsman Bill 2005, informing the Senate that the House has agreed to the bill with an amendment and requesting the concurrence of the Senate in the amendment made by the House.

Ordered that consideration of the message in Committee of the Whole be made an order of the day for the next day of sitting.

**HUMAN SERVICES LEGISLATION AMENDMENT BILL 2005**

*Assent*

Message from His Excellency the Governor-General was reported informing the Senate that he had assented to the bill.

**TELESTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 2005**

**TELECOMMUNICATIONS LEGISLATION AMENDMENT (COMPETITION AND CONSUMER ISSUES) BILL 2005**

**TELECOMMUNICATIONS LEGISLATION AMENDMENT (FUTURE PROOFING AND OTHER MEASURES) BILL 2005**

**TELECOMMUNICATIONS (CARRIER LICENCE CHARGES) AMENDMENT (INDUSTRY PLANS AND CONSUMER CODES) BILL 2005**

**APPROPRIATION (REGIONAL TELECOMMUNICATIONS SERVICES) BILL 2005-2006**

Report of Environment, Communications, Information Technology and the Arts Legislation Committee

Senator EGGLESTON (Western Australia) (5.10 pm)—On behalf of the Environment, Communications, Information Technology and the Arts Legislation Committee, I present the report of the committee on the provisions of the Telstra (Transition to Full Private Ownership) Bill 2005 and related bills, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator EGGLESTON—I seek leave to move a motion in relation to the report.

Leave granted.

Senator EGGLESTON—I move:

That the Senate take note of the report.

I would like to commence by extending my thanks to the committee secretariat for their dedication and extensive efforts throughout this inquiry. In particular, Louise Gell, Jacqui Dewar, Sophie Power, Robyn Clough and Di Warhurst should be acknowledged, as should the exceptional effort of my own staff member, Bob Wallace, who worked through the weekend to produce this report. The report is much appreciated by the committee.
Five bills were referred to the committee for inquiry and report. The committee advertised for submissions and, in response, received 24 submissions, as well as nine emails and letters which were accepted as correspondence. An extensive hearing, encompassing a broad range of witnesses, was held on Friday. The hearing involved representatives from all of the major parties, except the Greens, and from relevant government agencies, including the Department of Communications, Information Technology and the Arts, the Australian Competition and Consumer Commission and the Australian Communications and Media Authority. The telecommunications sector was represented by Telstra, the Competitive Carriers Coalition, Optus, AAPT and Vodafone. Other organisations that appeared at the hearing included the Australian Telecommunications Users Group, the Communications, Electrical and Plumbing Union, the National Farmers Federation and the Australian Communications Industry Forum.

Given that the proposed sale of the remainder of Telstra in public ownership has been inquired into several times, including two Senate reports into previous Telstra sale bills since 1998, that the future-proofing bill was the subject of a recent committee inquiry and that all parties in the Senate have well-established positions on the sale of Telstra, it was decided that it would be unproductive to once again traverse all of the old ground, so the committee was required to focus on the new elements of the bills.

Under its terms of reference, the inquiry dealt with the following four matters: firstly, the operational separation of Telstra; secondly, the role of the Australian Competition and Consumer Commission; thirdly, the role of the Australian Communications and Media Authority; and, fourthly, the establishment of a perpetual $2 billion Communications Fund. Given the short time available, I propose to focus only on operational separation and the Communications Fund: two issues which have generated a lot of discussion.

One of the most significant changes brought about by the competition and consumer issues bill, which was the subject of the most discussion during the inquiry, is the requirement for the operational separation of Telstra. This is a vital reform because of Telstra’s dominant market position and its continued monopoly over the customer access network, which its competitors need to be able to access. All of Telstra’s competitors supported the concept of operational separation of Telstra. However, Ms McKenzie, of Telstra, described operational separation as ‘a solution looking for a problem’ and, at a later point, stated:

We—
certainly do not support the operational separation provisions ...

The government is determined to pursue operational separation of Telstra so as to ensure that its wholesale customers, who are actually its competitors, are treated fairly and transparently in comparison with Telstra’s retail business units. The ultimate objective of operational separation is to provide equivalence and transparency to Telstra’s wholesale customers, and thus permit competition to flourish for the benefit of the people of Australia. It should be noted that there was a strong view expressed to the committee that operational separation will bring real benefits to Telstra’s competitors, consumers and the economy as a whole.

The competition and consumer issues bill provides the framework under which details of operational separation will be agreed and implemented by Telstra. There are key elements that the government has insisted must be part of the operational separation plan,
which include: Telstra must provide equivalent standards of service to its retail business units and its wholesale business units; the services covered must include all the essential services relied upon by the company’s competitors; Telstra must develop contractual arrangements for the supply of services from Telstra’s network business units to its retail and wholesale business units; separate business units must have separate staff incentive programs, separate premises and secure information systems; and Telstra is required to establish a director of equivalence to monitor and report to the board on Telstra’s performance against its operational separation obligations.

Telstra’s role in developing the draft operational separation plan was a source of consternation to some witnesses, but the draft plan will be submitted to the minister for approval and will be subject to a process of public consultation, which will provide other telecommunications companies with an opportunity to put their views forward. Another source of concern was the enforceability of the operational separation plan. Optus, in particular, argued that the requirement for the minister to issue a rectification plan when Telstra had breached the operational separation plan added an additional unnecessary step before enforcement action is taken against Telstra. However, the department argued that Telstra should be given an opportunity to rectify its behaviour, and only if it failed to comply with the rectification plan would it be in breach of its licence conditions and subject to enforcement action. Essentially, the point for the Senate to note is that the operational separation plan will be enforceable.

Another issue that I wish to touch on briefly is the $2 billion Communications Fund that will be established by the future proofing bill. It will be tied to the Regional Telecommunications Independent Review Committee’s regular reviews of the adequacy of telecommunications services in regional, rural and remote areas of Australia and will provide greater certainty that funds will be available to implement the government’s response to the recommendations of the RTIRC. Significantly, the fund will exist in perpetuity, thereby ensuring that a source of revenue will always be available to implement the government’s response to the recommendations of the RTIRC.

In general, witnesses welcomed the Communications Fund. A range of witnesses pointed to the government’s ability to leverage the fund to generate additional investment from telecommunications companies, as well as state and territory governments. With respect to the Communications Fund, the government’s consistent policy has been that it will be valued at $2 billion, irrespective of whether this is initially in cash, shares or a combination thereof. Nevertheless, the committee has determined that the future proofing bill would provide for greater certainty if the fund is valued at $2 billion by specifically requiring that cash of that value be transferred to the fund, rather than shares or a combination of cash and shares. The committee has therefore recommended accordingly.

The policies of the Howard government have revolutionised telecommunications in Australia. The first step was to deregulate the industry. As a result of deregulation, there are now over 100 telecommunications companies in this country. Competition has resulted in lower prices and the range of services offered vastly increasing, and the Howard government has greatly improved services available to those living in regional Australia. The last step in the process of reform is to end the government ownership of Telstra. There is an inherent inconsistency about the government being both the owner and the regulator of the biggest telecommu-
communications company in the country. The legislation enabling the sale of Telstra will end that anomalous situation, while recognising the special need to protect the interests of those living in regional Australia. I commend the committee’s report to the Senate.

Senator LUNDY (Australian Capital Territory) (5.21 pm)—It is strange how such an interpretation can be gleaned from the same set of hearings that was attended last Friday—brief as they were. Part of the tabling of this report today is the Labor senators’ minority report that identifies just a few of the profoundly complex issues that these five bills raise. Such was the nature of the Howard government’s efforts to limit this inquiry to prevent people from exercising their democratic right in having the time, let alone the opportunity, to express their views about it, we found ourselves at a very brief hearing with absolutely minimum time provided for scrutiny of these bills before having witnesses before us.

What should be noted is the incredible impost upon people who were invited to submit to this inquiry and those who were brought forward as witnesses. To have such a short amount of time—for most of them less than 24 hours—is too much to ask. It is unfair and it was unreasonable in the circumstances. The government report that is being tabling here today is a completely political contrivance as far as their view of this issue goes. Of course the government senators recommend that the bills all pass, albeit having been forced to concede that there was a fundamental flaw associated with the Communications Fund, and they have already placed in this report their intention to amend it. One of the concerns about the fund providing only up to $2 billion was one expressed by Senator Barnaby Joyce, and it was a concern not lost on any Australian following this debate. It was just another nasty little con inserted in the legislation to give the government some wriggle room so they could avoid their responsibilities and break their promises in telecommunications once again.

The issues surrounding the Communications Fund and, indeed, the $1.1 billion to support communications programs—in other words, the bribe this time round that the government is putting forward to try to buy off votes to support the full sale of Telstra—did not get the scrutiny that they deserve. We know that out of previous expenditure in rural and regional Australia particularly—and over $1 billion of taxpayers’ money has been flung at the area—most of those programs were finite and therefore next to useless, because all of the problems experienced in rural and regional Australia either have not gone away or have got worse. How much of that grant funding previously under Social Bonus, Networking the Nation, RTIF et cetera was wasted as a sop at the time, leaving those people who needed those services without access to them? The regional connectivity centres which provided public access to the internet are a great example of how the money was spent but then taken away when it ran out. I have been following the way that funding has been held back, restricted, stopped or come to its natural end following those grant programs arising out of previous tranches.

There is nothing in this proposal that is going to make it any different, so it will not change the medium- to long-term experience of rural and regional Australians. It provides a prop for the National Party to say, ’Look, we are doing something,’ but they know that, if they look at the evidence of how money like this has been spent in the past, it will not make a long-term difference. It will not bring the bush up to scratch as far as communication services go. We did not even have the time to make an assessment of these grants and their impact, or to talk to people in rural
and regional Australia, outer metropolitan Australia or, indeed, suburban Australia about the impact of this expenditure in the past. I can tell you, the evidence we would have heard would have said exactly what I have said today: that it was not any help in the long term. It solved problems and allowed plenty of photo opportunities for National Party and Liberal Party senators to stand out there and bask in the reflected glory of a cheque being handed over, but the services still are not up to scratch. We do not need to go any further than Mr Corish from the National Farmers Federation to find evidence of that. If anyone would know—and the National Farmers Federation to their credit have been participating in this debate for a very long time—they would know. For the National Farmers Federation to say that, you know that something has got to be wrong. So we did not get the opportunity to explore this crucial aspect.

But there were other aspects that we only touched on in the inquiry. One that is particularly important is the operational separation regime. We know that the regime put forward in this legislation is not a regime; it is a framework for a regime. These bills do not give any detail as to how the operational separation of Telstra will be managed. We know that the government’s model will have a wholesale, a retail and a networks division. That is not what the ACCC recommended originally. That will fundamentally entrench or institutionalise Telstra’s differential treatment of competitors from their own retail section, and that is exactly the problem that operational separation is supposed to resolve. The ACCC cannot do their job as competition regulator unless they can see transparently that Telstra are charging competitors what they are charging themselves. The whole purpose of operational separation is to give the ACCC what they need to see that everyone is being treated equally and fairly in the market. The legislation fails even in its flimsy framework because it does not allow that straight-up relationship to exist between Telstra retail and their competitors with the same unit inside Telstra. So the legislation gets that fundamentally wrong.

But wait. It gets worse. Not only have they set up a framework that will institutionalise unfair treatment, they have also cut the ACCC out of the picture. If you read the fine print of this legislation you will see that it is ministerial discretion that has the authority to approve the operational separation plan which Telstra is charged with the responsibility of creating. It is only on a subsequent problem with that plan when the minister may make a finding and issue an order for a rectification plan—that is, a second-tier process—that the ACCC are permitted under these bills to even get involved. So the principle of operational separation is thwarted in the very first instance.

Secondly, the ACCC itself says that there are so many unanswered questions. In our report the opposition quote what Graeme Samuel said, because it is such a strong point. I will now read that section of our report into the Hansard again:

As noted by the Chairman of the ACCC, Graeme Samuel, during his evidence:

“Issues for further examination as the operational separation plan is developed by Telstra and the government include the following: first, the precise details of the operational separation plan and Telstra’s obligations in relation to that plan—so we do not know what they are; the bill does not say what they are—second, the scope of services that will be subject to the operational separation plan; third, the enforcement regime associated with compliance or, more importantly, noncompliance with the operational separation plan; fourth, the powers to investigate whether or not compliance has occurred; and, fifth, the development by the working party proposed—that is, the working party of Telstra,
the ACCC and the department—of the internal wholesale pricing and the pricing equivalence regime.”

None of those details has been worked out. Without those details and without the ACCC having the power to be involved in that, the very operation of parts XIB and XIC of the Trade Practices Act, which have managed anticompetitive behaviour and given the ACCC powers and the pricing and access regime, is fundamentally undermined.

Once again, we see the Howard government pretending to take a step forward with the regulation of the telecommunications system. But, through looking at the fine print and the ridiculous framework that they have put up for this operational separation model, we find the government doing what they did last time, which is taking six big steps backwards. Any perception that this takes us forward is absolutely incorrect. You do not need to go past the evidence of the ACCC or indeed any of the other witnesses to see that—not to mention the hundreds of witnesses who were denied an opportunity to participate democratically in the committee inquiry. (Time expired)

Senator ALLISON (Victoria—Leader of the Australian Democrats) (5.31 pm)—I also rise to speak on the tabling of the report of the Senate Environment, Communications, Information Technology and the Arts Legislation Committee on the Telstra bills. With a notional majority in the Senate, the government has now moved very quickly and arrogantly to realise its ideological position and, armed with a hastily cobbled together package of new sweeteners, will divest itself of one of the most important public assets in the country. It allowed the Senate inquiry just one day to hear from those who wished to tell us their views. This process is manifestly inadequate for public and expert input and serious analysis to occur.

On behalf of the Australian public, the witnesses and submitters to this inquiry, I would once again like to voice objection to the farcical way in which this inquiry process has been conducted by the government. These bills contain significant changes to the telecommunications regulatory framework, which, witnesses told us, has serious flaws and significant risks, particularly for competition. From the media coverage you would think that the only issue related to these bills was the discovery—since rectified by the minister, apparently—that only ‘up to $2 billion’ rather than ‘the sum of $2 billion’ was to be placed in the Communications Fund. I might add that it was not, in fact, Senator Joyce who discovered this; it came out in answer to one of the questions that I put, which was prompted by one of the very late submissions to the inquiry.

So many other complaints were raised at the hearing. Mr Havyatt, from AAPT, after explaining to the committee the negative and costly consequence of a previous so-called minor amendment to the telecommunications legislation, said:

That was an unintended consequence of a very minor change to the telecommunications legislation. For anybody to say that changes to this legislation are easy to understand, based upon the number of pages, is patently misleading and not in the interests of Australians.

Mr Forman, from the Competitive Carriers Coalition, said that he supported the aim of the legislation, but:

... my remarks are qualified by the fact that we are still going through the detail of the bill. As we go through that, there become apparent more and more issues of grave concern to us.

Mr Samuel, Chairman of the ACCC, was at pains to state that, if certain things were done, the operational separation model could meet the government’s aims. The ACCC were reluctant to say that they thought the model was a good one or that they were sat-
satisfied with the model. I will quote from the Hansard. Senator Brandis asked Mr Samuel:

Mr Samuel, to draw this together, may this committee take it that the ACCC’s position and advice to this committee is that it is satisfied with the government’s operational separation model?

Mr Samuel responded:

I have indicated that there are about five outstanding issues that need to be developed. It would depend on the satisfactory development of those issues, which are quite significant issues, including compliance, investigatory powers and the like, before I could give an opinion on that.

That is hardly a ringing endorsement by our competition watchdog. Mr Samuel went on to say:

There are some process issues which may merit further examination by the government so as to ensure that the model reflects the government’s intentions to have a robust set of equivalence obligations. Issues for further examination as the operational separation plan is developed by Telstra and the government include the following: first, the precise details of the operational separation plan and Telstra’s obligations in relation to that plan; second, the scope of services that will be subject to the operational separation plan; third, the enforcement regime associated with compliance or, more importantly, noncompliance with the operational separation plan; fourth, the powers to investigate whether or not compliance has occurred; and, fifth, the development by the working party proposed—that is, the working party of Telstra, the ACCC and the department—of the internal wholesale pricing and pricing equivalence regime.

These would appear to the ACCC to be the principal issues that will need to be resolved to determine if the operational separation provisions will deliver increased transparency and equivalence and thus make it easier for Telstra, its competitors and the ACCC to determine whether or not Telstra is engaging in anticompetitive conduct, which might then lead to the ACCC applying the telecommunications specific provisions of part XIB of the Trade Practices Act.

Other witnesses were a bit more straightforward and criticised various aspects of the model. The following were some of those criticisms: that Telstra is able to develop the plan itself and that the minister and not the ACCC will oversee the development and implementation of the plan, that the operational separation plan is not a licence condition, and that the enforcement of a breach of operational separation by the ACCC is not available until after a rectification plan has been developed. Another criticism was that there is no requirement for the ACCC to be involved in the development of the draft plan and no requirement that the minister take advice from the ACCC with respect to the draft plan. Further criticisms included that the legislation does not allow the minister to designate new services and that there is an absence of a formal advisory role for the ACCC in the internal wholesale pricing and pricing equivalence regime. The possible length of time involved in setting prices was also criticised, as was the interaction between XIA and XIB and the operational separation plan.

A representative from the department explained that the enforcement regime was appropriate because it gave Telstra an opportunity to rectify its behaviour. The representative said:

The philosophy, if you like, is this: this is about Telstra’s internal operation, let’s give them a chance to get it right in the first instance. If they don’t get it right in the first instance then we come in and be quite prescriptive about how they should do it, and then that will be a breach of the license conditions if they do not get it right in that circumstance.

The Competitive Carriers Coalition, in a follow-up submission, said:

... it can be confidently predicted that failing to make compliance with the operational separation plan a licence condition will create opportunities for gaming by Telstra that will be exploited.
The other critical issue raised in the inquiry was the adequacy of the future proofing measures. The government’s key response to the issue of future-proofing, as we all know, has been to establish a regional review committee which will undertake reviews every three years and a Communications Fund of up to $2 billion from which recommendations from those reviews will be funded. The government also pledged an additional $1.1 billion to be spent on broadband and mobile coverage over the next few years; however, it is not clear whether the funding will be targeted only to regional and rural Australians. Mr Cooper of the CEPU summed up key problems:

In putting forward this package, the Government claims it is “future proofing” regional and rural Australia’s communications services (presumably against those commercial forces which the Government itself has unleashed through its own privatisation policies). The CEPU considers these claims ill-founded. While the specific measures proposed here may confer modest benefits on those who live in these areas, they cannot, in our view, provide answers to the long-term investment needs of the community.

Nor will the operational separation of Telstra do anything to help “the bush”. The chief beneficiaries of this measure will be companies whose prime targets are high spend commercial customers and the metropolitan mass market. The chief beneficiaries of this measure will be companies whose prime targets are high spend commercial customers and the metropolitan mass market. Thin rural and regional markets will continue to hold few attractions for profit driven firms, irrespective of the structural experiments of policy makers.

I want to finish on a few of the very late submissions. Women with Disabilities Australia and People with Disability Australia made submissions. The Democrats agree with the key issues raised in their submissions and the need to ensure that adequate protections for people with disabilities are maintained and strengthened. The National Rural Health Alliance argued:

Funding announcements should be evaluated against their ability to deliver telephony, internet and data services that meet the needs of rural and remote Australians – not just repair potholes and black holes. In today’s world, telecommunications underpin the delivery of health and education services, as well as business and family activity, and more so in rural and remote areas.

Mr Williams, Director of Meridian Connections, argued:

A far more economical and efficient process is continual improvements to one national system, one national system of roads, rail, power generation, water, the advanced cable system that Telstra has and is not using for the public.

Mr Kevin Morgan’s submission delivered a compelling argument as to why competition cannot be sustained in parts of regional and rural Australia and why the government’s package is inadequate. There were also submissions from private citizens, who raised their concerns about the full privatisation of Telstra, something which the committee was not able to take evidence on.

I will conclude by restating how disgraceful this process of scrutiny—you could hardly call it scrutiny, really—has been. There was no reason to rush the bill through the parliament. This is not a national security issue and there is no impending sale. While the Democrats oppose the full privatisation of Telstra, we can see that the reality is that it will go through. Because it will go through, we will move a raft of amendments in response to the evidence that could be gathered in such a short time frame. (Time expired)

Senator BOB BROWN (Tasmania) (5.42 pm)—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES

Foreign Affairs, Defence and Trade

References Committee

Report

Senator HUTCHINS (New South Wales) (5.42 pm)—I present the report of the For-
eign Affairs, Defence and Trade References Committee entitled Mr Chen Yonglin’s request for political asylum, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator HUTCHINS—I seek leave to move a motion in relation to the report.

Leave granted.

Senator HUTCHINS—I move:

That the Senate take note of the report.

I would like to commence my remarks by thanking Dr Dermody, the secretary of the committee; Ms Lyn Beverly, from the secretariat of the committee; the hardworking Hansard staff; and, of course, my Senate colleagues. This reference was referred to the committee on 16 June. To reiterate for honourable senators, Mr Chen Yonglin was the first secretary political at the People’s Republic of China’s consulate in Sydney from 2001. On 26 May 2005 at the DIMIA Sydney office he applied for political asylum on his own behalf and that of his family. Mr Chen also advised the committee that his father had been murdered during the Cultural Revolution and that he was a pro-democracy activist in Tiananmen Square in 1989.

The committee is seriously concerned about the inept and inappropriate handling of Mr Chen’s initial contacts with department of immigration officials on 26 May. Mr Chen, as I said, presented himself at the DIMIA Sydney offices seeking an appointment with the state director. After his requests were rejected, he left a letter requesting political asylum for himself and his family. During that time, two executive assistants to the director sought contacts from Mr Chen, ostensibly to verify his identity. Mr Chen clearly indicated that he did not wish to have the Chinese consulate contacted regarding his presence at the DIMIA office in Sydney. However, the overenthusiastic staff did contact the embassy and asked if Mr Chen Yonglin worked there. It was clear in the hearings that those staff had other means of verifying Mr Chen’s credentials. Moreover, Mr Chen indicated on a number of occasions that he regarded his life as being in danger as a result of his actions.

The committee heard that such disclosure of Mr Chen’s identity was inconstant with Australia’s treaty obligations to protect the identities of persons seeking political asylum and could well have breached the spirit of the Migration Act and the Privacy Act. Indeed, we were advised by the United Nations Human Rights Commission, in its appearance before the committee, that under international conventions to which Australia is a signatory the confidentiality of an applicant should be protected at all stages and no contact should ever be made with the home country of the applicant until the determination has been made. It makes no sense that a person in the position of Mr Chen, a diplomat seeking to defect with his wife and child, would act as flippantly as DIMIA sought to argue he did before the committee. It was concerning that one staff member said that, because she heard laughter in the background, she thought the call might not be genuine. As such, the committee has recommended that procedures and training be put in place to handle similar events in the future in a proper way so that the confidentiality of applicants is protected.

The second issue that concerned the committee was the ad hoc nature in which decisions for granting territorial asylum for high-profile diplomats are made. The territorial asylum power is a power retained by the executive and normally exercised by the Minister for Foreign Affairs. The committee understand that Mr Chen’s application was decided in considerable haste, sometime between 7 pm on 26 May and 10.30 am on 27
May, when an interdepartmental committee meeting was advised. Despite being in existence for over half a decade, the territorial asylum option has been little used, and this has resulted in no specific procedures being created to govern its use. In the past, applicants have generally enjoyed a meeting at least, and there is evidence that ministers have at least given close attention to, or even discussed, these matters in cabinet. However, as I have said, this matter was decided in the space of less than 15½ hours. Mr Chen has still not been provided with a statement of the reasons for the decision to not grant him territorial protection. The committee were also concerned that no procedure for the investigation of grounds and no guidelines for the minister’s decisions were available at the time of the decision being made. In light of the perceived risk to Mr Chen, this was totally unsatisfactory.

One of the most concerning issues for the committee involved the discussions, as revealed, between the foreign minister, Mr Downer, and Madam Fu, the Chinese ambassador, on 2 June 2005. These occurred against a backdrop of ongoing requests for information from the Chinese embassy since Mr Chen leaving the consulate on 26 May. At the same time, Mr Chen was being told that he could apply for a tourist visa to remain in Australia, and DIMIA were not responsive to his requests for a more secure meeting place than their public offices in Sydney.

DIMIA and DFAT did not respond to Mr Chen’s stated belief that his life was in danger, advising that this was a matter for the state police. In fact, DFAT kept trying to get him to contact the embassy, despite his repeatedly stating his fear that his life could be in danger. Chapter 5 of the report, which has already been made public, outlines allegations made by Mr Chen about the activities of Chinese officials in this country. At their meeting, Madam Fu briefly raised the issue of Mr Chen with Mr Downer. Mr Downer is on the Hansard record as saying nothing inappropriate happened on that occasion. However, in that discussion Mr Downer asked if Mr Chen would be persecuted if he returned to China. The committee believes that any discussion, however brief, was inappropriate, given the fears that Mr Chen had for his safety and given that no decision regarding a protection visa had been made. Such discussions could have constituted a clear breach of section 336E of the Migration Act, if any identifying information concerning Mr Chen was disclosed. The jury must still be out on Mr Downer’s conduct at the time, especially if it privileged foreign affairs considerations over our protection obligations.

What characterises this whole sad episode is the insensitivity, no matter how innocent, that was demonstrated—and the ignorance of and unconcern for the rights of a very distressed asylum seeker. There was an unseemly, unprecedented decision to withhold this man’s rights—to breach those rights, to try to cajole him and to betray him to that nation from which he had sought asylum. The Chinese have a term for this behaviour: kowtow. I will quote from my dictionary’s explanation of how this term has been converted to use and understanding in English: Kowtow came into English in the early 19th century to describe the bow itself, but its meaning soon shifted to describe any slavish support or grovelling.

I will leave you to judge how the actions of this minister and this government in relation to how they approached the defection of this man, Mr Chen, may be summed up.

**Senator BOB BROWN** (Tasmania) (5.52 pm)—I congratulate the people who worked on this inquiry and I congratulate the chair for the speech he has just given. This whole
matter involves a failure of the Australian government, from the people at the top levels down to those who were at the meeting place when diplomat Chen Yonglin came to the Australian authorities to defect. The fact is that Chen Yonglin was failed from the moment he made his approach and he went on being failed. He was failed when he was moving from a police state to seek asylum in a free and open democracy. We can see in the treatment he received greater similarities with the treatment we might expect in China than with the treatment we would expect here in Australia. The overall picture presented to this committee is one of largely unchecked surveillance—and, at times, harassment—of Australian citizens in Australia by agents of the People’s Republic of China. The Australian government is not responding to this unacceptable intrusion of a foreign government into the domestic life and freedoms of our country.

When Mr Chen defected, a courageous man expecting safe harbour, if not an open-armed welcome, in Australia for himself, his wife and his six-year-old daughter did not get it. A similar thing occurred with the defections of the two former police officials of China who also appeared before the committee. Beijing was notified of Mr Chen’s defection by Australian government instrumentalities, but the committee was unable to prove who was responsible for the department of immigration’s failure to allow that to happen. The matter of who did that may have been resolved by requiring the two secretaries who dealt directly with Mr Chen in Sydney on 26 May to appear. However, they were not asked to appear. The lackadaisical attitude of the senior officer, whose name is O’Callaghan, to Mr Chen’s presence and to Mr Chen’s urgent entreaties in his premises—downstairs from his office—is inexcusable.

The consequent failure of the Minister for Foreign Affairs to accept Mr Chen’s plea for asylum, which the committee chair has just spoken about, and his failure to then promptly notify Mr Chen of that refusal to grant him asylum disregarded the best interests of Mr Chen and the best interests of this nation, Australia. This failure was compounded by Mr Downer’s breach of Australian law when he spoke with China’s Ambassador Fu about Mr Chen on 2 June 2005. Let us be blunt about this: Mr Downer had no right to speak to Chinese Ambassador Fu Ying on 2 June. Chen Yonglin was in hiding. He feared for his life and for the lives of his wife and child. He had approached the Australian authorities and been rebuffed. He had approached the Minister for Foreign Affairs and been turned down, although he had not been told of that by the Minister for Foreign Affairs. Yet, when the ambassador of the police state of China met with our foreign minister, the issue, no doubt with self-aggrandisement, was raised and a conversation took place.

In the absence of other evidence, I believe that it was the Minister for Foreign Affairs who asked what would happen to Mr Chen if he were to be sent back to China. The minister was actually courting that possibility. It is almost impossible to believe. My reading of the law is that it is illegal to talk about a person in Mr Chen’s circumstances with the government involved. It is illegal, but Mr Downer did it. What a way for our Minister for Foreign Affairs to behave. He owes an apology to Mr Chen and an explanation to this nation. The evidence before the committee leads to the conclusion that the Australian government considers that its political relationship with the Chinese government is more important than the political, religious and human rights of individuals in both countries. That is deplorable.
Senator BARTLETT (Queensland) (5.57 pm)—This is an important report—we need to emphasise that point first—but it is one in a long line of reports that demonstrate problems in how we approach asylum claims. We have had the minister, the Prime Minister and, indeed, the former secretary of the department of immigration acknowledge in recent times that there are major problems with the culture within DIMIA. It is good that that is acknowledged now, but the fact is that that has been demonstrated by report after report, literally going back into the last century—into the 1990s—including Senate committee reports, human rights commission reports, Ombudsman reports and other parliamentary committee reports. But at least there are now some first movements on it.

However, the point that has to be made is that changing some people around in the department, including the secretary and some others, is not going to dramatically change the culture within the department, unless the culture, attitude and policy in the government, among senior ministers and within the law changes. What I think this report emphasises most conclusively is that, if people think that there is an attitude and culture problem within DIMIA, and obviously I believe that there is, then within parts of the department of foreign affairs, at senior level as well as with the minister, there is a cultural problem that is just as significant—and potentially more significant. When you have an attitude that says that in the blink of an eye you can blithely sweep to one side a serious concern—a clearly genuine request for political asylum from a senior diplomatic official from a communist, totalitarian dictatorship which we all know has serious human rights problems—that says to me that there are serious cultural problems with the foreign affairs minister and with the senior officials of his department.

That is the key point that has to be drawn from this. While ever we are prepared to ignore anything that is inconvenient in relation to serious human rights abuses, we will continue to have cultural problems. That goes to the heart of so many things that have come to light in so many other problem areas. For any case where that is inconvenient politically, it is just bad luck. I support having a good relationship with China. It is in our political, economic and cultural interests. But no good relationship should be at the cost of ignoring human rights—I do not care how good the trade opportunities are.

One of the side benefits of this inquiry was that much further evidence came to light from Falun Gong practitioners and other people from China, including former police officers who gave quite concrete evidence of very serious persecution, torture and murder of Falun Gong practitioners by the Chinese regime. That has been something the Minister for Foreign Affairs has been willing to downplay time and time again. No wonder we have a cultural problem.

I have to disagree to a small extent with what Senator Brown said. I support this report, as all non-government senators do. I also made a few additional comments. It is right to criticise the action of the DIMIA officials in Sydney at the initial stage. Clearly, in hindsight, it was a poor decision to contact the Chinese consul. But, firstly, you have to recognise that those initial actions were made before it was clear that this was a claim for political asylum and secondly you have to acknowledge that none of the people involved had in their living professional memory ever experienced a case of political asylum. It is rare. To that extent, I am willing to acknowledge that the actions, while in hindsight were wrong, were excusable. But we need to learn from them and make sure that they do not happen again.
I also believe we should not be putting too much of the blame on the public servants dealing with the initial situation. We should acknowledge that this case was handled and controlled from right at the top, and that is where the cultural problem is. Not only did the Minister for Foreign Affairs ignore Mr Chen’s claim but, straight after that, the official from the Department of Foreign Affairs and Trade—when they finally met with him—spent their whole time trying to convince him to go away, to go back to China. They said, ‘It’ll all be fine; just go away.’ It was quite clear what the message was to him. That is disgraceful. For somebody who was making a genuine claim for freedom from persecution for themselves and their family to be told to ‘go away’ is not acceptable. We have serious cultural problems that go much deeper than just DIMIA. (Time expired)

Senator JOHNSTON (Western Australia) (6.02 pm)—These factual circumstances are quite unique and extraordinary. Chen Yonglin was a 38-year-old Chinese diplomat who arrived in Australia on a diplomatic passport in August 2001. He assumed the role of consul for political affairs at the Chinese consulate in Sydney. He told the committee that he was in charge of implementing the People’s Republic of China’s central government policy in relation to ‘the five poisonous groups’: Falun Gong, pro-democracy movement activists, the pro-Taiwan independence force; the pro-Tibet separation force; and the eastern Turkistan force. He noted that he was required to persecute Falun Gong practitioners overseas, a task which—if he is at all to be believed in any of the matters he raised—he presumably accepted and carried out for at least the period 2001 to late May 2005.

This is the background to the person who arrived at the Sydney offices of DIMIA late in the morning of 26 May this year and said that he wished to speak to a particular person. He had made no previous arrangement. He did not properly disclose his ultimate intent. He simply handed over two envelopes addressed to the then state manager and to another person.

A number of things flowed from that which may well have been, with the benefit of hindsight, handled better. But I want to point out that the inauguration and commencement of this factual matrix was absolutely extraordinary: a diplomat, who by his own admission, was in charge of his government’s offshore activities attacking or seeking to undermine the so-called five poisonous groups, turns up unannounced and delivers two letters.

It was some hours until the senior officials at the Sydney offices of DIMIA discovered that he was seeking political asylum. Political asylum cases in Australia are extraordinarily rare. The Petrov case is the most well-known and celebrated case of political asylum. The girl in the red bikini—the Russian who jumped ship in Sydney—was also a similar applicant. Indeed, political asylum has been granted only two or three times by Australia to foreign nationals seeking it. Mr Chen took the Australian government, the Australian people and, indeed, the DIMIA officials in Sydney utterly and completely by surprise. Notwithstanding that, it was ascertained later that day what he was on about. That is when the Commonwealth officers began to react to, deal with and process his claim.

Mr Chen raised a number of allegations. I want to say that the first thing anybody seeking political asylum would have to do in order to have any opportunity of getting it would be to poison the well, so to speak. They must bring allegations against their government. They must create a background such that there is, if not already, a likelihood
that they will be punished when they return home.

Mr Chen set about doing that. He set about creating a circumstance where the Australian government and the Chinese government were effectively given no option. He made extensive allegations, rightly or wrongly, against a broad range of people, including his own government, which effectively meant that the Australian government was left in a position where they could not send him home. He obviously did that so he could stay. It was a surprise to the Australian government that a diplomat on a diplomatic passport would not return home, as would have been anticipated on the grant of his diplomatic entry visa at the beginning of his posting to Sydney.

Another important fact which I think indicates that Mr Chen had some long-term ambition and had been planning to come to the Australian government for some time was that he had left a detailed letter in his apartment setting out to his government that he was disenchanted and that he refused to want to carry out his duties anymore. So he effectively poisoned the return route. He shut the door tight so that he left the Australian government with no real alternative than to grant him a visa.

Notwithstanding the embarrassment and the difficulty he put the Australian government through, at no time was Mr Chen declared an unlawful noncitizen and he was afforded a protection visa, which entitles him to citizenship in the long term. This is not a happy event in terms of a modus operandi to seek to stay in Australia. Mr Chen could have gone about the task through the proper formal channels. He could have said, ‘I love Australia and I want to stay in Australia,’ and he could have applied. But he effectively jumped the queue with the allegations that he made, and I think that that is to be regretted.

Mr Chen brought a number of stories as to what happened in the DIMIA offices. It was unfortunate that, apparently, a junior employee did ring the Chinese consulate in Sydney to check his identity. The Migration Act sets out that particular matters of identity should not be disclosed to a foreign government in the face of an asylum seeker. It is an offence to disclose identifying information to the foreign government where that person is seeking asylum. In this case, at no time was there any information that would fit the definition of identifying information disclosed to the People’s Republic of China government representatives in the Sydney mission or in the embassy here in Canberra. Identifying information is defined in the Migration Act as:

(a) any personal identifier;
(b) any meaningful identifier derived from any personal identifier;
(c) any record of a result of analysing any personal identifier—and so on. A personal identifier actually means fingerprints, a measurement of the person’s height or weight, a photograph of that person, an audio or visual recording, an iris scan, a person’s signature or ‘any other identifier prescribed by the regulations’—and I might say that the regulations do not prescribe any further identifiers. At no time did the DIMIA officials in Sydney or the DFAT or DIMIA officials here in Canberra who reviewed his case disclose any breach of the Migration Act type identifier material and certainly neither did the minister. The committee heard no evidence of that. There was no evidence, and we examined everybody.

There was evidence, however, with respect to the allegations made by Mr Chen of a kidnapping and all manner of things. These allegations were investigated. The Federal Police came along to the committee and said,
in short: ‘We found that the allegations which Mr Chen made had no substance.’ So what we have is a person who, as a diplomat, knows what is required to get over the threshold and put a foreign government into a position where they have no alternative but to grant him a visa because he had so poisoned his relationship with his home government. That is what he did. He made a number of allegations and the Federal Police, as I said, investigated them and found those allegations to have no substance.

The fact of the matter is that, no matter what Senator Brown or the majority report might say, Mr Chen was never at risk of being returned to China. He was never declared an unlawful noncitizen and he was, within one month of application, granted a protection visa. There is absolutely nothing that Senator Brown could complain about here—other than to seek to score political points, as he always seeks to do when it comes to a matter of China. The committee heard no evidence against the minister and no evidence that the Migration Act was breached. At the end of the day, the committee—largely at Senator Brown’s behest—wanted to immerse itself in matters of Falun Gong and other things. But these are matters that the committee had only a passing interest in and are a term of reference for another day, so that the committee can properly and fully examine such allegations. (Time expired)

The ACTING DEPUTY PRESIDENT (Senator Crossin)—Senator Johnston, do you wish to seek leave to continue your remarks later?

Senator JOHNSTON—I do. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

BUSINESS
Consideration of Legislation
Debate resumed.
telecommunications services for the average citizen in this country.

One of the things that concerns me about the undue haste which is inherent in this motion is the failure of the government to explain what happened to the fortunes of average Australian shareholders when they bought into the second tranche of the privatisation of Telstra. They lost billions of dollars. Can, and will, the government explain to those Australians what happened to their money? I will be seeking explanations during the committee stage, although it will be guillotined later this week. Can the government explain why the expectation that the shares would be worth more than $7 was 100 per cent over the actual value that the market settled on? Can the government explain to those Australians who lost their money how it could have so badly mismanaged the sale so that so many ordinary Australians lost their money and are still deciding what to do—whether to get out or whether to stay with Telstra—at a time when the Prime Minister is asking Mr Trujillo and others to ‘talk it up’ rather than state the situation as it is?

At this stage I just want to say again to the National Party that there is a need for more time and better investigation. In the absence of a committee that was worth the name in the advertisement to declare that it was open for business—that failed to get into the Financial Review because of the rush last week—we need to have the investigation of the very complex components of these five bills in the committee of this Senate during this week. We need to get time to do that. The only way that will succeed is if the National Party gives the people of Australia, through this Senate, the time to do that. What I predict will happen instead—we saw the first motion to have more time voted down by the coalition this morning—is that the government and the Prime Minister’s office will keep everybody aboard. It will. The talks going on outside this Senate are much more important than the debate inside this Senate. Witness the absence of all but three of the 39 government senators at this moment from the Senate. The question is: at what stage will the National Party senators cave in and claim that they have got a better deal? One of the issues that Senator Joyce was quite rightly concerned about was the ‘up to $2 billion’ clause in the legislation. I will come back to that a bit later in the debate, but a question we might ask the government before we get to that is whether it is prepared to release the drafting notes given to the drafters—who are very loyal and stringent in taking instructions—so that we can see if it was indeed a mistake? Of course, I do not think it was anything of the sort. It was a deliberate piece of terminology given to the drafters so that those who believed $2 billion would be kept in a fund would be cheated further down the line. It is just the same as the promises made over the GST to Senator Lees, former leader of the Democrats, by the Howard government. They were full of weasel words and were not kept when it came to the implementation of hundreds of millions of dollars worth of promises on goods which Senator Lees had negotiated at that time.

We are going to see a vote very shortly. I am going to sit down now so that it can be taken before tea—if the minister so wants it, because I see he is going to speak after me. But the process is a farce and nothing in here is going to change that unless the National Party senators have the gumption, the backbone, to stand up to this farcical process on behalf of their rural and regional constituencies and say, ‘We want more time, we will take it and we will get this right, or we will block this legislation.’

Senator ELLISON (Western Australia—Minister for Justice and Customs) (6.21 pm)—The proposed legislation for the priva-
tisation of Telstra is two bills in the Senate and three in the House of Representatives. Last week the Senate determined that the two bills that are currently in the Senate should be exempt from the cut-off, that is, they can be introduced in the same sittings and debated in the same sittings. As well as this, the Senate determined that all five bills I have mentioned—three in the other place and two in the Senate—be sent to the Senate references committee so they could be examined as a package. This motion proposes to treat the three bills from the House of Representatives in the same manner as the two we dealt with last week. It will also allow cognate debate, which is something that Senator Ludwig mentioned in his speech on this matter and something that people have mentioned. I simply reiterate that what we are doing here is allowing senators to deal with these five bills as a package—that is, they can be debated in a cognate fashion. There is no blunt instrument or any convoluted process involved in that.

It is really hypocritical of Labor to say that this is something untoward, unusual or indeed convoluted. When you look at Labor’s record you will see that they dealt with privatisation bills dealing with the Commonwealth Bank, Qantas and CSL without a reference to a committee. The Commonwealth Bank Sale Bill was introduced in the Senate on 26 October 1995 and passed on 27 November 1995—the next month. The Qantas Sale Bill was introduced in the Senate on 12 November 1992 and passed on 7 December 1992—the very next month. The CSL Sale Bill was introduced to the Senate on 28 October 1993 and passed by the Senate in the following month on 23 November 1993. All of those bills were passed without a reference to a committee and without the extended debate and scrutiny which we have seen with the privatisation of Telstra.

The Senate Environment, Communications, Information Technology and the Arts References Committee has in just over a year handed down reports into the telecommunications regulatory regime, the powers of the industry regulators, the Australian telecommunications network and competition in Australian broadband services. The most recent of these inquiries, the performance of the Australian telecommunications regulatory regime, completed its report only last month. The Senate Environment, Communications, Information Technology and the Arts Legislation Committee has also already inquired into the provisions of the Telecommunications Legislation Amendment (Regular Reviews and Other Measures) Bill 2005 this year. What we have here is a thorough examination of the proposal to privatise Telstra. We have a process which brings the five bills together so that they can be debated cognately. I will not hold up the Senate any further in order that we can get on with the second reading speeches and debate this very important proposed legislation.

Question put:

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

The Senate divided. [6.29 pm]

(The President—Senator the Hon. Paul Calvert)

Ayes…………. 34
Noes…………. 32
Majority………. 2

AYES

Abetz, E. Adams, J.
Barnett, G. Boswell, R.L.D.
Brandis, G.H. Calvert, P.H.
Chapman, H.G.P. Colbeck, R.
Eggleston, A. Ellison, C.M.
Ferguson, A.B. Ferris, J.M.
Fierravanti-Wells, C. Fifield, M.P.
Heffernan, W. Humphries, G.
Johnston, D. Joyce, B.

CHAMBER
Senator BOB BROWN (Tasmania) (7.30 pm)—I move the second reading amendment standing in my name:

Omit all words after “That”, substitute “further consideration of the bills be an order of the day for 4 October 2005”.

While a motion with similar effect moved this morning by the Labor Party was voted down by the government, I want the option left there for the Senate to take a bit more time—three weeks more—to properly consider this matter if the government or any of its members want to support that option.

I will quote from an article in yesterday’s Australian Financial Review by Mr Bill Beerworth, Managing Director of Beerworth and Partners and a member of the Australian Competition Tribunal. He includes a list of things which he believes that the sale of Telstra—the T3 prospectus—should have as an ideal starting point, noting the failures of the T2 prospectus, which gave investors a very wrong assessment of what the value of the shares would be. This is in the event that privatisation goes ahead. I am assuming that it will despite the Greens’ opposition to it. Here are some things that he proposes for the prospectus. Firstly, he says:

It should contain a section explaining how the T2 subscription price was calculated, why the share price rapidly dropped to about half that amount and why it is still $3 or so below that price.

Secondly, he says:

There should be an explanation of what went wrong and why no one has ever accepted liability for it. Certainly no-one in government, the biggest shareholder, has. Thirdly, he says:

There should be a clear statement of the investment maths for the pricing of T3 and how it is justified.

That is a very sensible expectation. It would be very simple for us to put it into this legislation. Fourthly, he says:

...
There should be an abject apology to T2 subscribers who invested on the faith of the government's recommendation. I think we can go past that one—we do not have a Prime Minister who is into apologising to people who have been harmed in the past. Finally, he says:

There should be a discount offer for T2 shareholders to equate them with T3 subscribers.

He says that T3 subscribers will be in a better position. That can be debated. What is really underlying Mr Beerworth's proposals for the sale of Telstra is getting some truth. What concerns me about the process we are entertaining this week—or the process that the government is going to force on the Senate this week—is that we will not get answers, let alone the truth. We are not going to have a full committee consideration of these five bills. They are going to be shoved together. There will be no ability to question particulars, and there was no such ability at the farce of a committee hearing last Friday. The government—particularly the Prime Minister, whose baby this is—is not going to be put under the rigorous cross-examination that it would be put under if this was to be properly debated, simply because the government has the numbers.

The questions, though, are manifest. One of the basic questions is: if a report which has come during Mr Sol Trujillo's time as CEO says that $2 billion to $3 billion needed to have been spent in the last several years to bring Telstra up to expectations and, amongst other things, to obviate the fact that 14 per cent of subscribers have faulty connections, how on earth is a $2 billion fund for the future going to make up for that shortfall of just the last few years? How much in real terms is that $2 billion fund for the future going to provide, not just for the upkeep but also for the modernisation of an increasingly complicated telecommunications system for the whole of regional and suburban Australia so that that service is at a comparable level with the service that the rich at the big end of town will get? It beggars belief to think that a $2 billion fund can provide for the shortcoming that has already been identified and go anywhere near to providing equal services for regional Australia into the future, let alone provide for those services that we do not even know about yet. I see that our friends in Japan reckon that we will have three-dimensional TV by 2020.

Senator McGauran—They just voted for the privatisation of the postal service!

Senator BOB BROWN—I am not sure whether the honourable senator opposite, Senator McGauran, in commenting about the Japanese situation, is flagging the sale of Australia's postal services next. But it is certainly in the government's mind. It is a very serious matter because, again, rural and regional Australia loses out. Senator Joyce, who is with us in the chamber, quite properly picked up on the 'up to $2 billion' clause in this legislation. That was the government's prescription for that fund, because that was what was given to the drafters.

One only has to look back at what happened to the Leader of the Democrats a few years ago when she supported the GST legislation through this place. How clearly I remember her, in June 2000, with the promise of hundreds of millions of dollars flowing to other community benefits, including some very savvy environmental outcomes which would have created jobs in regional Australia, amongst the other things that Senator Lees had in mind. But there were too many 'get-outs' in the arrangement, and they did not survive. If we go back to the $2 billion fund in this legislation, where is the guarantee on that? Even if you did say that the money coming off that $2 billion fund—let us take 10 per cent: $200 million a year—could supply the needs of rural and regional
Australia, that it could keep up the services required in the bush plus provide the new ones, who is going to guarantee that fund? Who on earth will guarantee that?

Governments come and governments go, and you cannot bind future governments with current legislation. Everybody knows that that cannot be assured. There is only one way you can assure that there will be adequate servicing of the bush, and that is by keeping Telstra in public hands and therefore subject to the Senate and the House of Representatives, the elected members here who are subject to the public out there. The very fact that this debate is taking place shows that you cannot guarantee that. How much less can you guarantee the interest on a $2 billion fund being put into rural and regional services, let alone the existence of that fund? You cannot guarantee that, and experience says that in the future that will not happen. The bush will be left to appeal to government largesse to try to do the best it can to make up for a privatised company whose interests are not to spend money for services which are not profitable. It will be putting its services into profitable areas, which means downtown cities in particular. The Greens will be opposing these bills.

Senator SANDY MACDONALD (New South Wales—Parliamentary Secretary to the Minister for Trade) (7.40 pm)—We have been working towards this sale for 10 years and it has been exhaustively debated, our aim being to provide a well-regulated, competitive telecommunications environment for all of us in the belief that continued public ownership of Telstra is not a prerequisite of an acceptable level of service. In fact, the opposite is the case. How can the government continue to be the regulator, the major shareholder and also a provider of funds for additional infrastructure and services at the same time? There is a clear conflict of interest. Whether we like it or not, that is the position in which we find ourselves.

Telecommunications is no longer a natural monopoly. Most informed people agree. Even our political opponents concede it privately—and, in fact, not so privately. Both Mr Beazley and Mr Keating actively considered the sale of Telstra, as has been widely reported, with Mr Keating having discussions with BHP in this regard some 10 years ago, before we came into government, of course. I think the Australian people can be grateful that the Australian Labor Party did not sell Telstra. After all, they were a most profligate government. They built government debt to around $90 billion. Any money that they got their hands on with the sale of the Commonwealth Bank, the Commonwealth Serum Laboratories or Qantas, they used for recurrent expenditure. They certainly did not pay off the national bankcard. The $3.1 billion package that is proposed in this legislation is a real bonus and only available to the Australian people because of the sale of Telstra and because of the wise and prudent management of our economy by the coalition government.

The Nationals have done what we were elected to do. We have used and we will use the sale of Telstra to secure the biggest boost to regional telecommunications in our history. It is in addition to everything else we have done as part of the government over the last nine years. Since 1996, the coalition have delivered unprecedented benefits to Australian consumers and businesses through development of a highly competitive telecommunications regime. This has been underpinned by strong—in fact, world's best practice—consumer safeguards and supported by appropriately targeted funding in areas where market failure might deny consumers, particularly rural, remote and regional consumers, the full benefits of competition.
Competition, regulation and subsidisation where appropriate have been the key elements of our approach to providing telecommunications outcomes to all Australians, and they will remain. That is what good government is all about and that is what the National Party, in cooperation with our colleagues in the coalition, Telstra, other telecommunications providers and telecommunication infrastructure providers will work to achieve with this package. Our objective is to make sure that all Australians have equitable access to high-quality telecommunications services.

Our approach to fulfilling this objective has three planks. Firstly, we have encouraged competition to deliver innovation, cheaper prices and greater choice, while always remaining completely open to new technology and new carriers. There is nothing in these proposals for future proofing which is technology or company specific. In a sense, the $1.1 billion Connecting Australia package is money that can be utilised by any company. It is certainly not technology specific.

Secondly, we have maintained tough regulatory safeguards like price capping, the very much expanded customer service guarantees, the local presence plan, the commitment to retain Telstra Country Wide and the USO which is presently held by Telstra. I would expect that, despite the call for competition and it being opened up to tender, it would be likely to remain with Telstra for the foreseeable future. These regulatory safeguards are ongoing, certainly while we are in government, and they are not a closed book. I remind the Senate that we are the government. We will regulate Telstra and other providers as we see fit. Telstra or any other market player must expect to shape up or ship out.

Thirdly, we have provided targeted funding to improve services in areas which are not going to be served by the market. For the record, the Australian government in the period 1997, from T1, to 2009 will have spent approximately $4 billion on programs to assist regional telecommunications. This is in addition to probably $20 billion that has been invested by Telstra and the 100 or so other telecommunications carriers that now operate.

The various regional telecommunications programs have been an ongoing response to both the Besley and the Estens inquiries that identified need in regional Australia. Firstly, we had the social bonus response to T2 in 1999. I will long remember sitting in the Prime Minister’s office, with Senator Boswell, when the Prime Minister accepted, among many other things, that untimed local calls should be provided to people living in far-flung pastoral zones, like they were to all other Australians. That contribution amounts to a cool $154.6 million—an awful lot of money. It is proper to remember these outcomes. So often in politics the goalposts are moved as soon as the outcome is achieved. There were other things in the social bonus that were important, but that alone was a great and appropriate win for regional Australia.

Madam Acting Deputy President Troeth, you will recall that the Australian government also provided around $250 million in 1997, as part of T1, along with the nation-building commitment of about $2 billion to the Natural Heritage Trust. I am sure that would interest Senator Bob Brown. It was a lot of money and an awful lot of good has been done by the Natural Heritage Trust. The money has been very well targeted over the years. In response to the Besley inquiry in 2001, another $150 million was spent in regional Australia. Then in 2003, in response to the Estens regional telecommunications inquiry, we targeted another $250 million for a number of upgrades, particularly the Hi-BIS, which received $160 million. That has
been an incredibly well-received program and provided broadband access to many parts of regional Australia that were not able to access broadband before.

There is evidence that the government’s targeted approach has delivered real benefits to all consumers since 1997. Prices, especially for long-distance calls, have fallen; customers have more choice of service providers than ever before; and innovative new services and technologies are being rolled out all the time—at this very time they are being rolled out. Since the introduction of competition in 1997, Australian consumers have enjoyed price decreases of more than 20 per cent in real terms. All Australians can now choose between different service providers for their fixed phone, internet and mobile phone.

Last week the coalition government announced the comprehensive communications package, along with the sale legislation, with a $1.1 billion roll-out of broadband, new regional clever networks, mobile services and an Indigenous communications package. On the passage of this Telstra sale legislation, we will establish a range of future-proofing measures. The government is introducing legislation that requires regular reviews of telecommunications services and a Communications Fund of $2 billion. That future technology infrastructure fund, so to speak, will be tied to legislated and regular independent reviews of rural, regional and remote telecommunications services. The model for operational separation has been developed in consultation with Telstra and the ACCC. Its operation will be imposed by licence conditions. This will ensure further competition.

The Nationals’ aim, in cooperation with our coalition colleagues—the best government that regional Australia has ever had—is to provide first-rate telecommunications services. Actions speak louder than words. I remember as a young man we had a party line that was serviced by the PMG. When it broke down it took probably three weeks for it to be fixed. I remember thinking then that that must be the greatest argument about public ownership of major public infrastructure such as telecommunications, that anyone else could have done it better. In fact, we frequently fixed the phone line ourselves.

The first responsibility of government is to give people economic security and the second is to give them national security. Coming next is a range of services that people expect, like good health services, education and infrastructure. Foremost in this next range of services is telecommunications—our reliance on which is increasing daily. We have provided this in our previous commitments on telecommunications and in this package of legislation. So I return to where I started: we will ensure that our telecommunications services will equal world’s best practice by competition, by regulation and by subsidisation if necessary. It is certainly not a consideration of any of these that the government own Telstra. It is quite the opposite: it is about service and choice, not about ownership. The present conflict of interest cannot continue. I support the Telstra legislation. It is a great outcome for regional Australia and for Australia generally.

Senator HURLEY (South Australia) (7.52 pm)—I want to talk tonight about why 70 per cent of people surveyed in Australia oppose this privatisation—and up to 80 per cent in some regional areas. It is because a lot of Australian people have seen how bad it can be for them if privatisations are mishandled. I think that they do not have sufficient confidence in the processes of the government and the way it has handled the proposed sale of Telstra to have confidence that the Telstra privatisation would be properly handled. I want to speak about the way that a
number of privatisations, both state and federal, have been mishandled and mismanaged such that the people of Australia have actually suffered as a result of these changes.

One of the first ways is if the infrastructure has not been handled properly. I think that Telstra is the glaring example. The government have had nine long years to get this right and yet they have not put in place and have not spent enough money on infrastructure either in regional Australia or in metropolitan Australian to give people confidence that, with Telstra having to come out and face competition and with it being fully privatised, the necessary infrastructure is there in Australia to set up telecommunications in a proper way.

The Minister for Communications, Information Technology and the Arts spoke last week in a congratulatory manner about British Telecom’s announcement in the United Kingdom that it will be investing £10 billion on infrastructure in the United Kingdom and Europe on the next generation platform of telecommunications IP. She also referred to New Zealand’s telecommunications commitment of $220 million on a similar new platform. It is certainly right that BT seems to have much to be congratulated for. That £10 billion over five years will fuel the UK economy not only in the tenders that BT are putting out but also in the services that will result. Rather than talking about it in a congratulatory manner—because the minister of course was talking about a privatised company—she should be ashamed that the Australian government, unlike the United Kingdom government, have not set up their telecommunications company in a way that will in the near future allow Telstra to put that sort of investment into infrastructure in telecommunications. They have had nine long years to get this right and they simply have not achieved those objectives. Their mismanagement and incompetence over the last 10 years has translated into mismanagement and incompetence in the sale process.

Apart from infrastructure, the second way that Australians have suffered as a result of badly managed privatisations is in price structure. They have seen time after time—and we have seen this with electricity privatisation in South Australia—that big business certainly benefits with dropped prices and improved services. But what we have seen happen is that small business and ordinary customers have suffered. We have already seen this in Telstra with the line rental charges going from $11.65 per month to $30 per month. That impacts very adversely on people on a fixed or low income. Pensioners who need their phone, who probably do not
use their phone very much but rely on it as a form of communication and for emergency services, have seen their line rentals go up to $30 per month. Calls have not come down particularly so they are paying proportionately far more for their telephone services than they absolutely should be.

And you only have to look at the minister’s statement where she boasts about the new price controls when Telstra is privatised. She talks about focusing on the benefits of price controls on residential and small business customers by removing price controls from services provided to big business. That is just a nonsense. Everyone knows that the prices for big business will not go up. That is just pure window dressing. She also says that she will require a basket of Telstra’s line rentals—local calls, STD international and fixed to mobile calls—to be subject to an overall price freeze. That is nonsense too. Everyone knows that the price of telecommunications is coming down. She should be talking about actually forcing down the price, not a price freeze. This is not going to benefit anyone. New technology, new communications and new competition should see a dramatic reduction in prices, not a price freeze. That is a nothing guarantee. She goes on to say:

- provide a line rental safety net through a price cap that will not allow Telstra’s basic line rental products to increase by more than the rate of inflation.

That price increase has already occurred. The minister should be forcing down the rate of that line rental so that fixed income earners, pensioners and low-income earners see a reduction in the line rental cost. It is a nonsense, when you look at world prices for telecommunications, that she should be content with a cost of living increase. Right through this statement on price controls there is window-dressing. It is an absolute nonsense to give that kind of guarantee when telecommunications are getting far more efficient and effective.

The real joke is in the last point on price controls in Minister Coonan’s press release:

- in order to maintain a viable payphone industry, increase the local call cap on payphones from 40 cents to 50 cents.

That is her guarantee on price controls—that we will have a 10 per cent increase in the cost of using a public phone. That is to guarantee service. That is actually quite right. To guarantee service she will have to allow an increase in costs. That is what we will see when Telstra is privatised. To guarantee services to small customers and to regional areas, there will be a price that will have to be paid somewhere; there will be an increase in prices somewhere or a reduction in services. You can guarantee that it will not be big business that will see that increase in prices or reduction in services; it will be ordinary Australians. I think that they understand that very well, and that is why they are opposing this privatisation in such overwhelming numbers.

The other aspect of badly managed privatisations that we need to talk about is compliance and enforcement. Before privatisation occurs you get promises and guarantees about customer service obligations, universal service obligations and price controls. What happens is that the privatisation occurs and then the company or companies will say to the government, ‘I’m sorry, we can’t live under these controls. We’ll have to either increase prices or decrease services.’ That is when we need to have a very effective compliance and enforcement regime that will be able to take a look at the figures behind these bleatings to government and the community and enforce community service obligations and price controls.

There is every sign that the government are again mismanaging this part of the proc-
ess. In the operational separation and compliance regime that they are putting in place, which seems to be a bit fluid at this time, the cracks are already starting to appear. Already there has been a great deal of criticism that Telstra has been so involved with the preparation of the draft operational separation plan and that the ACCC, which is the government’s watchdog on all these issues of compliance and the enforcement of price controls, has been left out in a number of key areas.

The problem is that once the privatisation goes through, if we still have a Liberal government—because heaven knows when the sale will actually happen—that government will have a vested interest in ensuring the success of the privatisation and ensuring the success of Telstra. So that already provides the government with a conflict about the way it monitors compliance and enforcement. Will it ensure that the community service obligations are met? Will it ensure proper competition or will it ensure that, whatever happens, the privatisation looks like it has been a success?

These are key issues in privatisation. I think the public have already voted. It is interesting that the government is not prepared to listen to the people. It might be prepared to listen to one rogue member of the National Party because it needs his vote, but it is not prepared to make changes that will satisfy the 70 per cent of Australians who currently oppose the privatisation of Telstra because they are not yet certain that they have the guarantees in place. Senator Joyce may be persuaded that the guarantees are in place for his particular constituency—the National Party—but are all the senators in this chamber satisfied that all their constituents in each of the regions in each state will have the services, the infrastructure and the price controls that they deserve? I would not think so. I would not think that they would be satisfied with the way that this privatisation has been managed.

There has been some question among government senators about whether the ALP has been hypocritical on privatisation. We have just heard Senator Sandy Macdonald talk about a meeting that the leader of the ALP, Kim Beazley, had with BP. This illustrates, in fact, that the Labor Party does not have extreme views—extreme ideologies—about privatisation. Yes, the ALP was in government when the Commonwealth Bank was privatised. Yes, it was in government when Qantas was privatised. Yes, it was in government when CSL was privatised. The Labor Party and a Labor government are prepared to look at each privatisation case by case, deciding whether it is in the best interests of the Australian people and whether that company has been set up to succeed and produce benefits out of its privatisation—as, I think, have been produced from privatising Qantas, the Commonwealth Bank and CSL. Each of those companies has gone on to do very good things in the market and be very successful in the market. We have seen increased competition in all of those areas.

We are not going to stick to an extreme ideological agenda, but the Liberal government appears to be willing to stay with its extreme ideological agenda and not even take the time to properly review and consider this legislation—or even the views of its own members. It is certainly not considering the views of the members of organisations like the National Farmers Federation or of the vast bulk of the population of Australia. That is where the Liberal government is being really hypocritical.

It is not hypocritical of the Labor Party to oppose this privatisation. We are responding to concrete difficulties with the way this privatisation has been managed in the lead-up to the sale process and, in particular, to diffi-
cultures with the sale process itself, which seems to be extremely flawed despite the fact that the government has had nine long years to consider it. This government has been obsessed with this sale for nine long years and yet somehow it has been unable to get its act together to produce a smooth sale process. In the end it has been confronted by the executive of Telstra coming out and talking about the way it has mismanaged the whole process and about the way Telstra has underfunded infrastructure over the last years and run down its services in order to prop up its sale price.

The Labor Party is implacably opposed to all aspects of this sale process, because it knows, along with 70 per cent of Australian people, that this process is greatly flawed. It does not want to see it go through in this way at all and does not want to see the government implement its extreme agenda just because it has the numbers in both houses of this parliament. The government certainly would do well to accept that this legislation needs a longer period of review and to go back and reconsider—

Senator Abetz—We’ve been doing that for nine years—you just told us.

Senator HURLEY—You have been doing that for nine years, Senator, and doing it badly. The government has underfunded infrastructure and reduced services.

Senator Abetz—Why do you need more time? It’s been on the agenda nine years.

Senator HURLEY—That is precisely why we need more time—to build up infrastructure again in the regions, which we have talked a lot about, and also in metropolitan areas, where the issue of infrastructure has also been very badly handled. In Pooraka and Wingfield, near the electorate I used to represent in state parliament, I hear they still do not have broadband. There are so many small businesses in that area that would do well to have broadband for the sake of their business. This again illustrates the problem—big businesses will do well out of this and small businesses will not do well. The government has focused its attention on regional areas in order to buy the vote of one senator, yet broadband is still lacking in key areas of Adelaide and key metropolitan areas in my seat of South Australia. I am certainly not happy about that and I know that South Australians are certainly not happy about that.

Senator RONALDSON (Victoria) (8.10 pm)—Probably without wishing to do so, Senator Hurley has given us 20 minutes worth of very good reasons to do what the government is doing. The Telstra (Transition to Full Private Ownership) Bill 2005 and related bills give effect to longstanding government policy by allowing the full privatisation of Telstra at a time to be determined. They unlock the value of Telstra for Australian taxpayers and continue to build upon the competitive telecommunications policy framework, because that is the mechanism that will provide the widest practical access to advanced services at the least cost to the community’s resources.

Passage of this package of legislation will activate the government’s pledge to ensure an immediate $1.1 billion in funding for broadband, mobile and Indigenous communication services, including: $878 million for Broadband Connect, to provide all Australians with affordable broadband services; $113 million for Clever Networks, to roll out new broadband networks for innovative applications to improve the delivery of health, education and other essential services; $30 million for Mobile Connect, to extend terrestrial mobile coverage and continue satellite handset subsidies; and $90 million for Backing Indigenous Ability, to deliver comprehensive telecommunications improvements for remote Indigenous communities. There
will also be regular reviews, with the first to occur every three years after any sale of Telstra, or sooner if the minister directs. This package of legislation crystallises the establishment of a $2 billion Communications Fund, to be maintained in perpetuity to deliver an income stream to fund government’s responses to the recommendations made by legislated, regular reviews of regional, rural and remote telecommunications services.

This legislation is a stark contrast to communications policy under the previous government. When Mr Beazley was minister for communications, Paul Keating, who actually understood the benefits of privatisation, told the then sports minister, John Brown:

There are four dinosaurs in Australia—Qantas, Australia Post, the ABC and Kim Beazley—and the fourth dinosaur is in charge of the other three. The sad thing is that the Leader of the Opposition understands the benefits of privatisation; it is just that his mates never let him close a deal. On 17 September 1990, speaking of Qantas, Mr Beazley said:

The Labor Government has not been inactive in this area. Since it has been in office, some $2 billion worth of government services have been taken out of the government sector and put onto a private contracting basis. When I confronted the requirement to devise a contract to construct frigates in this country, I coupled with that at that time-which was the right time-the issue of the privatisation of Williamstown Naval Dockyard. When the Commonwealth Bank absolutely required a capital injection, effectively in order for it to be able to grow and to continue to perform the essential stabilising role that it performs in the Australian banking sector, this Government put in place a capacity for the bank to sell down to the tune of 30 per cent.

I repeat the words ‘to grow and to continue to perform’, which is what this debate is all about today. He then went on to say that it is okay to sell a monopoly. I quote again:

Under our management, these airlines have in fact done very well. What we are looking at in the context of selling down a proportion of Qantas, our national flag carrier, the carrier of our bilateral relations with a number of other countries in the aviation area, effectively is selling if not quite a monopolistic position then certainly a monopolistic Australian overseas involvement position, of which the Opposition would sell 100 per cent and of which we, in the positions we are putting forward and which we are suggesting to conference, would sell around 49 per cent. We are doing it not because of some ideological commitment to the issue of privatisation but because it seems in the interests of the airline that we should approach it in that way now.

We know that that 49 per cent soon became 100 per cent. Mr Beazley was happy to sell what he viewed to be a monopoly. All the previous government achieved in telecommunications was the setting up of a cosy duopoly with Telstra and Optus, with none of the consumer protections and competition which have flourished under this government. Indeed, under this government, telecommunications is now a dynamic industry undergoing massive change and development. Telecommunications is one of the fastest growing industries in Australia, and there are now more than 142 licensed telecommunications carriers.

On 1 February 1995, Mr Beazley went on to outline his success in selling nearly 50 per cent of the Commonwealth Bank, the Commonwealth Serum Laboratories and the bulk of Defence Industries. As we know, the Commonwealth Bank soon went from 50 per cent to 100 per cent. On 24 August 1994, Mr Beazley said:

The government has nothing to apologise for in regard to its privatisation program which has been conducted with a very high level of success to this point.

I might add that not only should Labor not apologise for their privatisation program, they should thank the then opposition for
helping them, not because we wanted to help the then Labor government but because it was the right thing for Australia. Would that Senator Evans, Senator Conroy and Mr Beazley might take a leaf out of our book.

Instead of supporting the government on the continued reform of the economy, we hear nothing but confected anger. It is nothing short of hypocrisy. In government, Labor never spent more than a calendar month on their privatisation bills. They never took issues to elections, as we did four times in relation to this issue. They never held exhaustive public and Senate committee inquiries, which this government have already done.

For example, the Commonwealth Bank sale bill was introduced into the House on 19 October 1995 and passed on 25 October 1995. It was introduced into the Senate on 26 October 1995 and passed on 27 November 1995. It was not referred to a Senate committee.

How dare the Labor opposition lecture the government about process. None of Labor’s privatisation bills for Qantas, CSL and the Commonwealth Bank were ever referred to a Senate committee. The Qantas sale bill was introduced into the House on 4 October 1993 and passed on 11 November. It was introduced into the Senate on 12 November and passed on 7 December. It was not referred to a Senate committee.

The CSL sale bill was introduced into the House on 29 September 1993 and passed on 27 October. It was not referred to a Senate committee.

How dare the Labor opposition lecture the government about process. None of Labor’s privatisation bills for Qantas, CSL and the Commonwealth Bank were ever referred to a Senate committee. Labor did not allow their bills to be subject to the level of scrutiny and transparency which this government allow. While Labor arrogantly rushed their sale bills through, never putting them to a Senate committee, this government voluntarily do so. How dare they lecture us about Senate process. Their confected arrogance and rank hypocrisy is breathtaking. The process this government have implemented through a series of elections and reviews in this place and in committee is far more in keeping with democratic process and old-fashioned honesty than Mr Beazley as finance minister ever provided for as he flogged off anything that moved, as fast as he could.

No area of public administration better highlights Mr Beazley’s shoddy track record on public enterprise than the handling of the sale of ANL. If the opposition are going to have a debate about keeping Telstra only partly privatised, it is imperative that we have a look at Mr Beazley’s record on ANL. As minister for finance, Mr Beazley wasted millions of taxpayers’ dollars on the botched sale of ANL. Labor say we should no longer take on the sale of Telstra. ANL is a horrific example of how Labor go about selling an asset—perhaps $130 million or more was wasted through Labor incompetence.

In the budget of November 1991, the then government decided they would sell 49 per cent of ANL. The Labor government appointed Price Waterhouse in July 1991 to do a complete independent study of ANL. The next year, Price Waterhouse told them that 49 per cent was not going to work and that to be viable 100 per cent had to be sold. Did Mr Beazley say, ‘No, let’s sell only 49 per cent’? No, he did not, because it was in the public interest to sell 100 per cent. One year later they announced the start of the due diligence process. In the May 1994 budget, they announced that the due diligence process had started. And after four budgets, in August 1994, the Labor government suddenly withdrew ANL from sale and appointed Malcolm Turnbull and a couple of others to do an assessment of it. The Labor government had to bring in a Liberal to help them fix up their mess—it is obvious that the dinosaur, Mr Beazley, needed help.

But the saga continued. In May 1995, P&O put in a conditional offer for 100 per cent of the shares of ANL. In August, the
ANL board recommended that the sale be made to P&O. But did Mr Beazley and the Labor government snap up the deal? No. Instead, the Labor government announced that the sale would be subject to the veto of the Maritime Union of Australia. In September 1995, the ANL sale bill was passed by the other place, but the wharfies won the day, and in November 1995 ANL was withdrawn from sale. To try to save face the Labor government said that they were going to restructure ANL and sell it. All the while, the Labor government had pumped $160 million into ANL. Under Mr Beazley’s watch, ANL accumulated $96 million worth of losses. Approximately $260 million of taxpayers’ dollars were squandered on ANL because, again, Mr Beazley did not have the ticker to stand up for the national interest. This government had to do the job for him.

Now Mr Beazley wants to do to Telstra what he did to ANL. We cannot let that happen. That brings me back to former Prime Minister Keating, who had some terrible home truths to tell about Mr Beazley—for whom he had the affectionate name ‘the dinosaur’. Graham Richardson wrote a great book on this subject, giving intimate details of the massive debate about telecommunications policy in the federal cabinet of the time. Would it surprise you to know that the former Prime Minister wanted to sell 100 per cent of Telstra? Not 49 per cent, not 51 per cent, but 100 per cent. And why did he want to do that? He wanted to do that because it was and still is in the national interest. However, after promoting the sale of Telstra to cabinet, Mr Keating did an about-face in a deal with the Telecom unions in 1993. Mr Beazley’s Labor is still honouring that pledge today, 12 years after the Keating deal. But before that dirty deal on Telstra with the telecommunications union was done, it was Mr Beazley who was getting it ready for sale, in accordance with Mr Keating’s wishes.

Indeed, Mr Beazley, then Minister for Finance, made a rare great speech on 24 August, entitled ‘Paying for our future: the changing role of public investment’. We got to hear what Mr Beazley really thinks about privatisation when he is being honest. He said:

Privatisation fits in with the Government’s broader economic imperative to create jobs ...
Privatisation is not pursued because of a New Right ideology ...
He continued:
Privatisation, for instance, can strengthen the performance of enterprises by allowing private capital injections, as happened with the sale of the Commonwealth Bank ...
Mr Beazley was right on that. Private capital is necessary to ensure that business assets work properly, that they are strong and working in the national interest and that they have free access to the capital markets without having to worry about dilution of the government shareholding.

I recall a written guarantee that the Labor Party would not sell down the other 51 per cent of the Commonwealth Bank. It was a shameless porky. They did it in 1993 and 1995 anyway, and afterwards the current Leader of the Opposition boasted that he had done it—but only after one of his colleagues had given a written, ironclad guarantee that it would not be done.

This government, through good economic management, has now repaid most of the $80 billion debt that Mr Keating and Mr Beazley ran up in their last five years of government—between 1991 and 1996. But Mr Beazley does not want the debt paid off in full. He does not really want a future fund, he does not want a $2 billion Communications Fund and he does not want tax cuts,
because that is the legacy of the good economic management of this government.

Let us not forget that as finance minister Mr Beazley was happy to sell Qantas, the Commonwealth Bank and the CSL. He corporatised Telstra, getting ready to sell it as part of a cosy duopoly. Why? Because it was in the public interest; because those resources are better run by the private sector; because governments should not be in the business of running businesses; and because that capital can be utilised to more efficient ends for the good of the Australian taxpayer.

We supported Mr Beazley as finance minister, and he needed every bit of our support. When Mr Beazley talks about it being appropriate to sell a monopoly or a cosy duopoly, as he claims he did with Qantas, he knows what he is talking about. He set up the Telstra-Optus duopoly. It is this government that has brought real competition to telecommunications. It is this government that has brought real regulatory protection for Australian consumers. It is this government that has overseen a massive boom in telecommunications services and players. To their shame, the previous Labor government would have sold Telstra as a duopoly player.

As has been debated at length recently, the government has subjected Telstra to a very tight regulatory regime in order to ensure the kind of service that Australians deserve. There is no incongruity or inconsistency between private ownership and public protection. The United States has a universal service fund which levies carriers to fund community service obligations—obligations which we all agree are extremely important. The US has never had any public ownership of telecommunications carriers. This legislation strengthens these protections. Indeed, nothing underscores the importance of privatising Telstra better than the debate over recent days with regard to Telstra’s ASX listing.

The dead hand of government should never be in the position of being both shareholder and regulator. It is a conflict, no matter what the industry. This package ensures that government can focus solely on regulations that benefit all Australians in their access to telecommunications. The burden of an inability to access the capital markets, which is imposed by current legislation, will be removed from Telstra. They will be able to do their job better, and the government will be able to do its job better, focusing on a regulatory structure that benefits all players in the industry and all Australian taxpayers.

The universal service obligation, or USO, and the customer service guarantee, known as the CSG, are central planks of this government’s telecommunications consumer safeguards. Telstra is currently the only USO provider in Australia. The CSG applies to Telstra and all other telecommunications companies. This bill reiterates and strengthens this government’s commitment to maintaining these safeguards. It safeguards their continued application to Telstra. On every key area—consumer protection, foreign ownership, the sale process and consumer safeguards—this government has delivered best practice. This is the best possible package for the Australian taxpayer.

The Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005 is another powerful regulatory achievement of this government. It legislates to impose on Telstra through its licence conditions a requirement for operational separation, it gives the minister the power to determine the matters covered by the operational separation plan and the services it covers and it requires the ACCC to take account of the costs and risks of new
network investment when making decisions under the telecommunications access regime.

Debate of recent weeks shows that Telstra knows it needs to lift its game, but that is not going to happen while you keep one hand tied behind its back. There is nothing wrong with privatisation. As Mr Beazley has pointed out many times, it delivers enormous benefits for consumers and taxpayers alike. The Iron Curtain was removed over a decade ago, and the days of socialised commercial enterprises are long gone. It is no wonder that the former Prime Minister was so infuriated with the current Leader of the Opposition that he called him a dinosaur. Mr Beazley almost dragged himself into the free market but was unable to do so.

Before I finish, I want to talk about Senator Bob Brown. As I said to this chamber this afternoon, Senator Brown is a member of the Senate legislation committee. He should have been at the hearings on Friday. He apparently gave his apologies because he was going to be in Sydney or in the city and would be unable to attend. His apologies must have been late, because the committee staff had one of those cardboard nameplates ready to put in front of him. Had Senator Brown been in Sydney or in the city and legitimately apologised, then I would have said that he should have been there but, because he was not, he must have had a good reason for his absence.

I see Senator Conroy, who is also a committee member, has walked into the chamber. For at least an hour of extremely important Senate committee deliberations, Senator Brown was marching outside speaking on his mobile phone. He did not have the decency to come into those committee hearings. He had between 8.00 am and 5.00 pm to do so. It was an utter disgrace. For him to come into this chamber today and speak on this bill I find quite extraordinary. The Australian Greens lost their right to engage in this debate when their leader refused to come into a committee of which he was a member. On Monday, Senator Eggleston, the chairman of the committee, also expressed surprise that Senator Brown could not put his mobile phone down and walk 15 metres into that Senate committee to discuss what he views as some as the most important legislation this country has seen. And he had the gall to talk about abuse of process. (Time expired)

Senator FORSHAW (New South Wales) (8.30 pm)—On 3 March 1845 British Prime Minister Benjamin Disraeli stood in the House of Commons and uttered these words: A Conservative government is an organised hypocrisy.

The government’s position on Telstra demonstrates the truth of Disraeli’s maxim, except for one thing: this government is a disorganised hypocrisy.

The Minister for Finance and Administration demonstrated this hypocrisy back in August in a speech to the National Press Club. The minister, Senator Minchin, dismissed public opinion polls indicating the overwhelming desire of the majority of Australians to retain ownership of Telstra as ‘not deeply held’. Yet in the very next breath he proclaimed:

I do have a dream that our Christmas present to the nation in December 2006 will be the full sale of our remaining shares in Telstra.

Apparantly, the Minister for Finance and Administration is not the only senator on the government side prone to dreaming. We know that in the government party room at the start of this session Senator Heffernan regaled all those present of his dream. It was vivid dream of chaos and defeat. Senator Heffernan’s dream is bound to come true, very much a consequence of this government’s blind ideology with regard to selling Telstra.
I do not have a dream, but I have a nightmare. My nightmare is the Minister for Finance and Administration acting as Santa Claus to the nation. What a bleak and miserable Christmas that will be. Perhaps the minister believes that all Australian mums and dads can purchase their Telstra shares from the lousy $6 per week tax cut that the majority of Australian families received in the last budget. However, that lousy $6 has been well and truly eroded by escalating petrol prices.

The recent plunge in the share price and revelations of management and board incompetence demonstrate that the Prime Minister is also dreaming if he believes he can sell the rest of Telstra at $5.25 a share as valued in the budget papers. The current price is $4.30. That is around $3.10 less than the $7.40 sale price of T2. That is why they have proposed putting it into a Future Fund. They are not confident of their own ability to sell the remaining 51 per cent of Telstra. Telstra has proved to be a very poor investment for Australian mums and dads as a result of the fiasco this government has created, so much so that I doubt many Australians will be willing to trust the government’s hype when T3 is floated. Even the overpaid and over here senior executives are advising their mothers not to invest in the company.

In the ultimate act of grand hypocrisy, the board of Telstra has increased the total of senior executive salaries from $13.2 million in 2003-04 to $22.5 million in 2004-05. The chairman’s remuneration was tripled to $497,000. The previous CEO, Ziggy Switkowski, who has already left the company, has had his payout increased from $2.7 million to $6.6 million. What sort of greedy rats do we have running this company who can increase their own payments by such obscene amounts while watching $3 billion wiped of the share value of Telstra in one day?

Why did Telstra suffer this sharp decline in its value? It was because the facts were exposed. The truth about its failure to spend on infrastructure and the use of its reserves to prop up the dividend and share price finally came out—details that this government did not want to have exposed. The information on salaries was also held back from the public until after the close of the stock market last week. What is the government, the majority shareholder, doing about this corporate greed? It is doing absolutely nothing. This government is only interested in beating up unions and attacking the wages and working conditions of ordinary Australians and those on welfare benefits.

In that same speech on 25 August, Senator Minchin stated that the support of Australian superannuation funds and individual investors would decide the success of the float. Yet the minister has also admitted Telstra has been a poor investment for the government. I suggest that support from Australian superannuation funds will be hard to find as well. Finally, in that same speech to the National Press Club on 25 August, Senator Minchin stated:

If those polls are right, some might ask whether the government’s resolve to continue with the sale is an act of political folly.

I think he is right.

It may only be political folly for this government but this legislation is political death for the National Party. Why is the government seeking to rush this legislation through the parliament? The reason is clear: having obtained Senator Joyce’s agreement to the sell-off and having corralled The Nationals into the saleyard, they do not want to let them get restless—maybe one of them might escape.
So the government allowed only one day for the Senate Environment, Communications, Information Technology and the Arts Legislation Committee to consider the legislation and only one more day to table the report. The government has arrogantly used its numbers to deprive this Senate, interest groups and the public in general of any opportunity to properly scrutinise this legislation or to participate in the Senate committee’s deliberations. What contempt. What abuse of democracy. Yet the government was prepared to give Senator Joyce all the time that he needed to make up his mind. If he baulks again this week, I predict they will give him more time. But they will gag this Senate as soon as they think they have his vote finally tied up.

After they did the deal on the $2 billion infrastructure fund, Senator Joyce went back to Queensland to consult his constituents—those who put him here. But he did not consult the people of Queensland. Rather, he consulted the members of the National Party. In fact, to be absolutely correct, he only consulted the Committee of Management of the Queensland National Party—a narrow focus group if ever there was one. There is no doubt that the Liberals are rushing this legislation through because they do not want National Party senators and members of parliament—and maybe the odd Liberal senator or MP—to realise they have been duped.

I would be remiss if I did not comment on the contribution to this debacle by the Minister for Communications, Information Technology and the Arts. The minister initially expressed support for the structural separation of Telstra; however, her political masters quickly reined her in over that proposal. The minister now stands in this chamber and, in order to do a deal, espouses the virtues of offering National Party interests taxpayer funds of $3 billion to finance the future infrastructure requirements of Australia’s telecommunication needs.

Let us analyse the deal that has been extracted by The Nationals in return for support of the legislation. The Telstra sale is set to cost taxpayers $1.1 billion up front plus ongoing revenue for a $2 billion infrastructure fund. Of course, that does not take into account the various costs associated with any eventual sale. The Prime Minister extracted this deal from the National Party based on an assertion at the time that regional telecommunication services are, in his words, ‘up to scratch’. Yet the CEO of Telstra acknowledged recently that Telstra needs to spend around $5.8 billion to fix problems in the bush. The Nationals originally asked for $7 billion.

The farmers of Australia are now scratching their heads in bewilderment that the Nationals fell for this hype—and, more so, after revelations last week that Telstra had underinvested to the tune of $2.3 billion in its network over the past three to five years. Of course, National Party senators themselves—Senator Joyce particularly—were very surprised when Telstra admitted that a further $2.6 billion will be needed over the next five years to provide rural areas with a world-class broadband system.

Every year since 2000, on average, the nation’s finances have benefited through a dividend stream from Telstra in the vicinity of $1.5 billion. So National Party votes for this legislation were secured for the equivalent of only two years of Telstra dividends. They have settled for a $2 billion fund from which interest of $100 million a year will be available to do the job. It will take decades to raise and spend the amount required. And Senator Joyce and The Nationals claim they are great negotiators. It would be a big joke if it were not so serious. Is it any wonder that the New South Wales Farmers Association
issued a damning report card last month indicating that the minister had failed in several key performance areas? They have also expressed their dissatisfaction with the package negotiated between the National Party and the government. What a difference a month makes.

It is clear that many government members do not really support the sale. History will not be kind to this coalition government, and especially The Nationals, recording that they will have been responsible for depriving the nation of billions of dollars in ongoing revenue to satisfy the Prime Minister’s ideological obsession. There are some members, such as the member for Hume, Alby Shultz, who still oppose the full sale of Telstra. However, he is clearly aware of the ramifications should he cross the floor. Others have kept quiet—at least publicly—and it will be to their peril.

No doubt, National Party senators opposite will face the wrath of rural and regional electorates of Australia for supporting this legislation against the overwhelming and clear opposition from the public. I note, particularly, Senator Nash who, on 1 August in the Australian newspaper, expressed her scepticism at an announcement by CEO Sol Trujillo that Telstra was willing to use alternative technologies to its copper network in regional Australia—especially as the announcement coincided with the government’s review of industry regulation. Yet, in speaking in an MPI debate in the Senate last week, Senator Nash made a pathetic attempt to convince us of her new-found trust in and respect and love for Telstra. She claimed that the deal will ensure Telstra delivers adequate telecommunications to rural and regional Australia after the government sells its majority share.

A further concern is the uncertainty over this government’s ability to ensure due diligence in the investment of funds raised from any T3 sale. Past experience suggests it will be lacking. I will refer to one particular example: less than a month ago the Howard government was spared the embarrassment of a failed $1.5 million investment after its flagship regional carrier, Norlink Communications, traded its way out of administration. The government-backed telco had been in the hands of administrators since May. The government knew nothing of its predicament until alerted to the situation by Labor. Not a whisper came from The Nationals. In 2001 the Howard government sunk $1.5 million from the initial sale of Telstra into Norlink with the aim of nurturing a local rural enterprise to rectify the inequities of communications in the Northern Rivers region of New South Wales. After this news came out recently, the National Party member for Page jumped on the broadband wagon and apportioned some of the blame to Telstra. He also said Telstra’s distribution and sales arms needed to be separated for a fair and transparent system of competition. I wonder how long it will be before Mr Causley gets a knock on his door from Senator Heffernan.

The events of the past few days have only added to the confusion and the hypocrisy. After declaring during the election campaign that he was opposed to the sale of Telstra, Senator Joyce said he would support the sale. Then, early last week, he claimed that the deal had delivered the trifecta—more money for telecommunications in the bush, a guarantee of increased regulation and, somewhat curiously, Telstra may not be sold anyway, even if the legislation is passed. He claimed that this was a victory achieved by the National Party. By last Friday, following the one-day farcical Senate hearing, he was back-peddling as fast as he could. The light had changed from green to amber, he said. It is reported in the media that yesterday Senator Joyce compared the situation to a bride
pulling out of a wedding. He is quoted as saying:

It doesn’t matter how far up the aisle she gets, if she says “I’m out of here”, if it’s your daughter you say, “right you’re out, sorry folks, see ya, bye”.

Frankly, this is looking more and more like the Barnaby dance—take one step forward, two steps backwards, step to the right, slide to the left, spin your partner round and round, let’s do the dopey so-and-so! With the partners now all in a daze, the conductor calls for the bouncer to restore order, because he prefers the knuckle-up to the knees-up!

I want to respond to two arguments that have been advanced by the coalition. I note that in their arguments they spend a lot of time talking about what the previous Labor government did when we sold the Commonwealth Bank and Qantas. If you think we were right then, listen to us now. The claim that because a previous Labor government sold the Commonwealth Bank and Qantas we would sell Telstra if we were elected to government is untrue; it is a spurious argument. Whilst Labor did sell off the government’s interests in those two enterprises we never attempted to sell Telstra. It was never put up for sale. Legislation was never introduced into this parliament. We have continuously voted against it, on at least four occasions when this government has introduced legislation to sell Telstra. We have a clear and unmistakable policy of opposing the privatisation of Telstra.

Further, the comparisons with the Commonwealth Bank and Qantas are also spurious. Neither of those two entities provided monopoly services or had total ownership of network infrastructures across Australia. The Commonwealth Bank was one of a number of banks competing in the market. It was a large bank but it was not the largest in the country; there were many others. While Qantas was, and still is, the nation’s flagship airline, it was, and is, used by less than 10 per cent of the population. Moreover, at the time, it needed huge injections of capital to upgrade its fleet and compete internationally. In the absence of privatisation those billions of dollars would have had to come out of the budget. It would have had to have been paid for by all of the Australian population, notwithstanding that 90 per cent of them, or more, never really use Qantas—maybe only once or twice in a lifetime. Telstra is unique. It owns and provides the essential network and infrastructure for all our telecommunications. Every Australian man, woman and child is dependent on it. It is one of the largest telcos in the world and it earns substantial revenue. It has the capacity to fund infrastructure renewal and expansion into new services.

The second argument by the government is that it claims it has a conflict of interest as a majority shareholder and also as the regulator. But this is a situation created by the government when it disposed of the first two tranches—T1 and T2. It is duplicitous; it is sophistry. Also, there are many countries around the world—at least 20 in the OECD—where a similar mix of private and public ownership exists and the government is also the regulator.

Senator Joyce told the Sydney Morning Herald on 20 August that he had received thousands of emails and letters opposing the sale. He said the sale was overwhelmingly opposed by Australians and that if the sale provoked a voter backlash, The Nationals would wear the political cost, perhaps even destroying the party, while the Liberals would be largely unscathed. He said:

We’re always the whipping boy on any decision that goes wrong.

So as the turmoil was unfolding Senator Joyce arrived in this Chamber and everyone
on both sides of the House, as well as the media, took great interest in his first speech in the hope of gaining some insight into his thoughts on what his ultimate decision on the sale of Telstra would be. I was here and I listened, as we all did, and Senator Joyce ended his first speech with a recitation of Rudyard Kipling’s, *If*. That is the well-known doggerel which begins with:

If you can keep your head when all about you
Are losing theirs and blaming it on you;
And ends with:

If you can fill the unforgiving minute
With sixty seconds worth of distance run,
Yours is the Earth and everything that is in it,
which is more—
which is more—

Kipling was a second-rate poet renowned for his glorification of the British Empire. Today he would probably be a candidate for the National Party. But, if I may, I would urge Senator Joyce to forget Kipling and instead consider the words of Macbeth. They are far more apposite and indeed prophetic:

To-morrow, and to-morrow, and to-morrow,
Creeps in this petty pace from day to day,
To the last syllable of recorded time;
And all our yesterdays have lighted fools
The way to dusty death. Out, out, brief candle!
Life’s but a walking shadow; a poor player,
That struts and frets his hour upon the stage,
And then is heard no more: it is a tale
Told by an idiot, full of sound and fury,
Signifying nothing.

Senator Joyce can make an important and lasting contribution to the Senate and to this nation by voting against this legislation to sell Telstra, or he can leave this place like Macbeth, ‘Full of sound and fury, signifying nothing.’

**Senator HUMPHRIES** (Australian Capital Territory) (8.49 pm)—Had I known the standard that Senator Forshaw was about to introduce to the Senate I would have brought some Shakespeare to quote as well, but on this occasion I have to do without that.

**Senator Hogg**—Romeo, Romeo, wherefore art thou?

**Senator HUMPHRIES**—Do not get me started, Senator Hogg. The sale of Telstra is worth supporting, and worth supporting at this point in time, because it is good public policy for the Australian government to be pursuing. It reflects the prudent approach which this government has adopted throughout its 9½ years in government. It is an approach which minimises the risk to taxpayers and maximises the benefits available to those same taxpayers by the forces of competition. The purpose of the sale on the government’s part is not to slavishly follow an ideological agenda. If that were the case the government would have on the agenda the sale of other public assets, such as Australia Post, for example. No, it is about pursuing a balanced and sensible public policy which says that if you want to ensure the public is protected, if you want to ensure that public assets are used to the best public advantage, you do not operate as a major player in a highly competitive marketplace when there are better alternatives.

The principles that underpin the sale of Telstra are the very same principles that underpinned Labor’s sales of a host of major public assets in the 1980s and the 1990s. There are no substantial differences. I am very pleased that in the course of this debate Senator Forshaw has for the first time tried to put some flesh on this argument that Telstra is different to the Commonwealth Bank, the Commonwealth Serum Laboratories, Qantas, ANL and all the other things that Labor has so systematically and habitually privatised. I will come to his arguments in a minute, but I do not see any substantial difference. I can see differences that Senator
Forshaw creates but no differences that actually explain why it was good to sell all those other things and is not good to also sell Telstra.

The principle that is at work here, and that was at work in the 1980s and 1990s under prime ministers Hawke and Keating, is that government is not well placed to manage businesses which essentially live in and operate under the principles of the private market. It was the principle that said that the umpire should not also be out on the field kicking goals for one side or another. It was the principle that said public assets should not be exposed to the risks that are inherent in a volatile and rapidly changing marketplace.

In the course of this debate we have heard a number of interesting comments from those who maintain that the sale of Telstra at this time is wrong. Senator Hurley, for example, was at pains to point out that the Labor Party is not opposed to privatisation—not surprisingly, given Labor’s pretty strong record of privatisation. She maintained that Labor is not opposed to privatisation but believes each case should be taken on its merits. However, she failed to explain what exactly the demerits of a sale in these circumstances were. At least Senator Forshaw and others in the debate contributed possible reasons as to why the sale should not occur.

One argument is that Telstra has the dimensions of a monopoly, that some aspects of Telstra’s operations are a monopoly and that Telstra should not therefore be sold. Even if that argument is partly true, a large part of what Telstra does as a supplier directly of services into the marketplace—telco services, particularly—makes it a competitor in an open marketplace. The arguments for selling it become that much stronger at least in respect of those particular activities. There are, as we have heard, 142 different telecommunications carriers operating in the Australian market today. Telstra is the largest of those but it is not the only one. Is Labor maintaining that we need to wait, for example, until Telstra is about the same size as the others, until it is more of a first among equals, before we proceed to sell it? That seems to me a very dangerous policy. That seems to be waiting until Telstra is no longer the valuable asset that it represents today before its value is converted into some form more readily usable by the Australian community.

The other argument that has been advanced in this debate is that the services that Telstra provides to the community are not up to scratch and therefore it is not an eligible candidate to be privatised at this time. That seems a very strange argument to me. I would think that is more of an argument for privatisation rather than against it. It seems to me that if Telstra’s services are deficient in some way, particularly in the provision of services in remote and regional parts of Australia, then that is an argument for either providing for some subsidy to the operation of Telstra—which should be transparent and fair to other players in the marketplace and therefore available to all of them in fair, balanced and unbiased circumstances—or for pushing those operations out into the marketplace where they can be subject to market forces, and poorly performing aspects of Telstra’s operations can be lifted by the pressure of the marketplace.

The argument essentially goes like this: Telstra is majority government owned; Telstra services are inadequate in some respects; therefore, we should leave Telstra the way it is. With great respect to those people who mount that argument it seems to me that the third tranche of that argument is: Telstra is government owned; Telstra is not performing as well as it should be; therefore, there should be some change in the nature of Tel-
stra’s ownership or operation. That, to me, is best achieved by pushing it out into the marketplace.

In any case, the arguments about poor service seem to me to be entirely disingenuous. Since 1996 the coalition have delivered unprecedented improvements to Australian consumers and businesses through the development of a highly competitive telecommunications regime. We have engineered the changes that people have argued for. We have created a more competitive marketplace and, unquestionably, Australian telecommunications consumers are better off for it. The approach that the government have pursued in that time has had three key planks. One is to encourage competition to deliver innovation, cheaper prices and greater choice. The second is that we should maintain regulatory safeguards which are quite stringent, for example, such things as price controls over local calls, customer service guarantees and universal service obligations covering both the outlay of services to customers in the first place and the repair of those services as problems arise. The third plank is that we should provide targeted funding to improve services in areas that are not going to be served because the market in some way fails.

Whether it is these policies or something else, we have seen very clearly the improvement of services to the Australian consumer and real benefits to those consumers as a result of competition and the implementation of those policies. Prices have fallen. Customers today have a wider range of choice of provider than they have ever experienced and at the same time there is massive investment in the Australian telecommunications market being provided by the rolling out of new and better services.

Senator Hurley earlier in this debate argued that, in some respects, prices had gone up. That may be the case. I am sure there is always some area of the market where you can find some case of prices having gone up and customers being less well off. The fact is that since 1997 and the introduction of competition Australian consumers have enjoyed, across the board, real price decreases of more than 20 per cent for telecommunications services. That is the essential point. That has been engineered by policy which has essentially had at its core greater competition in the marketplace. Obviously, the government’s role as the owner of Telstra has been in some respects useful in generating some greater focus on that issue on Telstra’s part. But it is the rest of the marketplace which has offered that essential characteristic—the competition that has driven down prices. It is that factor which can be enhanced if Telstra is further embedded in the marketplace.

Research was conducted for the Australian Communications Authority by the Allen Consulting Group a few years ago which found that the communications reforms that the Howard government has put in place have had a number of direct and positive benefits for the Australian consumer. It found that the reforms had increased the size of the Australian economy by more than $10 billion. They had created something like 26,000 new jobs. They had delivered benefits to small businesses of the order of $2.1 billion. They had resulted—in savings or benefits to the average Australian household of the order of $720. That is very significant indeed. Those benefits have also been very real in regional Australia. Since 1997 the government has committed more than $1 billion to improving telecommunications infrastructure and services in Australia and a very large proportion of that has been in regional Australia. Of course, the sale of Telstra facilitates the continuation of that in-
vestment through the creation of the communication fund and Connect Australia.

The most recent substantial commitment was the $180 million committed in response to the Estens inquiry. We have provided more than $140 million to support the extension of mobile coverage to 98 per cent of the Australian population. Under the coalition government, 40,000 customers living in remote Australia have received access to untimed local calls for the very first time. In addition, these customers have been given the opportunity to take up subsidised two-way, high-speed satellite internet services. I recall one of my colleagues with a seat in regional Queensland pointing out that, when we came to office in 1996, two per cent of his electorate had access to mobile phone coverage. He said that today two per cent of his electorate does not have access to mobile phone coverage. That is an indication of the success of those policies.

Labor complains about poor quality services. The fact is that under Labor there were no customer service guarantees. There was nothing that people could look to to ensure that this 100 per cent government owned telecommunications provider would live up to particular standards. They might have had the comfort of knowing that the government was there behind this carrier, looking after them. But what did it actually mean when it came to delivery of services? What it meant was that very often customers would have to wait up to 27 months to have a faulty phone line repaired. That is unlike the situation today, where the customer service guarantee ensures that people only have to wait 20 working days for a phone service or an interim service to be provided to them.

I heard Senator Conroy on, I think, a Channel 7 program yesterday using the argument that Senator Forshaw put in the debate this evening. He said that Labor would never have sold Telstra if they had remained in office after 1996. ‘We have proved that,’ he said; ‘We’ve voted against the sale of Telstra four different times since that time.’ That is true. But, unfortunately, it does conform to a pattern of behaviour which the Labor Party exhibited throughout the time they were in government—that is, they would never announce in advance their intention to privatise a government owned asset. My recollection is that every asset that Labor sold was sold after elections where no mention had been made of that proposal before that election occurred. There was never a telegraphing of the government’s punches. To our credit, our government have said not once, not twice, but four times to the Australian electorate, ‘Vote for us and we will move to the partial or total privatisation of Telstra.’ We have been up front and honest about it. I think we deserve more credit for that than has been offered to us in this debate.

On the point raised in this debate about the lack of scrutiny of the legislation to effect this sale, let me remind those opposite that before the sale of the Commonwealth Bank there was no parliamentary scrutiny by a Senate committee of the legislation to sell the Commonwealth Bank. Before the sale of Qantas there was no parliamentary scrutiny by a Senate committee. Before the sale of CSL there was no parliamentary scrutiny by a Senate committee.

I was intrigued by Senator Forshaw’s description of Telstra executives as ‘greedy ratbags’. I do not say that I necessarily disagree with the description, but I was intrigued by it. I also have to note that Senator Conroy has been extensively relying on the words and assessments made by those very executives in recent days in order to hammer the government’s policies. Senator Forshaw did go to the trouble of putting forward some arguments, as I said, that attempted to distinguish the case of Telstra from those of Qan-
tas and the Commonwealth Bank and so on. He said, for example, that Qantas was in a different boat because it was used by only 10 per cent of Australians, whereas Telstra is used presumably by many more. And he said the Commonwealth Bank was appropriately privatised because it was not Australia’s largest bank. Those are differences—I grant Senator Forshaw that. But how those differences are relevant remains to be demonstrated.

The final argument that I will put tonight in this debate as to why there should be a sale of Telstra is what the government will do with the proceeds of this sale. It has indicated that the proceeds of the sale, at least substantially, will be directed to the provision of a so-called Future Fund, used to meet the future, unfunded superannuation liability of the Commonwealth government. The last time I looked, that liability stood in the order of $90 billion. Clearly, this investment is a worthy one if that fund is to be able to meet, or go some way towards meeting, that future liability. Let us be clear therefore that the sale of Telstra, in respect of that investment in the Future Fund, is essentially about preserving the standard of living of future generations of Australians. If we do not make an investment of that order in the Future Fund or something of that kind to meet that liability, then we run the serious risk that future generations of Australians will have to have their standard of living compromised in order to meet that liability—and quite inappropriately compromised, because those Australians did not incur that liability. That liability was incurred by a previous generation of Australians: the baby boomers. It is appropriate, in my opinion, that the baby boomers should ensure that that liability is cancelled out and not carried forward to a future generation.

So there is a certain symmetry about this sale. You might say that Telstra—first as the PMG, then Telecom and then Telstra—was an asset built up by the patronage, involvement and investment of the generation of Australians known as baby boomers. Now, in being sold, it is also there to ensure that the liabilities created by those people are met. That is one view of the matter. It might just be my view, but I think it underpins what is very clearly a sound public policy in favour of the sale of Telstra. (Time expired)

Senator HOGG (Queensland) (9.09 pm)—I listened to Senator Humphries with interest. It is a bit unfortunate that we did not have a little bit of Shakespeare, but maybe next time around. The one thing I could not accept is that privatisation will overcome the deficiencies that currently exist in Telstra. There is no basis for that argument whatsoever; it is a totally spurious argument indeed. Probably the only thing that can be said is that if privatisation is allowed to proceed to 100 per cent, as this government is hell bent on doing, then the only outcome that can be really predicted from that is that if the market forces dictate and Telstra is being squeezed for a profit, and Telstra is being squeezed in meeting its obligations, then it will seek to dodge, duck and weave from those obligations every which way that it can, because it will want to maintain its place in the market. So saying that privatisation will overcome the deficiencies has no basis; it has no foundation whatsoever. Whilst it sounds nice, it is not the reality for those people in rural and regional Queensland and, particularly, it is not the reality for the people in the city areas where they currently do not have the advantage of full Telstra services. I will come to that in few moments.

At the outset of this debate, it is interesting to note that The Nationals once again have fallen at the hurdle in representing rural and regional Queenslanders. They have failed once again. On this occasion Senator Barnaby Joyce was supposed to be champi-
orning the cause of ‘no sale of Telstra’ and to be very firmly committed to this, and he led the people of Queensland to believe this. We now finds that he has done a double backflip, 2½ reverse pike on the sale of Telstra and has been lured by the snake oil salesmen from down here who have dangled a couple of very nice figures in front of his nose, namely $1 billion and $2 billion. It seems a lot to the average Australian—it seems a lot to many people like me—but, in the whole scheme of the commercial world, those figures are very small indeed. As a matter of fact, from the figures that Telstra gave us the other day, I understand that the $1 billion and $2 billion, even if they come to fruition, will not meet the full amount that is required—$5 billion, not $3 billion, is required to make the upgrade, repair the existing network and provide the services that are going to be needed in the longer term.

If one thinks that there may be difficulties in rural and regional Queensland, and there are in terms of access to Telstra services, then they certainly exist in the city areas as well. The funds that are being dangled under the nose of the National Party representatives in this place—in particular, Senator Barnaby Joyce, who seems to have attracted a lot of attention—will not necessarily bring the Telstra network up to scratch at all. I heard Senator Humphries speak about the range and reach of services in some of the rural and regional areas. Again, on the surface, that sounds very nice, but when one gets out into the rural and regional areas one finds that that is not true. Let us not go to rural and regional Queensland; just go to my local area in Brisbane. There is not one black spot but three black spots for mobile phones in that area—and those are the three that I know of. Of course, as you move out into the rural areas they are not black spots, they are black blobs, because they are so large that coverage in many instances disappears completely.

If I look at the issue of broadband connection, I need go no further than my own experience a fortnight ago. I was on my home PC, wanting to log on to the OneOffice web—and those around this place know what that means. When I got on to the OneOffice web via Telstra broadband, what did I find? Not once, not twice but three times I was disconnected in the space of two minutes. I would log on and then I would be cut off; log on, cut off. It is not as if I am dealing with outdated and outmoded equipment in my set-up at home; it is quite up to date. But three times in about two minutes I found myself being without the service, and there was no explanation for this whatsoever. Intermittent service is something that I have to put up with and, undoubtedly, others have to put up with it as well. This is the service that the government claim is in such good order that it needs little or no repair and is to be on-sold to private industry which then, in my view, will have little or no regard for so-called universal service obligations. One must ask: how good are these? How well will they be respected by a privatised Telstra that is forced down the path of making a profit?

If people think that I am simply complaining about my own experiences tonight, let us look at a couple of experiences of people I have been dealing with in more recent times. The first instance is of a small company which are trying to compete in the marketplace and having real difficulties indeed. They wrote to my office. I will not name the company because I do not have their permission to do so. The company have been seeking ADSL services since they moved to Metroplex on the Gateway estate at Smallwood Place, Murarrie on 1 September 2003. For those who do not know, Murarrie is not some remote part of Queensland; Murarrie is no more than about eight kilometres from the CBD. In the file note I have, they
say that they were particularly concerned that Telstra could not provide a time or even a projected schedule for upgrades in the area. They had spoken to colleagues in the precinct who had similar complaints and suggest that this lack of broadband accessibility presents a competitive disadvantage to many businesses in the electorate. This is not something that has been invented by me; it is a reality.

This is the company—Telstra—that is in such pristine order that it can be on-sold, and the privatised version will immediately leap to ensure that the service is delivered because there are competitors. It has not delivered the service to date. There is nothing to ensure that the privatised version will be any better. The Telstra reply that was received in respect of the difficulties that the company I just mentioned were undergoing says:

We regret to inform you that your application has failed validation and we cannot provide your service. The telephone service line is too far from the exchange and data is being lost while it is being transmitted through the telephone line.

The correspondence between us and the company and us and Telstra has been ongoing, not resolving the difficulties at any point in time. It is worthwhile my going to one of the more recent letters from the company. They say:

For a business in the much publicised Australia Trade Coast precinct, only 8Km from the Brisbane GPO, I am astonished at the inability of Telstra to provide this basic telecommunications service ...

This is a basic telecommunications service that enables them to operate a small business and try to be competitive with other small businesses in the area. If the service cannot be provided now, what hope is there that the service will be provided under a fully privatised Telstra? None whatsoever. They go on to say:

To overcome this limitation we pay more than 500% more in Broadband costs, for the equivalent ADSL service using a Microwave link, than our colleagues across the river or 1Km up the road.

So they are at a major competitive disadvantage in running their business. This is not something that was happening 10 years ago, by the way; this was a letter to me dated 22 July this year. They also say:

This is yet another layer of additional costs that inhibits a local manufacturer from truly competing on a national and global level.

There are real concerns about Telstra’s ability to deliver the services now. As I said, what will it be like in the future? But then there is more. I have not brought all the files from my office, but this email was received today. It has gone to other people in this place, so they can read it themselves. Again, I will not disclose the author, but it can be verified. This person writes:

I live in a “metropolitan area” in Brisbane. Suburb—Ormiston; Postcode—4160. I wanted to install broadband a year ago. I was told:

1. There is no cable or ADSL in my area
2. The telephone wiring in my area is only 50% capable, what ever that means
3. No, I am not eligible to have satellite based broadband subsidy because I live in a metropolitan area. Rural customers are entitled to $3000.00 subsidy to have it.
4. I cannot have wireless broadband because it does not cover my area.

So the concern by this business is not dissimilar to what is being found elsewhere. The fact remains that the services have not been provided.

I have dealt with other people who have had difficulties as well. There have been difficulties in Murarrie, which is eight kilometres from the CBD. There have been difficulties in the suburb of Chandler, where broadband connection has been difficult to achieve and to have put on, and that was the subject
of major correspondence between us and Telstra. As well, of all places, there have been difficulties in Wynnum. It would be interesting to find out who in this chamber might live at, around or about Wynnum or Manly. It would be interesting to see if there is anyone in this chamber who lives near, at or about that place. I think you will find that there is someone and, surprise, surprise, it would not happen to be anyone from the National Party, would it? No. Well, I think it would be.

Right in the heart of the area in which I and others from this parliament live we have many constituents and many businesses unable to access the existing Telstra services. We are not looking into the future at the next generation of technology—and that is not far off down the track. We are looking at today. And in today’s environment, under T1 and T2 and a supposedly competitive Telstra, we are finding that there are many people in city areas—let alone in the rural and regional areas—who are not getting the services that they believe they are entitled to, and there is no indication whatsoever that this is going to change. As I said, my own experience tells me that the service more recently and even at my own house dropped out on at least three occasions.

The Nationals have been taken for a ride on this issue. They know the reality in terms of rural and regional Queenslanders. They know that there have been some advances made in rural and regional parts of Queensland, and that cannot be denied. If there had not been any advancement at all then it would have been a very poor outcome indeed on the part of Telstra. But the change has been incremental and the money that is being flagged as a result of the sale of the remainder of Telstra is insufficient to provide just the bare necessities. As for the $5 billion that Telstra say is necessary, the government’s $3 billion of course falls well short of it.

The government have had nine long years in government to ensure that the services not only to rural and regional Queensland but also to those people in the city areas meet reasonable expectations in today’s environment. But that has not been the case. I think that the figures put forward on the part of the government as an inducement to The Nationals in particular to vote for this Telstra legislation have not been properly costed. They fall well short of the mark. The $1 billion that is promised over four years to fix the immediate problems is insufficient. These are not my figures, they are Telstra’s figures. The $2 billion that the government say would be allocated—and I know these figures are a bit rubbery because they have not been finally settled at this stage—is insufficient based on the evidence from Telstra itself, and even that $2 billion is to be invested and it is only the interest from that $2 billion that will find its way into the network over the longer term.

The fact remains, in my view and in many other people’s view, that that is insufficient. It is not good enough. One of the basic things that allows people to be competitive in many ways in our society today, whether it be in business, in education or on a personal basis, is to have modern communications and modern technology. Technology today is part and parcel of the life of many everyday average Australians. Without a proper communications system—something that is clearly the current problem faced by this Telstra—then what is the future going to look like? As we go into more sophisticated generations of telecommunications changes, three and four generations on from here, where is there going to be the seed funding that will be required to implement those changes—not even yet thought of in some instances—in rural and regional areas? There will be no compulsion on a privatised Telstra to deliver those services, because Telstra will say that
they were not part of the schema of things back in 2005, and so they will seek to avoid any obligation that they might have to many Australians, particularly in Queensland, who live in remote, rural and regional areas.

There is no doubt that The Nationals will pay the price for their sell-out on Telstra. Many Queenslanders have put faith in the opposition that has been shown to the sale of Telstra by The Nationals and in particular by Senator Barnaby Joyce. Undoubtedly they will watch very closely how Senator Joyce performs in this debate. I am sure that they would be no sale of Telstra in his time in this place. One can only hope that that would be the case, but at this stage I think that Senator Joyce has been bedazzled—(Time expired)

Senator TROETH (Victoria) (9.30 pm)—In the debate on Telstra over the last few days, we have seen the Labor Party try to put forward the view that in some way the government has sprung the Telstra (Transition to Full Private Ownership) Bill 2005 and the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005 on the electorate and on the Senate—as though the bills have never been spoken of before. In fact, it has been a long-standing policy of the Australian government that it is in the interests of the Australian people for Telstra to be fully privatised. The simple fact is that the Australian government should not be expected to have majority ownership of a modern and dynamic telecommunications company. Moreover, the current situation of partial privatisation ensures that the government has an unsustainable conflict of interest within the Australian communications industry. On the one hand, the government legislates to ensure a fair and equitable industry and, on the other, it has a majority financial interest in one player. The government cannot expect to be the policeman for the industry while also being the majority owner in the largest company. This is simply not fair on the Australian people, nor is it likely to encourage a healthy and prosperous telecommunications industry.

Why should we sell Telstra? Many senators in this chamber seem to believe that the delivery of communications systems is somehow linked to the level of government ownership of Telstra. This is simply not the case. Since the government allowed the partial privatisation of Telstra, prices have dropped, the number of services offered to customers has increased and the quality of those services has drastically improved. The reasons for the improvements in the quality of service offered to consumers can be directly attributed to the competition that the Howard government legislated to allow when we first came to office in 1996. Since the deregulation of the telecommunications sector in 1997, call prices have dropped by around 20 per cent on average. It has clearly been shown that a dynamic and competitive telecommunications industry is the best way to drive innovation, to lower prices and to improve services—and that includes in rural and regional Australia.

If Telstra is privatised, the government is committed to ensuring that legislated safeguards will continue to be applied, no matter who owns Telstra, thereby ensuring that Australians will have access to affordable, reliable communications services. There are many on the opposite side of the chamber who claim that rural areas will be ignored once Telstra is fully privatised. Again, this is ill-informed scaremongering. For places where the market is not willing to go, the government is committed to providing targeted investments to ensure the best possible services in rural and regional Australia. To this end, part of the government’s package includes the Connect Australia package that
was announced on 17 August this year. This package includes a $1.1 billion appropriation to roll out broadband, new regional clever networks, mobile services and Indigenous communications. The package also includes a $2 billion Communications Fund, the income from which will be used to respond to regular reviews of regular communications through targeted assistance.

Primarily, the government understand that through targeted assistance we can address the areas which the market deems unfavourable to develop. This will act as a catalyst for further industry development. The government have a strong history of using targeted assistance to respond to regional concerns, and the telecommunications industry is no exception to this. Where inquiries have advised the government to spend capital to improve services, we have responded. In response to the 2001 telecommunications service inquiry, $163 million was provided. In response to the 2003 regional telecommunications inquiry, $181 million was provided. Both of those inquiries called for targeted funds to improve infrastructure in regional areas—in particular, mobile phone coverage.

It is unreasonable to expect an area like the middle of the Kimberleys to receive the same level of mobile phone coverage as the CBD in Melbourne, but the competition and growth that the government has actively encouraged in the sector has resulted in 98 per cent of the population now receiving mobile phone coverage. This has been made possible by the government actively pursuing a model of market competition to drive growth in high-demand urban areas, combined with targeted assistance to ensure that regional areas have adequate coverage.

But the government does not believe that it should rest on its achievements. The government believes that the next logical step is to sell the remaining public stake in Telstra and end the illogical conflict of interest that currently exists. The first bill under consideration in this debate is the Telstra (Transition to Full Private Ownership) Bill 2005. It is a similar bill to that which was introduced in the chamber in 2003. This bill’s primary purpose is to allow the government to sell the Commonwealth’s remaining share in the Telstra Corporation at a time of its choosing. Therefore, the bill gives the government flexibility to sell its stake in Telstra when the market conditions are optimal.

I reiterate that the government have no part in the day-to-day running of the company. We are only the major shareholder. It is in the Commonwealth’s interest to ensure that public funds are not tied up in one particular company. This bill allows the government to transfer funds into the Future Fund or the Communications Fund. Once transferred, those funds will not be considered to be owned by the Commonwealth. The bill will also strengthen the affirmation of the government’s commitment to the universal service obligation and the customer service guarantee. This will strengthen the act and provide even greater certainty to consumers in regional areas than that which they currently enjoy.

To alleviate the concerns of the opposition and of other concerned people, let me explain what the bill does not do. This bill will not change the 35 per cent foreign ownership restrictions that currently apply to Telstra. It will still require Telstra to have an Australian chairperson, Australian headquarters and two directors with knowledge of and experience in regional communications issues. This is looking after our constituents. Through the passing of this bill, the Senate will ensure that a longstanding policy of the Howard government is followed through into legislation. The government have gone to the Australian people at four elections with the full sale of Telstra as a key plank of election pol-
icy. This is our longstanding promise to the Australian people to create a modern and dynamic telecommunications industry that will not be burdened by the industry regulator also being the key stakeholder in the major telecommunications company in this country.

If this bill is passed by the Senate, it will enable the government to pass legislation to help regional communities enhance their telecommunications infrastructure through $1.1 billion in funding from the Connect Australia package. This will include a rollout of broadband, mobile and Indigenous communications services, as well as the establishment of an additional $2 billion Communications Fund that will be used to finance future telecommunications upgrades in regional areas. But most of all this bill removes the inherent conflict of interest in the Australian telecommunications industry.

The second bill under consideration is the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005. This bill will enshrine in legislation four key aspects of government telecommunications policy. Firstly, it will establish a framework for operational separation. This will enable the government to ensure that Telstra achieves transparency for the separation of the retail, wholesale and network business. It will also ensure that Telstra provides equivalent standards of service to its retail and wholesale business units, to ensure that smaller operators are able to compete on a similar playing field. Secondly, it will encourage investment in new telecommunications infrastructure. It will legislate a significant change to the criteria which guide the Australian Competition and Consumer Commission, so that greater certainty will be given to potential investors, while competitors will continue to be allowed to get access to services which are considered to have natural monopoly characteristics.

Thirdly, the bill will streamline the operation of the regulatory framework. It will allow the ACCC to speed up the decision-making process, develop procedural rules and clarify and provide greater flexibility. Fourthly, it will provide additional enforcement powers to the Australian Communications and Media Authority. This will remove any uncertainty about whether ACMA can enforce compliance. The bill will also provide a new enforcement tool, thereby giving the ACMA similar powers to those of the ACCC.

We have here a significant enhancement to the competition regulatory regime through the operational separation of Telstra. This will provide consumers with real and lasting benefits. By ensuring separation of the business sectors, it will provide all telecommunications companies with greater regulatory certainty. Telecommunications competition will continue to develop in Australia, thereby ensuring that Australian consumers enjoy long-lasting benefits through new services and lower prices. This is a wide-ranging view of legislation.

We may well ask: what alternative policies are we being provided with? We know that the Labor Party continues to espouse the view that Telstra as a whole should not be sold. This is a bit rich coming from a political party that when last in office privatised everything that moved. The Labor Party goes on and on about future proofing to protect consumers, but this is exactly what the government has done. Through the legislation in these bills, consumers in rural and regional Australia will have a more secure access to telecommunications than they currently enjoy.

How does this compare to the actions of the last Labor government, when Mr Beazley was the finance minister? Where was the future proofing of banking services when the
Commonwealth Bank was privatised? Where was the future proofing of regional air services when Qantas was privatised? What about CSL and Australian Airlines? The truth is that privatisation is very much Labor Party policy. Mr Beazley is only too happy to talk in glowing terms of his privatisation of everything when he was finance minister in a Labor government. But, when it comes to election time, the Labor Party is very quiet about its privatisation record. This is very surprising given that when last in office it privatised two national airlines and one of the four major banks.

The main difference here is that the Howard Government is open and honest with the Australian people about what it believes to be in their best interests—aft er consultation with them. The government has worked tirelessly to ensure that the public is well aware of the privatisation plans. As I said, it has won numerous elections with the full privatisation of Telstra as one of its key policies. Do not be mistaken—if given half a chance, Labor would sell Telstra.

These bills will ensure that safeguards are legislated to protect all consumers in rural and regional areas—safeguards such as price controls, untimed local calls, support for low-income earners, the customer service guarantee, the universal service obligation and the network reliability framework. The percentage of government ownership of Telstra has no effect whatsoever on whether Telstra provides these basic services. Since 1991, it has been Australian law that Telstra must operate on a purely commercial basis. These basic conditions for Telstra’s operation are already set in legislation, and through these bills they will be strengthened. As well, it is a condition of operation within Australia that all telecommunications companies must adhere to these basic conditions.

There is no doubt that the full sale of Telstra will have long-term benefits for all Australians in both metropolitan and rural communities. Through these two bills, the government will promote and encourage competition, which will drive down phone costs, give greater services to Australians, promote better service for consumers and provide Australia with a superior telecommunications industry that will provide Australians with better communication capabilities in the future. It is clearly not sensible monetary policy to have $30 billion of public funds tied up in one company. These public funds should be protected by being invested across a broad range of investments. There are 1.7 million Australian shareholders in Telstra. Leaving the ownership of Telstra in limbo, half government owned and half privately owned, is not in the best interests of those shareholders, just as it is not in the best interests of the Australian taxpaying public. Most of those shareholders are not businessmen from the big end of town; they are ordinary Australian investors who are aiming to make the most of their wealth.

So there are numerous reasons why it is in the best interests of Australians for these bills to be passed. It is in the interests of the telecommunications industry for the government’s conflict of interest to be removed, giving greater certainty and a fairer playing field. That in turn will result in more competition, giving Australian consumers greater and better service and more competitive prices across the industry. Selling the government’s stake in Telstra will have no effect on how Telstra operates or the services that it provides, and that has been the case since it was made law in 1991 for Telstra to operate as a commercial entity. Lastly, as I have said, the sale of Telstra is in the interests of the 1.7 million Australian shareholders who have their hard-earned money invested in the company. Clearly, the passing of these bills
is in the best interests of everybody. The fact remains that it should not be the job of elected politicians to direct the fate of one of Australia’s largest companies. Politicians should focus on the legislative side of the telecommunications industry, ensuring that a suitable framework is provided to allow companies to flourish in a competitive environment that provides increased services, lower prices to consumers and a higher quality industry.

Senator MILNE (Tasmania) (9.47 pm)—That was an interesting final flourish from Senator Troeth about lower prices and better services, because that is central to this whole debate on the Telstra (Transition to Full Private Ownership) Bill 2005 and the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005. I rise tonight to totally oppose the sale of the government’s 51 per cent holding in Telstra. I have received numerous letters over the last year, since my election to the Senate, from people around Australia who are consumers. They urge me to oppose the sale of Telstra, and for good reason. Many of them have written to say that these claims about better and cheaper services were made about the Commonwealth Bank and Qantas and, of course, they have not come to pass. Coming from rural and regional Australia—from Tasmania—as I do, I know that the sale of Qantas has certainly not led to better regional airline services. In fact, it has led to a severe downgrading of airline services in Tasmania. You have only to try to get out of Hobart and Launceston, let alone the north-west coast, to see what you get in terms of regional aviation services.

But tonight’s debate on Telstra is a critical one, because we are talking about Australia’s telecommunications central nervous system. My concern is that, perhaps of all the industries we talk about, one of the fastest in terms of change and innovation is telecommunications. Only 10 years ago, most members of parliament would not have known how to use a computer, would not have been linked to the internet and would not have been familiar with those kinds of services, and yet things have moved so quickly that telecommunications are now absolutely critical to living and working anywhere in Australia.

That is even more so in the bush. All kinds of services, health and education services in particular, are delivered to rural and regional Australia by way of telecommunications services. You see evidence of that in rural medicine, where GPs can now have the reassurance, if they require consultation, of being in contact with major city teaching hospitals. People in rural and remote areas rely on telecommunications to deliver education in a way that was never achievable before. Farmers are using the internet, using telecommunications services, to access everything from information from the Bureau of Meteorology through to all kinds of assessments of conditions and all sorts of information they require to remain competitive in their industry.

So I am horrified that we have got to the point of the government saying, ‘This has been our policy for nine years; therefore you should accept the indecent haste with which we have brought this legislation into the parliament.’ It is one thing to have a policy saying that you want full privatisation; it is quite another to bring in a set of bills in which everybody knows the devil is in the detail. That phrase has been used over and over again in relation to the sale of Telstra. Overwhelmingly, people are saying, ‘We cannot understand what is going on until we look at the legislation in detail and see the government’s plans.’ Looking through these bills, increasingly we are finding the government saying, ‘Just trust us now. Vote for the sale and in the next six to 12 months we will come up with the arrangements for how we are actually going to do this.’ Frankly, I do
not trust the government in terms of the detail it is promising. That is because of the appalling manipulation surrounding the Telstra sale that has gone on, such that $10 billion has been wiped off its value in the last 10 weeks as the whole controversy surrounding the sale has hit the national news.

In particular, I am concerned about the way that the government has manipulated the dividends for Telstra in order to make it appear to people that Telstra can pay higher dividends than are actually achievable. It is damning evidence for Telstra to say in the document that the company released recently that Telstra is borrowing from reserves to pay the dividend. It borrowed more than $550 million in 2005, which will rise to more than $2.2 billion in 2006. The document says:

The Telstra board has already recognised that this kind of borrowing to pay dividends is not a sustainable policy or practice ...

So why then is the Telstra board paying dividends that it cannot afford and that do not truly reflect the profitability of the company? Quite clearly, the object of the policy of paying these dividends was to encourage investors to buy Telstra shares not because of the long-term earning prospects of the stock but because they could get a juicy dividend in the short term. The impact of this on the Telstra consumer and the long-term share price has been disastrous. In fact, as the report that has come to the Senate from just a one-day hearing recognised:

... the pursuit of an extremely generous short term dividend ... undermines the capacity of the company to make capital investments. Telstra's briefing document confirms that the dividend policy implemented ... in pursuit of the government's privatisation agenda has left it without the cash to invest in infrastructure and improve services to regional and rural Australia. The document concedes that ... Telstra "has failed to make the necessary investments" in its network and the consequences of this underinvestment have been dramatic.

In fact, it says:

... Telstra has received 14.3 million fault calls on its line. 14% of all of Telstra's lines have faults. In total, 1.4 million Australians currently have a faulty telephone line because Telstra has underinvested in its network as it has tried to prop up its share price in pursuit of the government's privatisation agenda.

The report also notes:

Since the partial privatisation of Telstra in 1997, consumer complaints have sky rocketed with the Telecommunications Industry Ombudsman receiving 26,794 complaints about Telstra in the last year alone.

That is the kind of the service that is currently being offered. What guarantee do we have that it is going to be any better in terms of privatisation?

This is particularly so when you consider what happened in the United States recently. President Bush's first budget director, Mitch Daniels, spelled out a similar philosophy in April 2001 when he said:

The general idea—that the business of government is not to provide services, but to make sure that they are provided—seems self-evident ...

So the idea of the Bush and Howard administrations seems to be that the business of government is not to provide services but to make sure that they are provided. But the problem is: what happens when a government cannot do the things that it used to do and disaster strikes? What happens when the government gives up those capabilities to the private sector and then it is not profitable for private corporations to maintain those capabilities? That is precisely my concern.

With things moving so rapidly in telecommunications in Australia and around the world, this Future Fund that has been set up simply will not be adequate to deal with the kind of innovation in the industry that will be
required into the future to keep Telstra competitive and to provide services to rural and regional Australia. You might set aside money for what is known today, but within even a couple of years what will be required will be far greater and far different, and there is no guarantee, in terms of the government putting aside $2 billion in this fund, that they will be able to make the investment to provide those technologies.

That leads me to the ABC. The minister and the government will be aware that the charter of the Australian Broadcasting Corporation requires the ABC:

... to provide within Australia innovative and comprehensive broadcasting services of a high standard ... and to provide:

(i) broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community ...

It also requires the ABC:

... to transmit to countries outside Australia ... that will:

... ...

(ii) enable Australian citizens living or travelling outside Australia to obtain information about Australian affairs and Australian attitudes on world affairs ...

My concern is: how does the government propose to guarantee that a fully privatised Telstra will provide the infrastructure required to deliver ABC programs and services that rely on new technologies—such as ABC digital, ABC Online, podcasting et cetera—to ensure that all Australians do have access to ABC programs and that the ABC can fulfil its charter to provide within Australia innovative and comprehensive broadcasting services of a high standard which will contribute to a sense of national identity? It is already difficult for the ABC to provide that to the bush, with the shortcomings that already exist because of the underinvestment in telecommunications infrastructure. How much more difficult will it be once Telstra is privatised?

I am also concerned about this term ‘adequate’: the sale of Telstra will supposedly guarantee ‘adequate’ communication services to rural and remote Australia. This adequacy needs to be equal to urban services and standards. My concern is that the Regional Telecommunications Independent Review Committee, which is charged with determining what ‘adequacy of telecommunications services’ means, will not effectively take the view that adequacy means equal in terms of service delivery to rural and remote Australian communities, particularly as we get to the Northern Territory, which will not be represented on this independent review committee. The Northern Territory does, of course, include many Indigenous communities already suffering from being cut off almost entirely from telecommunications services.

I am not satisfied that this component of the proposal, the Regional Telecommunications Independent Review Committee, will be able to guarantee what could be regarded as adequate services. Indeed, at the moment in Tasmania alone Launceston South, Ringarooma, Lady Barron and Montagu—which is near Smithton—are shown as having continuous poor service. That is as it stands at the moment with the government having majority ownership. What hope is there for people in Launceston South, Ringarooma, Lady Barron and Montagu once Telstra is privatised if they cannot get decent services there at the moment? There are many other places. They are on my list because they are noted as being among the 97 worst exchanges in Australia. They are an indictment.

The New South Wales Farmers Association did a survey recently showing that 63 per cent of farmers already have unreliable
mobile telephone services and more than half are dissatisfied with their internet speed. We have also been told by the New South Wales Farmers Association that the services are worse beyond the Great Dividing Range, with almost a third of people unable to rely on their basic landline telephone service, let alone anything else. What hope have those people got with a privatised Telstra in terms of getting so called adequate—and I raise that issue again—services?

Finally, I come to the issue of the government’s rationale for selling Telstra. We have heard a lot about it not being a good idea for governments to own services. In fact, that is the Bush administration idea: that somebody else can provide services, with the government just having to make sure the services are provided. We saw in New Orleans what happens when it is not profitable to provide emergency services once they have been privatised. That is precisely the point I was making before. Why is the government arguing that we need to sell Telstra? They say it is not a good idea for governments to be involved in owning telecommunications networks. Yet in the OECD you have 20 countries accepting that there should be a mix of public and private ownership and they operate that way quite successfully.

We have been told that the reason the Telstra sale has to proceed is so that the government has the money to put into the Future Fund to address the unfunded superannuation liabilities in Australia. Yet every year we are told that the nation’s finances are in fine hands and that we are running a surplus. This idea of running a surplus when you have substantial unfunded liabilities is an interesting notion. Whenever Treasurer Costello stands up and talks about surpluses, he should also be explaining how he is running a surplus when money has not been put aside to deal with the superannuation liabilities that the government has incurred. When the government talks about the unfunded superannuation liabilities, they should also talk of the revenue stream that comes from Telstra that will be lost to the taxpayer once this privatisation proceeds.

It is obvious that the government is in a rush to sell Telstra. It is obvious that the government attempted to put a much better spin on the state of Telstra than was warranted. All Australians would be nervous about the fact that many senior government ministers were privy to information about the real state of Telstra that shareholders and the community were not privy to. And it was dire information, really, with predictions of the second half of the year being significantly worse than the first half. Voice revenue had declined five per cent, indicating an accelerating decline in that business. The retail sales and profitability decline continued to accelerate, and so on and so forth. And yet the Prime Minister told the board to talk up the sale of Telstra.

If the managing director of a private company talked up the state of a company when they had inside information to the effect that the company was not doing particularly brilliantly and they had a strategy of borrowing money to pay dividends in order to make the company look better, they could find themselves in the courts for insider trading. But the Prime Minister has not been accused of attempting insider trading, and to some extent I think that is because the company saved his bacon by coming out and releasing the document which shows quite clearly the real situation. The government has attempted to talk up the sale of Telstra in the face of indications that it is not doing as brilliantly as it would have people believe.

I am concerned about the sale of Telstra. I am concerned about rural and regional Australia, particularly Tasmania but also outback Australia and places beyond the Great Divid-
ing Range, in the Northern Territory and in Western Australia. I am concerned that the rapid rate of innovation in telecommunications means that this $2 billion fund will go nowhere towards keeping Australia competitive. The best way to do that would be for the government to keep its remaining shares in Telstra so that it is able to respond to the changing global climate in telecommunications and to make the appropriate investment in the telecommunications network. In the information age, the telecommunications infrastructure network is absolutely fundamental to the capability and competitiveness of the Australian economy.

That is why I oppose the sale of Telstra. I urge the government to support the idea of delaying debate on it until the parliament can at least get across some of the detail. Their abrogation of responsibility in terms of not permitting the house of review to do its job is an insult to us all. Their proposition to sell Telstra with undue haste and inadequate scrutiny, along with the processes that the government has chosen to use to rush this bill through the Senate, is the government’s final insult to the Senate and the people of Australia.

Senator HUTCHINS (New South Wales) (10.07 pm)—I would like to begin my remarks by focusing on how events over the last fortnight demonstrate now, more than ever before, why Telstra ought not be sold. Over the last two weeks we have seen a deliberate game of brinkmanship between the Telstra executives and the government as to who picks up the tab for a lack of investment in telecommunications infrastructure in this country.

No doubt, Sol Trujillo has this cost at the top of his mind in his not so secret desire to slash products and services. The cat was well and truly let out of the bag a few weeks ago by his right-hand man, Phil Burgess, who indicated that Telstra would be undergoing a major review of services in mid October, presumably after this legislation is passed. On the other hand, we have had the platitudes and promises from Senator Barnaby Joyce, who took his 30 pieces of silver in a little under a weekend and signed up to the sale of Telstra. Irrespective of how the government tries to spin it, it is clear that Telstra is calling the shots to the government on this debate.

The government thought it could pass the buck for being asleep at the wheel on investing in telecommunications services to a newly privatised Telstra. Those problems should have been fixed years ago. Unfortunately for the government, Sol and his three amigos are too smart by half for that. Now, in the shadow of privatisation, as the clock is ticking, we have finally had a look at the rotten foundations of the regulatory environment and all the parties are shocked by what they see.

Let us start from the beginning and look at the background of the three amigos. The three amigos are Sol’s mates from his formative years at the US telco US West. US West had a strong corporate history before Sol and the amigos arrived. It disappeared in a merger with another giant telco very soon after. The three amigos are Greg Winn, who is now Telstra’s chief operating officer; Bill Stewart, who runs advertising; and Phil Burgess, who is now the head of the communications and regulatory compliance department. Let us hear what Phil thinks about the role of government. He is on the record as saying:

Everything the government’s gotten involved in, it has made worse. Government is being run by people who believe in the power of Washington—or Canberra—to solve other people’s problems. I don’t believe in that.
Someone should remind Phil that Telstra was built on the backs of Australian taxpayers over many years. All the sunk costs of investment, all the cabling for kilometres in regional and rural areas of Australia, and the conquering of the tyranny of distance by telecommunications were paid for by the taxes of ordinary Australian families. Australians viewed, and still view overwhelmingly, that a publicly owned telecommunications company—be it called the Postmaster General, Telecom or Telstra—is essential to national development. It must be asked of Phil Burgess what answers he has for those Australians who live in areas of telecommunications market failure.

Of course there will be areas that are unprofitable to run at full service. That is why public ownership picks up the tab. It is every Australian’s right to have a phone that is not off the hook and an internet that is reliable. But Phil has a problem with Telstra being under an obligation to provide services to country Australia, as Optus and others are not. Mr Burgess needs to understand that this is because Telstra was in effect given an infrastructure network for free on becoming a corporate entity while Optus and others had to build theirs from the ground up. Moreover, Phil is quite happy to charge these companies for access to Telstra’s network.

It is really all take and no give from Mr Burgess. That should not be a surprise, because Phil has form for the sort of agenda that Telstra has foreshadowed post privatisation. When the three amigos took charge of US West a few years ago, Phil was brought in and put in charge of marketing. His position was aggressively marketed as ‘introducing new products and services as a proven performer’. Unfortunately, in less than a month, US West disappeared in a merger. So Phil Burgess has form for doing little but putting in place plans for slashing services and cancelling products—all to put profit ahead of everything else.

In light of all the cut and thrust over the past fortnight, it is also worth examining Mr Trujillo’s history with US telcos in the last few years. His reputation certainly preceded him—in a diminutive sense. Over the weekend, the Financial Review quoted an investment banker as saying: ‘This guy has to show he is capable.’ All the three amigos jumped ship from US West. They moved to a small tech start-up called Graviton. Graviton was wound up a few years ago as well due to massive debts. Burgess, once again, was acting as a consultant at the time. The firm collapsed early in 2003, with more than $US66 million—or $A88 million—in debt, in the words of one investor, ‘going down the toilet’.

What is even more interesting in light of the revelations of recent years that Telstra subsidised dividends from reserves is the apparently cavalier entitlements enjoyed by this cowboy leader of the amigo posse. The Australian reports:

One former director told The Weekend Australian that, while at Graviton, Trujillo would defray some of the cost of his travel in his personal Falcon 2000 jet by charging Graviton first-class airfares. (There is no suggestion the board were not aware of the expense claims.)

But according to insiders, he hired expensive executives, including former US West lieutenants. Graviton—a company with no sales—soon boasted more than 10 vice presidents. ‘I’ve got nothing good to say about him’ was how one former investor summed him up.

At the same time Trujillo’s mate, Bill Stewart, was getting into the action in the tech start-up industry. It appears his major contribution to that period of economic history was three weeks as CEO of a company called Stellar One. Stewart swiftly departed after those three weeks having cleared the deck for a new CEO to introduce massive

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staff cuts. I would not wish to draw an anticipatory parallel with the actions that the amigos may instigate at a newly privatised Telstra, but I must say that their track records do not bode well for an expectation that they would gladly assume the regulatory burden placed on them by government, much less embark on an additional infrastructure investment.

Let us look at the debacle of recent weeks for the reasons why this bill is being rushed through in such a fashion. What we have seen over recent weeks is a last-ditch, ‘five minutes to midnight’ game of buck-passing between Telstra and the government as to who bears the cost, to use the hackneyed phrase, of getting it up to scratch. Let us look at the urgent reasons made by Senator Ellison the other night. It was difficult to discern the reasons for exempting the bill from the cut-off in that short statement. They resolved an ambitious legislative agenda and said that the Telstra sale was an election commitment. No matter how the government likes to duck and weave, they promised not to sell Telstra until services were up to scratch. However, how can this be the case if there is a need to commit billions of dollars in upgrading infrastructure now and into the future? The answer, of course, is that it cannot. It cannot be true that telecommunication services are adequate if such a massive investment is required. But the difficulty is that this investment is not nearly enough. That is why the government has decided it needs to rush ahead with this sale—to shirk the responsibility and pass the buck for future investment onto the newly privatised Telstra.

In light of the aggressive corporate nature of the three amigos, is it any wonder the veil has finally been lifted and what has been going on in Telstra in recent years has finally been exposed? Sol is too slick by half to have the government pull the wool over his eyes, even if The Nationals are not. On 11 August Telstra executives flew to Canberra to break the bad news to the Prime Minister. In their short discussion they said that Telstra was borrowing to pay dividends that will be unsustainable in the long term and ‘didn’t make the investments it needed to make’. The difficulty with this meeting is that it was denied to every other shareholder. The reason for this was because Telstra was telling the government that it could no longer prop up the budget. Telstra’s borrowing from reserves to pay the dividend will rise from $550 million in 2005 to $2.2 billion in 2006. The reason for all this borrowing is to artificially bolster the dividend and share price ahead of the sale. So is it any wonder that Phil Burgess said that he would not recommend the shares to his own mother. That contrasts with Mr Howard saying in 1998 that Telstra shares were a ‘great deal’. Someone should have asked if he meant for the government or ordinary investors.

But Mr Howard now says that he could not give advice regarding Telstra. It is amazing how billions wiped off the share price can engender a change of heart. Mr Howard now says that he could not reveal information that could affect the share price as that was the responsibility of Telstra executives. This is also a change of heart from a few days ago when he described the role of Telstra executives as:

... to talk up the company’s interest, not to talk them down. Don’t knock the stock, don’t talk down the growth story, don’t send out bad news, spin it all positively, finesse the share price.

Unfortunately for Mr Howard, he has not quite grasped the nuances of the disclosure provisions for company directors to the ASX in the Corporations Act. Needless to say, such provisions expressly prohibit the sort of obfuscation that Mr Howard is now seeking to endorse. Ray Williams and A. N. Other, his imaginary travel companion, would no doubt be able to further educate Mr Howard.
on this point. If further study is required, Mr Howard could go and consult Rodney Adler up at Lithgow jail.

We have a situation where the largest shareholder is playing fast and loose with the corporations law and the company is financing profit payments by borrowing, and none of this is being announced to the ASX. The conclusion is inescapable: this is economic mismanagement of the worst order. It is only matched by Telstra’s ‘five minutes to midnight’ request to be cut loose from regulatory obligations and have its monopoly protected. As the release of costs caused by the ACCC compliance shows, Telstra has for years been cross-subsiding its monopoly power in many markets to satisfy its regulatory obligations rather than addressing them by sound investment.

Now the government’s number is up. It has to choose between a low share price for Telstra, reflecting the commercial reality that the company is in due to the government’s mismanagement, or cutting Telstra loose from the regulatory environment in order to let it recover from its parlous corporate state. No wonder the government is hell-bent on the quick fix of privatisation. It wants Telstra to be someone else’s problem, and it has become someone else’s problem—The Nationals. Let us look at their twisting and turning to spin this great sell-out of the country. It is amazing that just a few months ago the government was indicating that no further investment would be required in the country to secure the sale of Telstra. Then Barnaby Joyce came along full of bluster and was given glib assurances that a bit of money here and there would fix it. That was a bit too much for Senator Joyce, who said that the real decision would need to be made by The Nationals state management committee, and retreated to the safety of St George.

However, some remarkable transformation must have occurred as the delegates to The Nationals committee of management travelled to that meeting. It must have been remarkable, because we can be sure they were not plotting that morning driving to the meeting, because their phones would not have worked out there, of course. The reason I stress this is that on the night before the vote at least five were against the sale of Telstra, 10 were undecided and seven were not available, according to the Financial Review. James Baker, Senator Joyce’s closest confidant and advisor, was not for the sale; the immediate past president of the Young Nationals was not for the sale; and a number of the immediate past presidents were not in favour either. What is even more interesting is that Bruce Scott assumed the presidency of The Nationals in Queensland over the days surrounding that meeting. In fact, the past president, Terry Bolger, was adamantly against the sale. He even appeared on ABC’s AM speaking out against the sale, saying that 70 per cent of Queenslanders were against it.

Nevertheless, Senator Joyce got his wish by claiming that the Queensland Nationals had endorsed the sale that Monday morning. It appears Terry Bolger and his colleagues were crushed. But that has not quite finished the matter for The Nationals. I understand that The Nationals federal council is to meet this weekend, and Senator Sandy McDonald can probably advise me if that is the case. No doubt the government is quite anxious to have the sale through by this weekend so that there are no difficulties and no embarrassing resolutions when they go to that meeting.

To finish off this evening, I have brought along a copy of the September edition of the News Weekly, which we all get. I do not subscribe to it—just in case my colleagues think I do. I want to read from a column titled ‘Canberra observed’. It says:
15 years ago, the Nationals had four out of six Queensland senators; now they struggle to get one.

The fact is, the longer the Nationals are seen to be constantly marching in perfect step with their Liberal coalitionists, the less voters can see the need to separate the two parties. The policy of absolute loyalty to the Liberals saw the Nationals practically wiped out in country Victoria when Jeff Kennett was swept from office.

And one by one, each retiring Nationals MP is handing over his seat to either an incoming Liberal or an incoming independent.

Senator Joyce’s worst fear was that his decision to vote in favour of the sale would mean the beginning of the end of the Nationals as a force in Australian politics ...

Mr Acting Deputy President, can you not believe that is the case?

I also brought along a book I have cherished for many years. It is by a famous American historian called Barbara Tuchman. It is called The March of Folly. The underlying theme of the book is that political elites or people in power over some period of time make decisions that are contrary to their interests. They make decisions that make no sense because in the end they destroy themselves. She talks in her book about the Trojans taking in the wooden horse, the Renaissance popes provoking the Protestant secession and the British losing North America. In the end, The Nationals by their decision will shortly be voting themselves out of relevance. They know it; we know it. Senator Barnaby Joyce knew it, despite all his gyrations over the last few days. Maybe Senator Joyce has tried to provoke his National Party colleagues into understanding that the decision they are going to make some time this week will vote them into irrelevancy. The Liberals have already stalked them well and truly in New South Wales. They have almost annihilated them in Victoria. They do not exist in most other states. In Queensland, whatever their 30 pieces of silver are, if they vote for this legislation this week, that is the end of them. (Time expired)

Senator Polley (Tasmania) (10.27 pm)—This is a bizarre piece of legislation. The Senate has been asked to support the sale of Telstra, lock, stock and barrel, and it has been asked to do that at a time when the Telstra share price is going through the floor, when the senior management of Telstra are telling Australians they would not advise their mother to buy Telstra shares, when the CEO of Telstra is saying that it will need to spend $5 billion to bring its ageing infrastructure up to scratch and when the same CEO is saying government regulations will wipe $800 million off its earnings.

If the sale of the rest of Telstra were to go ahead tomorrow it would be a fire sale. Nobody wants a share in a company where the CEO is saying the company is being strangled by red tape and will lose profits. Nobody wants to invest in a company that admits its infrastructure is stuffed and will take $5 billion to fix. The mums and dads of Australia might well be better off plonking the family nest egg on the three legged donkey in the Melbourne Cup.

The Howard government agrees with me. They do not want to sell it now; they just want permission to sell it when the time is right. What do they mean? Do they mean when the time is right for Telstra customers in country Tasmania or do they mean when the time is right for the bean counters in Canberra? This is a ridiculous piece of legislation. We are being asked to sign a blank cheque; we are being asked to say to the perpetrators of the children overboard fiasco: ‘We trust you. Sure, you have our permission to sell it when you think it best.’

It is a ridiculous piece of legislation—so ridiculous you have to ask why the government are putting it up now. Are they doing it
because it is in Australia’s best interest? Are they doing it because it is financially responsible? Are they doing it because it is in the best interests of the economy? No, they are not doing it for those reasons. Senator Joyce is an accountant; he knows about numbers. He can do the sums, and I bet he could tell you it would be dumb to sell Telstra now, when the share price is heading south and the CEO admits the infrastructure is on the way out.

So why are they doing it? I will tell you why they are doing it. They are doing it because they control the Senate. They are doing it not because it is in the national interest but because they can. They are rubbing the noses of the Senate in it. They are saying to the Senate: ‘We have the numbers, we can do what we want and there’s nothing you can do about it.’ This arrogance is best summarised in this place by the one-finger salute we saw recently. This is the arrogance that allows the government to tell country Australians: ‘We don’t care that your services are falling apart. We don’t care that you can’t get broadband. We don’t care that you can’t even get mobile service. We don’t care about any of that. We will sell Telstra because we can. We will sell Telstra when the share price is right. That might be before or after your home phone gets connected.’ This legislation is arrogance made official.

I feel for Senator Joyce. How must he feel right now? How confident is he that the assurances given to him will be kept now that the CEO is already banging on the door and calling on the Prime Minister to tear down the regulations that Senator Joyce has fought for? How long will those regulations remain in place? How long will it be before the government tears down those safeguards because it can?

We had a debate about privatisation in Tasmania eight years ago. The Liberal government there were thrown out because they wanted to sell the hydroelectric corporation. The Greens leader at the time, now Senator Milne, supported the sell-off initially but later changed her mind as public outrage grew. Eager to keep the Liberals in power, she proposed a 50-year lease on the hydro poles and wires as a compromise. I am pleased to hear Senator Milne tonight oppose the sale.

In Tasmania Labor stood firm. It was the only party that refused to budge. It did so because it did not make sense to sell the hydro. Part of the profit generated by the hydro was channelled into state coffers to provide the services that Tasmania needed. We are now out of the debt trap that Tasmania was in. The budget has been balanced. Very soon the state will be net debt free, we will still have the hydro and our kids will still be able to rely on it. It is silly to sell Telstra now, as it would have been to sell the hydro eight years ago. Let us learn from the lessons of the past. Is there nothing in this country that we want to leave to the next generation?

Tasmanians are reliant on their hydro, as they are on Telstra. Our isolation relative to mainland Australia results in a level of vulnerability and dependence upon our communications systems which connect us not only with the mainland but also with the rest of the world, making Bass Strait seem like a mere puddle rather than an obstacle. The partial privatisation of Telstra some years ago has clearly demonstrated to many Tasmanians just how vulnerable we are and how our lives and the way we choose to interact with technology can be taken away from us in the blink of an eye, without so much as an explanation or a time frame for resuscitation of services. To add insult to injury, try explaining your Telstra faults to a call centre in...
Queensland and to operators who have very little geographical knowledge of Tasmania.

Tasmania is classified as a rural regional area. We identify comparatively with the remote areas of mainland Australia that also suffer a high degree of vulnerability due to the large expanses between and isolation of many towns and homesteads. That classification really hits home when you visit some of the outlying areas of northern Tasmania—in particular, a small village called Poatina. This village is managed by Fusion, a Christian organisation whose vision and goals are to provide opportunities and support services for youth who have been disadvantaged and have had traumatic lives and social circumstances to deal with. Poatina is a wonderful example of how Fusion has developed an old Hydro Tasmania village into a useful life-skilling resource for Tasmania’s youth.

Achieving some of their goals depends upon access to technology. Despite many requests and lobbying by a large group of local residents in the valley below, the residents of Poatina cannot have access to broadband. Poatina is not a backwater located in the deep south-west of Tasmania. It is perhaps only 100 kilometres south-west of Launceston. Fusion has been proactive in gaining support and further potential customers for Telstra by securing about 30 residents, some of whom are farmers of large properties, who have indicated that they would support broadband technology. However, regardless of the efforts and vision for Tasmania’s youth, Telstra broadband is not accessible. It should probably be called limited band rather than broadband.

The demand for telecommunications is going to grow more than we can imagine. Selling off the government’s remaining share in Telstra would be like cutting off our right arm. Telstra has the potential to grow and continue to provide handsome dividends that can be used to ensure that places like Poatina can get access to broadband immediately, without excuses or restrictions—just 100 per cent reliable, efficient and effective access to broadband. Quite frankly, this is only one incident. If Telstra is sold, we are committing country Australia to a slow and tortuous economic death. If it is in government hands, pressure can be put on Telstra to get access to communications technology right. We know that it is far from perfect at the moment and we know it will be far worse if Telstra is privatised. We know this because the government will not provide any guarantees that Australians will not be worse off.

One of my constituents lives in an area where mobile phone communications do not operate. This is par for the course in a lot of Tasmania’s rural areas. What makes this situation unique is that the landline to his home is also unreliable and drops out every time it rains. In an emergency situation, what is this person supposed to do? Watch the skies and have a carrier pigeon prepared for foul weather? This is 2005, and the least a resident of Tasmania should expect is to have access to a reliable phone line. Are the residents of the outlying areas of Tasmania going to be guaranteed that their phone lines will be reliable, or will it be a case of each situation being judged on profitability and prioritised accordingly? Continued government ownership will ensure that people will be put ahead of profits. A privatised Telstra will only answer to one master, and that will be its shareholders.

By its own recent admissions, Telstra has failed to make the investments needed by the Australian economy to ensure widespread accessibility to such things as broadband. It has failed to deliver on improving service standards, to which my earlier example testifies. Essential services like e-health and e-education in rural and regional areas still require infrastructure. The Australian Labor
Party’s position is clear: fix Telstra, do not sell it.

How will people feel about their telecommunications services under a fully privatised Telstra? I will tell you how they will feel: angry and powerless. Australians are angry now. Seventy per cent of them oppose the sale of Telstra, and I can give you some very good reasons why, including the ridiculous line rental increases from $11.65 to as high as $30, not to mention that large business consumers of Telstra are faring much better than residents and small business customers. The latter have faced price increases of between 1.4 per cent and 3.1 per cent.

I ask again: what cast-iron guarantee will this government give to the people of Australia that they will not be worse off if this sale proceeds? We as a society have identified that it is more cost effective for the country’s economy and healthier for our elderly if they remain independent within their own homes for as long as possible. To encourage and foster this habit, reliable telecommunications for this demographic are essential and, dare I say, critical. Older Australians are far more vulnerable people, and we are an ageing nation. It is imperative that our telecommunications network does not become cost prohibitive and works when they need it to work—and that is all the time, not just in fair weather.

Tasmania’s population tends to be clustered around the north and south coasts, with rural communities interspersed through the remainder of the island. And as the population is fewer than half a million, I call upon the government to think seriously about removing the three STD zones in Tasmania and replacing them with one. I call on the government to think about the ramifications of the sale of Telstra and to put in place, while it has the opportunity, safety nets for our rural and regional areas. The government has to ensure that local calls are not timed. We should not contribute to the lack of action and responsibility and the creation of isolated communities because residents cannot afford to use the telephone and do not have access to the internet.

Tasmania’s peak agricultural organisation, the Tasmanian Farmers and Graziers Association, who represent the vast majority of landowners and agricultural enterprises in rural Tasmania, have issued a media release clearly saying they do not support the unconditional sale of Telstra. They are not alone in this thought, with the National Farmers Federation also lending support. The basis for their position of no support for the sale of Telstra leans heavily upon what is seen as an inequitable position. Clearly, if you live in the city you have access to all these services and reliability. If you live in the country, bad luck.

The government is hell-bent on selling Telstra. Will it show the same level of commitment to providing telecommunications service levels to regional areas that are as good as those in urban areas, to implementation of all the recommendations of the regional telecommunications inquiry, to regulations and legislation to guarantee that new technology is available to everybody regardless of where they live and to legislation for guaranteed customer service levels for regional areas? What answers does the government have for the skyrocketing number of complaints—some 26,794 to the Telecommunications Industry Ombudsman about Telstra last year alone? What answer does the government have for Telstra line repair performance plummeting for the last five years? What answers does the government have for Australia’s telecommunications prices being the fifth highest amongst developed countries? I will tell you what answer the government has: ‘Sell Telstra, and then it is no longer our problem.’
What of the employees of Telstra? Has anyone spared a thought for them and their long-term security, or are they just a subsequent consideration to the proposed sale? Speak to any of the many Telstra employees or those who have switched camps to other telcos, or even those who accepted redundancies many years ago, and you will not find many singing the praises of the partial privatisation of Telstra. What you will find are employees who are trying desperately to respond to a growing service industry. They are trying to respond to faults and requests for line and service repairs for which, at one time, they had the resources. You will also find employees who are dispirited and just cannot wait to retire: employees who no longer feel valued, particularly because they are at the coalface and taking the brunt of the anger and frustration of residents who want answers, who want reliability, who want their phones to work when they are needed.

Again I say to this chamber: oppose the sale of Telstra. Fix Telstra; do not desert regional Australians. Labor has put Australia first on every occasion that the government has tried to force the sale of Telstra through legislation. The Liberal and National party members of the parliament have already voted in support of the sale three times. Do they have the country’s best interests at heart or are they merely eyeing off the Future Fund? It is well known that Telstra has been focused on making the company investment ready and fattening up the areas that entice buyers rather than delivering on its vision to be a world class, full-service, integrated telecommunications company helping Australian, Asian and Pacific customers and communities prosper through their access to innovative communication services and multimedia products.

Would anyone from Telstra or the Howard government stand up and hold their hand over their heart and confirm they believe that this partial privatisation of Telstra has been able to deliver anything of their vision statement? I think not. What responsible government would allow a partially privatised company to focus on fattening up for privatisation at the cost of network services for Australians? An arrogant, out of touch government that is clearly focused on its own agenda and not on ensuring that Australia has the best and most accessible telecommunications technology in the world.

Why is this government so obsessed with privatising Telstra? It is so obvious through the many personal incidents that I am aware of, the numerous complaints received by the telecommunications ombudsman’s office and the overwhelming rejection by 70 per cent of Australians to the sale of Telstra that this government should only be focused on improving access, quality and prices of telephone, mobile and broadband services in Australia. I would like the senators of this chamber to think very hard about the wishes of the people in the state they represent. I would like them to think realistically about how much it is going to cost to bring the network up to an acceptable standard. Do not let us be fooled into thinking that $3.1 billion will do the trick. I would like them to admit that a partially privatised Telstra has been a disaster.

Will those senators who vote for the sale of Telstra be able to stand by their decision in years to come, when our telecommunications industry is in a shambles and Australians suffer as a result? While the government has a share in Telstra, we can make the changes and investment necessary to become a country with one of the most advanced telecommunications services in access and reliability. As a proud senator for Tasmania, representing Tasmanians, I say to this chamber tonight, ‘Don’t sell Telstra; fix it.’ (Time expired)
Senator McGauran (Victoria) (10.47 pm)—As the chamber is well aware, we are debating the sale of Telstra bills, in essence. I realise there are five cognate bills: two currently—the Telstra (Transition to Full Private Ownership) Bill 2005 and the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005—and three more are to come from the House of Representatives. They are the technicalities of the Senate. In essence, we are debating, as anyone who has been listening to this debate knows, the final sale of Telstra.

So it is quite a moment in the Senate, and it will be for the rest of this debate, which will go on all of this week. We welcome everyone from the opposition getting up and putting their point. I wish they would not put it as emotively as the speakers thus far have, just throwing out assertions devoid of facts and believing that those assertions will convince us, the public or the listeners. Senator Polley, for example, who is now leaving the chamber, invited anyone from this side of the chamber to put their hand on their heart to say that they actually believe in the sale of Telstra. Well, my hand is on my heart. I believe in the sale of Telstra, as I did in T2 and T1. I have been fortunate enough, having longevity in politics, in this chamber to be a part of all three sales of Telstra—the two previous ones and the one we have before us.

As I said, it really will be a moment in this government’s life and in this parliament’s life, should this legislation get through by the end of the week. It is worth looking at the history of this issue. Having lived through it, I might be able to enlighten Senator Polley, who is new to the parliament. It is worth looking at its history as it will probably answer every one of her queries. She asked: ‘Do we really believe that this will be a success? Do we really believe that the proceeds will hit the spot to bring in greater competition and better services?’ Senator Polley and other new senators on the other side and on this side, look at the history of the sale of Telstra—T1 and T2—and even the history prior to that and you will see that the answer to all those queries is yes. Each sale has been, in short, a success.

Let us go right back to when Telstra was a monopoly, when the Left on the other side—the likes of Senator Carr—pined for the days of government ownership, when the government owned 100 per cent of the banks, the airlines, telecommunications and just about everything; it was as socialist as you could get. Telstra did live in that environment, and those were the days. As we all know, particularly as we came into the eighties and nineties, this was a monopoly that behaved like a monopoly: it was way overpriced, utterly inefficient and could not, and would not, meet the challenges in technologies that exploded in the late eighties and nineties. It was a monopoly; it was a dinosaur. Change had to come. Acting as a monopoly, its services were affected. Anyone who thinks they got their phone fixed more quickly under Telstra when it was in 100 per cent government ownership has a very short memory or was not around at the time. This was a dinosaur that needed changing—and, ultimately, the Labor government at the time were convinced of this.

The Hawke-Keating government were actually the first to move to corporatisate Telstra. They saw the technology changes coming. No-one predicted how quickly they would happen or how advanced they would be but, nevertheless, even that government saw that Telstra had to adapt and had to be corporatised. Mr Acting Deputy President Lightfoot, who do you think was the minister for telecommunications at that time, when the Labor government took the first timid steps towards the corporatisation of Telstra, opening it up to some competition? It was none other than the now Leader of the Opposition, Mr
Beazley, who well knew at that time that Telstra had to face competition and had to be opened up. That is exactly what the Labor Party did.

Of course, as we all know, a duopoly was created with the introduction of a competitor in Optus. That was the first step, but the Labor Party were disappointed: whatever vision they had at that time—and it was to sell Telstra; let us not kid around—was not realised. The then communications minister, Mr Beazley, had a meeting with BHP and with Mr Keating in 1995 to scope or to discuss possibilities for the sale of Telstra, so we know they had it in the gun; they were going to privatise Telstra eventually. The great disappointment was that they were always too slow in getting around to it. We would have supported them in opposition.

But they were never going to introduce the USO or the customer service guarantee or any of those safeguards for the bush. The rural and regional areas know that the legacy of the Labor Party in their timid first step towards opening up the communications market was to shut down the analog system. As we all know, when we first came into government we were faced with the crazy decision of the analog system being closed down in the rural and regional areas and digital replacing it—that was the legacy of previous government. There are many areas that could not take digital and we had to rush in and find a solution to that problem and introduce the CDMA system. So in the end, whatever timid first step they did take, they left a mess behind—typical, of course. They knew what they had to do but in the end they would not do it.

When we came into government we knew what we had to do, and we are doing it. And this is the final chapter of that necessity. As you well know, Mr Acting Deputy President, we had tested our policy on the sale of Telstra in the 1996 election. We have actually tested it in four elections. But, not to get ahead of myself, I want to go to the first sale, T1, in 1997, a policy tested in the previous election. T1 was for one-third—33 per cent—of Telstra. It is very important that we look at where the proceeds of that 33 per cent sale of Telstra went. In November 1997, one-third of Telstra was sold and as other speakers, including my colleague Senator Sandy Macdonald in this chamber, have said, of the proceeds of some $14 billion, $1.1 billion went into the Natural Heritage Trust—the greatest expenditure on the environment by any government in the history of Australia.

Senator Bob Brown was against that for political reasons. He was against $1.1 billion of a capital fund setting up the Natural Heritage Trust, moneys going towards the Murray-Darling project, the National Vegetation Initiative, the Coast and Clean Seas initiative, a national reserves system, the national land and water audits—all programs that are still in existence today because of that fund. Given that money does not grow on trees, that it is taken from the taxpayers, that sort of expenditure could not have been found unless the privatisation of one-third of Telstra had been put into play. A certain amount of the rest of the moneys went to reduce the legacy of debt. It was putting in place the foundations of good economic management. You just cannot do it by milking the taxpayers. The privatisation of Telstra in T1 was needed particularly at that time, given the budget black hole the government had to fill—a legacy of the previous government. And the legacy of that is, of course, a contribution towards lower interest rates—lower debt equals lower interest rates.

You might remember, Senator Moore, that in between the first sale of Telstra, T1, and the second, T2, there was the 1998 election. What policy do you think we took to that
election? It was for the full sale of Telstra. So we were tested again—our mettle was tested at that election. I know very well that, besides that election being the GST election, the Labor Party tried to make the sale of Telstra a central plank of that election. In 1999 we proceeded to sell 16 per cent of Telstra. This history is necessary, Mr Acting Deputy President, because I am moving up to T3. We have to know the backdrop to what will be a somewhat historic moment when we sell the last piece of Telstra and the largest government owned asset. T2 was, as I say, for 16 per cent and it brought in some $16 billion. Again, the greater bulk of that was used to reduce debt, with $1 billion put towards the social bonus. One of the finest programs set up from T1 was the Networking the Nation program. Something like $250 million was put into that and it has been an enormous success on the ground for the rural and regional areas.

Senator Eggleston—Hear, hear!

Senator McGauran—With the sale of T2, from the resulting $1 billion social bonus something like $150 million extra went into Networking the Nation. I heard a ‘hear, hear’ from the government whip, Senator Eggleston, a rural and regional senator from Western Australia. He knows only too well how that project got right onto the ground in the rural and regional areas and benefited those people. It was a community program. It bettered the services and bettered the product. So if Senator Polley is sitting in her room—having asked the question: ‘Where have the services been improved; can anyone name one?’—I invite her to go and look at the Networking the Nation project. I see that my time to speak is now drawing to a close. I ask that I can continue my remarks at a later time.

Debate interrupted.

ADJOURNMENT

The DEPUTY PRESIDENT—Order! It being 11.00 pm, I propose the question:

That the Senate do now adjourn.

Millennium Development Goals

Senator Barnett (Tasmania) (11.00 pm)—I rise tonight to speak in support of the Millennium Development Goals, which Australia has committed itself to. In doing so, I would like to congratulate all those involved in the recent Make Poverty History campaign to halve world poverty by 2015. I applaud the actions of my government, because we are a lucky country, to quote the late Donald Horne. We are a politically stable and resource rich, wealthy country. We are a compassionate race of people, who practise tolerance and largely subscribe to Christian values, which promote peace and charity, particularly for the poor and the disadvantaged. I am proud of this country’s Christian heritage, which underpins much of the work of non-government, charitable and volunteer organisations. The response of my government and the Australian people to the December 2004 tsunami disaster was illustrative of that. It was outstanding. I have previously acknowledged that response in this chamber.

Earlier this week I was joined by colleagues from both sides of politics in urging Senate support for Australia’s commitment to the Millennium Development Goals. Senate support, I am glad to say, was achieved without dissent. The goals include halving world poverty; reducing child mortality by two-thirds; halting and reversing the spread of HIV-AIDS, malaria and other diseases; and supporting freer and fairer international trade. The motion, which I proposed with the support of Senator Grant Chapman, Senator Ursula Stephens and Senator Helen Polley, said:
That the Senate—
(a) recognises:
   (i) the extent and gravity of world poverty and
   the urgency of tackling this situation,
   (ii) that the most impoverished countries cannot escape the cycle of poverty without assistance, and
   (iii) that two-thirds of the world’s poor are actually in Asia, (rather than Africa);
(b) acknowledges recent efforts by the Australian Government including increases in the Australian overseas aid budget and special support for those in need following the December 2004 tsunami;
(c) supports the Millennium Development Goals agreed to by the Australian and other governments in 2000 which specifically included a set of eight goals to be achieved by 2015 ...
   … … …
(d) urges the Australian Government to recommit itself to the achievement of those goals.

Senate support for those goals has been achieved, and it was a great honour to be part of that process.

But tonight I specifically want to record my support for three measures. The first measure concerns Australia’s overseas aid budget, which in 2005-06 is nearly $2.5 billion. I believe that there are strong arguments to double this funding support in the years ahead. The second measure is to promote, where appropriate, conditions being attached to overseas aid, to ensure that corrupt regimes do not benefit from our aid and to ensure better governance by beneficiary nations. The third measure is to promote more free trade among nations, so that developed and developing nations are better able to compete in world markets—on a level playing field—and to prosper. Free, freer and fair trade has a huge part to play in advancing the cause.

Supporting my proposals and underpinning the Millennium Development Goals are the following facts. Overseas development aid must be carefully targeted, especially in our region, where two-thirds of the world’s poor are. In Asia, 712 million people live on less than $US1 per day, as do 314 million people in Africa. A child dies as a result of extreme poverty every three seconds. Every day 30,000 children die from preventable causes. Nearly 11 million children under the age of five die every year. One woman dies every minute as a result of pregnancy and childbirth complications. More than 500,000 women die in childbirth each year. Each day 58,000 people die from hunger and easily preventable diseases. One in five children in the developing world do not attend school. Nearly a billion people entering the 21st century are unable to read a book or sign their names. The gross domestic product of the poorest 48 nations—a quarter of the world’s countries—is less than the wealth of the world’s three richest people combined.

The developing world now spends around $US3 on debt repayment for every $US1 it receives. Five years ago all members of the UN signed up to a global plan and pledged to halve poverty by 2015. As I said, there are eight Millennium Development Goals. The aim of the Make Poverty History campaign is to achieve those goals by 2015. Meetings in New York this week to consider the progress will be attended by many people, including our own Prime Minister, the Hon. John Howard.

Despite committing themselves to putting development at the centre of global trade negotiations, many rich countries are still pursuing unfair trade rules. Developed countries spend more than $350 billion each year on subsidies for their farmers—the equivalent of the entire combined income of Africa. Every cow in Europe now gets $US2 a day in subsidies, which is more than three-
quarters of what Africans earn each day. At the same time, developed countries are aggressively pushing developing countries to open their markets. In the European Union, farmers receive 33 per cent of their income from the government. In the United States the level of support and protection received from the government is 18 per cent. In Australia it is four per cent. Ensuring that world trade rules give developing countries the power to decide the pace and extent of trade liberalisation, especially of their agricultural markets, so that they can preserve food security and livelihoods, is essential. We need a freer and fairer trade arrangement. We need to break down the barriers that have been put up, particularly in Europe and the United States.

I indicate my support for the Millennium Development Goals and programs such as Make Poverty History. In doing so, I would like to record that in August this year I hosted a visit to Parliament House of the UN special ambassador to Asia, Ms Erna Witoe- lar. Earlier, in June, the Hon. Bruce Baird and I hosted a dinner at Parliament House in honour of the Reverend Tim Costello of World Vision and David Bussau of Opportunity International, to speak about and to speak in favour of the Millennium Development Goals. Last week it was a privilege to be part of a prayer vigil outside Parliament House supported by the Make Poverty History campaign. Last Saturday I attended a celebration of Make Poverty History in Launceston. To that end I would like to con- gratulate the organisers, Grant Maynard and Ben McKinnon, and their energetic team of supporters.

I also want to record thanks to some organisations who have done so much in their contributions to making poverty history. A special thanks goes to Michaela Sargent, campaign coordinator of the Australian Council for International Development. I would like to specifically acknowledge the non-government organisations Caritas, World Vision, Oxfam, TEAR Australia, Plan, Baptist World Aid, Micah Challenge and the Oaktree Foundation. Their support has been immense. I would like to record the support of the members of the Make Poverty History campaign, which include the following organisations: AID/WATCH, Anglican Board of Mission, Anglicord, the Archbishop of Sydney’s overseas relief and aid fund, Assisi Aid Projects, Australian Business Volunteers, AUSTCARE: Australians Caring for Refugees, the Australian Conservation Foundation, the Australian Council for International Development, the Australian Lutheran World Service, Australian Relief and Mercy Ser- vices, Australian Reproductive Health Alliance, Australian Volunteers International, Baptist World Aid Australia, the Burnet Institute and Caritas Australia.

The organisations also include the Christian Blind Mission International, CCF Aus- tralia, Engineers Without Borders Australia, the Foundation for Development Cooperation, the Fred Hollows Foundation, Friends of the Earth, International Centre for Eyecare Education, International Needs Australia, International Women’s Development Agency, Marist Mission Centre, Oaktree Foundation, Opportunity International, Oxfam, PALMS Australia, Plan, Quaker Service Australia, RESULTS Australia, Save the Children Australia, TEAR Australia, UNICEF Australia, Union Aid Abroad, United Nations Association, WaterAid Aus- tralia and World Vision Australia. The work of the volunteers and numerous members of these non-government and volunteer organi- sations has been vitally important in raising the issue of and support for the Millennium Development Goals.
Brisbane Traffic Tunnels

Senator BARTLETT (Queensland) (11.10 pm)—For something different tonight I thought I might talk on Telstra, because it has not been covered much lately! At the last minute, to your relief, Mr Deputy President, I decided to change my mind and talk about a matter more specific to my own town of Brisbane, a matter I have covered to some extent previously in this chamber—that is, the significant amounts of money that the Brisbane City Council is prepared to waste on tunnels and bridges surrounding the inner Brisbane area. It is an enormous amount of expenditure that will inevitably lead to more traffic and motor cars in the inner Brisbane area and, therefore, further emissions. I believe it will also lead to significant ongoing debt for the city council for a long time to come.

What spurred me to raise this issue again was that I noticed on the most recent list of proposals referred to the Department of the Environment and Heritage for assessment under the federal environment laws the proposal for a bridge at the end of Hale Street, right near the Suncorp Stadium—once upon a time known as Lang Park—to go across to South Brisbane. That is one part of what is known as the TransApex scheme, the core of which and the first stage of which is the north-south bypass tunnel, which is to go from Woolloongabba—right near another famous football ground, the Gabba, where I think they play some cricket from time to time as well—and reappear outside the Exhibition grounds. That is where they should have built the new Suncorp Stadium, instead of spending that stupid amount of money expanding the stadium in the urban area of Paddington. That is a disgraceful blight on the Beattie Labor government. It was an appalling decision to spend all that money to just slightly expand the size of that stadium when it could have been put at the Exhibition grounds that are not utilised most of the year.

However, this is about traffic, not about football grounds, although those football grounds certainly generate their share of traffic. The north-south bypass tunnel goes, as I said, from Woolloongabba and reappears at Herston and Bowen Hills, near the Royal Brisbane Hospital and the Brisbane Exhibition grounds. The Brisbane City Council has estimated that that tunnel will cost around $2 billion. The TransApex project, according to reports, will cost up to $5.3 billion. That involves a number of other tunnels and bridges in the inner Brisbane area.

The Brisbane City Council has said that its contribution will be a maximum of $660 million, although it may not be that much, the vast bulk of which is going to be borrowed from the state government. The city council is asking the state government to kick in $400 million and the Commonwealth to kick in $400 million as well. I would like to put on the record my complete opposition to any federal money whatsoever being used on the north-south bypass tunnel or the TransApex project. It is clearly not a Commonwealth road and there are plenty of other road projects with far greater priority.

In the general broader Brisbane area, there is an absolutely pressing need for some funding to be spent on the Ipswich Motorway into Brisbane. The sooner federal resources can be provided for that, the better for all of those people coming from fine cities out in the west such as Toowoomba as well as those closer to Brisbane such as Ipswich and the many satellite suburbs that are now funneling into that road. For even a cent of federal money to go on something as insane as the tunnels, when we have that pressing need out in the western areas of Brisbane, would be absurd.
I call on the federal government to categorically rule it out once and for all, because one of the ways that the Brisbane City Council Lord Mayor is managing to dangle along the furphy that it could be a financially plausible project to build this tunnel is through the notion that the federal government will kick in some money. The sooner the federal government rules it out categorically once and for all, the sooner that particular phantom leg of this project can be kicked away, and the lack of financial substance behind it can be more clearly exposed.

I would also like to take the opportunity to put in a plea not just for money for roads in the Brisbane area and its surrounds, but also to support the call that has been made for funding to enable upgrades of rural roads, the Outback Highway in particular. The Outback Highway covers not just parts of Queensland but also parts of the Northern Territory and Western Australia. A lot of it is unsealed. Frankly, when we have highways and significant interconnectors between outback towns and communities that do not have any sealing at all, it is a bit outrageous for city councils to be trying to get federal money to build another massive layer of bitumen over the amount that they already have, and to build unnecessary tunnels and bridges that will just create more traffic and pollution. Federal money spent on areas such as the Ipswich Motorway, the Outback Highway and roads in rural communities, such as the roads out to Birdsville and towns like that, would be far better spent and a much better use of taxpayers’ resources.

I should say that the issue of sealing the Outback Highway or the roads to Birdsville and some of the other towns of note in western Queensland that still do not have sealed roads is not just a matter of pork-barrelling rural communities to make them feel better or of building the old mythical ‘highways to nowhere’ to satisfy National Party senators or the like—and we have had a bit of comment about that tonight. It is a significant part of enhancing the economic opportunities for the entire wider western Queensland region. Outback tourism is a very significant and growing part of the tourism industry. It is an area that already has the benefit of not only generating a lot of income and resources for those areas but also of drawing people to see different parts of Queensland—it is getting people away from the coastal routes and highways and into other parts of the state. Putting in the basic infrastructure of a sealed road obviously benefits the people that live out there, but it also makes it far more feasible for others to travel, and to have tourism, out there.

It also makes it much safer, and that is certainly a point that cannot be overemphasised. Preventing even a small number of accidents due to unsealed roads, highways and outback connector roads, apart from saving lives and sparing individuals trauma, saves money. When you add up the money spent—the cost of accidents in some of those areas—it is quite a significant amount. Over time, it would easily outstrip the amount that needs to be spent to seal those roads.

As a representative for Queensland, I certainly emphasise the value of putting road funding into some of those outback areas. As an example, a call was made at a meeting today in Boulia of the Outback Highway Development Council’s annual general meeting. They are looking for $10 million to upgrade the Outback Highway, and for state and territory governments to support a federal road funding agreement. Those sorts of amounts of money can make a huge difference for some of those communities, yet here we have the Brisbane City Council asking for $400 million for tunnels that would simply create more health problems, pollution and traffic in inner-city Brisbane. The vast bulk of the TransApex project would be
funded from private sources. It is a classic example of what we have already seen in Sydney, which has a whole gamut of tunnels that have ended up costing more than was initially proposed through massive cost overruns, had spiralling tolls and have led to significant increases in pollution problems from the emissions stacks at either end of the tunnels. The Brisbane City Council is refusing to consider filters on the tunnel smokestacks, which are going to come out right near the Brisbane Hospital, the Gabba and other parts of inner-northern Brisbane. That is simply a disgrace, and I certainly support the growing number of people throughout Brisbane, particularly in the inner-suburban communities, who are recognising the TransApex tunnel scheme for the con that it is.

(Time expired)

Senate adjourned at 11.20 pm

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number]


Civil Aviation Act—

Civil Aviation Order 82.0 Amendment Order (No. 1) 2005 [F2005L02506]*.

Civil Aviation Order 82.0 Amendment Order (No. 2) 2005 [F2005L02507]*.

Civil Aviation Safety Regulations—Airworthiness Directives—Part 105—ADS-PUMA/57 Amdt 1—Tail Servo-Control [F2005L02511]*.


Corporations Act—ASIC Class Order [CO 05/910] [F2005L02538]*.

Customs Act—

CEO Instrument of Approvals Nos—

37 of 2005 [F2005L02470]*.

47 of 2005 [F2005L02497]*.

Tariff Concession Orders—

0504353 [F2005L02515]*.

0504534 [F2005L02517]*.

0504544 [F2005L02518]*.

0504553 [F2005L02520]*.

0504554 [F2005L02564]*.

0504562 [F2005L02549]*.

0504563 [F2005L02550]*.

0504570 [F2005L02522]*.

0507031 [F2005L02557]*.

0507308 [F2005L02559]*.

0507315 [F2005L02525]*.

0507355 [F2005L02526]*.

0507356 [F2005L02529]*.

0507357 [F2005L02532]*.

0507364 [F2005L02530]*.

0507365 [F2005L02531]*.

Financial Management and Accountability Act—Net Appropriation Agreements for—

Australian Electoral Commission [F2005L02505]*.

Australian Public Service Commission [F2005L02503]*.

Commonwealth Grants Commission [F2005L02501]*.

Geoscience Australia [F2005L02450]*.

Higher Education Support Act—

Higher Education Provider Approval (No. 9 of 2005)—Northern Melbourne Institute of TAFE [F2005L02551]*.

Higher Education Provider Approval (No. 10 of 2005)—Perth Institute of Business and Technology Pty Ltd [F2005L02575]*.

Higher Education Provider Approval (No. 11 of 2005)—Colleges of Business and Technology (WA) Pty Ltd trading as...
Curtin International College


Migration Act—Migration Regulations—Specification of designated APEC economies for the purposes of the definition of “designated APEC economy” in regulation 1.03, dated 26 July 2005 [F2005L02408]*.

Military Superannuation and Benefits Act—Military Superannuation and Benefits (Delayed Payment of Benefits) Amendment Determination 2005 (No. 1) [F2005L02366]*.


Superannuation Industry (Supervision) Act—Revocation of Modification Declarations [F2005L02475]*.

Taxation Ruling TR 2005/17.


* Explanatory statement tabled with legislative instrument.

**Departmental and Agency Contracts**

The following document was tabled pursuant to the order of the Senate of 20 June 2001, as amended:

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Regional Development Council

(Question No. 248)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 22 December 2004:

(1) On what date did the Council of Australian Governments agree to establish the Regional Development Council.

(2) On what dates has: (a) the Regional Development Council met; and (b) the Standing Committee on Regional Development met.

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

(1) The Council of Australian Governments agreed on 8 June 2001 to create a new Regional Development Council (RDC) by amalgamating regional development issues from the Industry, Technology and Regional Development Council and the informal Regional Development ministers’ meetings.

(2) (a) The Regional Development Council has met once, in Canberra on 30 July 2003. The next meeting of the RDC is scheduled to be held in Coffs Harbour on Friday 21 October 2005.

(b) The Standing Committee on Regional Development has met seven times, the first meeting was in Canberra on 9 May 2002. Subsequent meetings have been held in Melbourne on 17 October 2002; Gladstone, Queensland on 18 June 2003; Port Arthur, Tasmania on 14 November 2003; Melbourne on 25 June 2004; Kangaroo Island, South Australia on 26 November 2004; and Darwin on 6 May 2005.

Minister for the Arts and Sport

(Question No. 697)

Senator Chris Evans asked the Minister for the Arts and Sport, upon notice, on 4 May 2005:

(1) In relation to all overseas travel where expenses were met by the Minister’s portfolios, for each of the financial years 2000-01 to 2004-05 to date what was the total cost of travel and related expenses in relation to: (a) the Minister; (b) the Minister’s family; and (c) the Minister’s staff.

(2) In relation to all air charters engaged and paid for by the Minister and/or the Minister’s office and/or the department and its agencies, for each of the financial years 2000-01 to 2004-05 to date: (a) on how many occasions did the Minister or his/her office or department and/or agency charter aircraft, and in each case, what was the name of the charter company that provided the service and the related respective costs; and (b) what was the total cost.

Senator Kemp—The answer to the honourable senator’s question is as follows:

(1) Central Departmental records indicate the following costs were met by the Minister’s portfolio in relation to ministerial overseas travel by the Minister for Arts and Sport.

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QUESTIONS ON NOTICE
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(2) (a) and (b) In relation to ministerial overseas travel, records indicate there has been no charter aircraft used.

**Defence: Customer Service**

(Question No. 837)

Senator Chris Evans asked the Minister for Defence, upon notice, on 4 May 2005:

(1) For each of the financial years 2000-01 to 2004-05 to date, can a list be provided of customer service telephone lines, including (a) the telephone number of each customer service line; (b) whether the number is toll free and open 24 hours; (c) which output area is responsible for the customer service line; and (d) where this call centre is located.

(2) For each of the financial years 2000-01 to 2004-05 to date, what was the cost of maintaining the customer service lines.

(3) For each of the financial years 2000-01 to 2004-05 to date, can a breakdown be provided of all direct and indirect costs, including: (a) staff costs; (b) infrastructure costs (including maintenance); (c) telephone costs; (d) departmental costs, and (e) any other costs.

(4) How many calls have been received, by year, in each year of the customer service lines operation.

Senator Hill—The answer to the honourable senator’s question is as follows:

(1) (a), (b), (c) and (d) See attached table for centrally managed free call services.

(2) The maintenance of these services is included in the Defence Voice Facilities Management Contract, and the nature of the contract structure does not allow the extraction of the maintenance costs of individual services.

(3) As stated in part (2), the contract structure does not permit extraction of indirect costs, but the customer service lines call costs for:

- 2000-01 - unavailable.
- 2001-02 - unavailable.
- 2002-03 - $2,636,548.
- 2004-05 - $2,724,635.

(4) Current systems do not allow the collection of call rates.

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**Customer Service Numbers**

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## QUESTIONS ON NOTICE

### Minister for Transport and Regional Services

(Question No. 869)

**Senator Chris Evans** asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 6 May 2005:

For each of the financial years 2000-01, 2001-02, 2002-03, 2003-04 and 2004-05 to date, can details be provided of all privately or commercially sponsored travel, including costs and sponsor for: (a) the Minister; (b) the Minister’s family; (c) the Minister’s personal staff; and (d) officers of the Minister’s department.

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

(a) The Special Minister of State will be providing an answer to this part of the honourable Senator’s question on behalf of all Ministers.

(b) The Special Minister of State will be providing an answer to this part of the honourable Senator’s question on behalf of all Ministers.

(c) The office of the former Deputy Prime Minister and Minister for Transport and Regional Services, the Hon John Anderson MP, has advised that they hold no records to indicate that any privately or commercially sponsored travel was undertaken by personal staff from 2000-01 to 2004-05.

(d) The following sponsored travel was undertaken by officers of the Department of Transport and Regional Services from 2000-01 to 2004-05:

---

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<th>FY Started</th>
<th>FY 2000-01</th>
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<th>FY 2002-03</th>
<th>FY 2003-04</th>
<th>FY 2004-05</th>
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**Legend**

CFO Chief Finance Officer

CIOG Chief Information Officer Group

CSIG Corporate Services and Infrastructure Group

DMO Defence Material Organisation

DPE Defence Personnel Executive

DSA Defence Security Authority

DSTO Defence Science and Technology Organisation

IG Inspector General
<table>
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<tr>
<th>Date</th>
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<th>Objective</th>
<th>Cost recovered</th>
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<td>Kenyon International</td>
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<td>Presentation at a Kenyon International Conference</td>
<td>Airfares, accommodation, meals and surface transport ($10,900) paid by Kenyon</td>
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<td>Radisson Tottenham Court Road</td>
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<td>Atkins Rail</td>
<td>London</td>
<td>First Global Rail Accident Investigation Course</td>
<td>Accommodation pre-paid by Atkins</td>
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<td>United Kingdom</td>
<td>Presentation at Transport Speed Management Conference</td>
<td>Transport IQ contributed 500 pounds towards Airfares</td>
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<tr>
<td>August 2004</td>
<td>Bankstown Airport</td>
<td>Sydney</td>
<td>Presentation to the Bankstown Airport Consultative Committee</td>
<td>$337.12</td>
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<tr>
<td>August 2004</td>
<td>Australian Mayoral Aviation Council (AMAC)</td>
<td>Cairns</td>
<td>Presentation at the AMAC 2004 Annual Conference</td>
<td>$554.00 + two nights accommodation paid for by AMAC (cost unknown)</td>
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<td>November 2004</td>
<td>Nissan/Isuzu</td>
<td>Sydney</td>
<td>Meeting with car maker to discuss BTRE’s research and forecasts on truck sales</td>
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<td>Brisbane Airport</td>
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<td>Holding a training workshop for airport staff</td>
<td>$1,314.51</td>
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<td>April 2005</td>
<td>Centre of Policy Studies (Monash University)</td>
<td>Melbourne</td>
<td>Presentation of paper to seminar sponsored by CoPS</td>
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Minister for Local Government, Territories and Roads
(commons 895)

Senator Chris Evans asked the Minister representing the Minister for Local Government, Territories and Roads, upon notice, on 6 May 2005:

For each of the financial years 2000-01, 2001-02, 2002-03, 2003-04 and 2004-05 to date, can details be provided of all privately or commercially sponsored travel, including costs and sponsor for: (a) the Minister; (b) the Minister’s family; (c) the Minister’s personal staff; and (d) officers of the Minister’s department.

Senator Ian Campbell—The Minister for Local Government, Territories and Roads has provided the following answer to the honourable senator’s question:

(a) The Special Minister of State will be providing an answer to this part of the honourable Senator’s question on behalf of all Ministers.

(b) The Special Minister of State will be providing an answer to this part of the honourable Senator’s question on behalf of all Ministers.

(c) No privately or commercially sponsored travel was undertaken by my personal staff during 2004-05. Records of privately or commercially sponsored travel that may have been undertaken by staff of former Ministers from 2000-01 to 2003-04 are not readily available. To compile a response to this part of the question would require a significant diversion of resources which I am not prepared to authorise.
(d) Please refer to the Minister for Transport and Regional Services response to Question on Notice number 869.

**National Missile Defence**  
* (Question No. 1053)  

**Senator Nettle** asked the Minister for Defence, upon notice, on 4 August 2005:

(1) What is the status of negotiations regarding Australia’s participation in the United States of America’s National Missile Defence.

(2) What commitments have been made by the Government regarding Australia’s contribution to National Missile Defence.

(3) What is the estimated cost of each element of Australia’s contribution.

**Senator Hill**—The answer to the honourable senator’s question is as follows:

(1) Australia signed a 25-year Memorandum of Understanding concerning Ballistic Missile Defence with the United States, on 7 July 2004. This is a framework arrangement that will enable agreements on particular areas of cooperation.

(2) Australia’s commitment, as expressed in the Memorandum of Understanding, will evolve over time. While no specific commitments have yet been entered into, an annex providing for research, development, test and evaluation is currently being negotiated.

(3) While no commitment has yet been formalised, any contribution made to missile defence will come from within existing Defence resources.

**Envirofund Program**  
* (Question No. 1066)  

**Senator Bob Brown** asked the Minister for the Environment and Heritage, upon notice, on 8 August 2005:

With reference to round 6 of funding under the Australian Government Envirofund for Tasmanian projects:

(1) How does the project ‘Leading Practice Property Management – Residential Developments, East Coast’, awarded to two individual property owners, meet the criterion of ‘a very high public benefit’.

(2) In relation to this project, can funds be used to compensate for site rehabilitation work which has already been completed.

(3) Can funds be used to cover the costs of site rehabilitation work which has been mandated by state resource management planning processes.

(4) Why was funding provided for this project if the apparent ‘public benefit’ element (i.e. a natural resource management planning manual) replicates a manual already produced by a local community group in conjunction with the University of Tasmania.

(5) What projects have received Envirofund funding in the Break O’Day municipality.

(6) What mechanisms exist for monitoring and evaluating local Natural Resource Management coordinators to ensure that projects are developed with local land/bush and coast care groups that meet funding objectives and guidelines.

**Senator Ian Campbell**—The answer to the honourable senator’s question is as follows:

(1) No funding has been provided for the project.

(2) No.
(3) No.
(4) See answer to (1).
(5) Eight projects have received funding in the Break O’Day municipality, as follows:

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<tr>
<th>Applicant</th>
<th>Funding</th>
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<td>Scamander Community Development Inc</td>
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<tr>
<td>Break O’Day Council/Break O’Day Landcare and Waterwatch</td>
<td>$2,793</td>
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<td>Stieglitz Foreshore Group</td>
<td>$6,230</td>
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<td>Pyengana Area Landcare Group Inc</td>
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<td>Fingal Pastoral Proprietary Limited</td>
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<td>Mr Mukul Joshie</td>
<td>$13,827</td>
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Australian Government and regional facilitators are given detailed information about the Envirofund Programme at the launch of each new round and when successful applications are announced, to assist them in advising potential applicants and helping successful applicants to implement their projects. Potential applicants are encouraged to contact facilitators during preparation of their project application and facilitators can seek further advice from the Envirofund Unit on any aspect of the Programme. Envirofund roadshows and workshops are also conducted to engage with regional and local level coordinators, landcare groups and other interested parties.

Radioisotopes

(Question No. 1077)

Senator Siewert asked the Minister representing the Minister for Education, Science and Training, upon notice, on 10 August 2005:

With reference to the Australian Nuclear Science and Technology Organisation budgeted actual revenue for the 2004-05 financial year and Table 5.1: Analysis of Budgeted Financial Statements, Statement of Financial Performance for the 2004-05 period:

(1) Will the Minister provide a financial breakdown of revenues from the sale of radioisotopes for:

(a) radiopharmaceuticals derived from the High Flux Australian Reactor (HIFAR) at Lucas Heights for:
   (i) domestic use, and (ii) export;

(b) industrial radioisotopes derived from the HIFAR at Lucas Heights for:
   (i) domestic use, and (ii) export;

(c) radiopharmaceuticals derived from the National Medical Cyclotron (NMC) at the Royal Prince Alfred (RPA) Hospital for:
   (i) domestic use, and (ii) export; and

(d) industrial radioisotopes derived from the NMC at the RPA Hospital for:
   (i) domestic use, and (ii) export.

(2) For the 2005-06 financial year, will the Minister provide the projected revenues from the sale of radioisotopes for:

(a) radiopharmaceuticals derived from the HIFAR at Lucas Heights for:
   (i) domestic use, and (ii) export;

(b) industrial radioisotopes derived from the HIFAR at Lucas Heights for:
   (i) domestic use, and (ii) export;

(c) radiopharmaceuticals derived from the NMC at the RPA Hospital for:
   (i) domestic use, and (ii) export; and
(d) industrial radioisotopes derived from the NMC at the RPA Hospital for:
   (i) domestic use, and (ii) export.

Senator Vanstone—The Minister for Education, Science and Training has provided the following answer to the honourable senator’s question:

(1) (a) (i) $10,600,000
       (ii) $2,270,000
(b) (i) $538,000
       (ii) $370,000
(c) (i) $4,000,000
       (ii) $965,000
(d) No industrial isotopes are manufactured at the NMC. Cyclotrons can only be used for the manufacture of some short-lived isotopes, and as such are suitable for manufacturing some isotopes used in medical applications but unsuitable for manufacturing isotopes used in industrial applications (which are relatively long-lived).

(2) (a) (i) $10,400,000
       (ii) $2,200,000
(b) (i) $498,000
       (ii) $371,000
(c) (i) $4,000,000
       (ii) $979,000
(d) See 1(d).

(Note: Figures given for radiopharmaceuticals also include radiochemicals)