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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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- SYDNEY 630 AM
- NEWCASTLE 1458 AM
- GOSFORD 98.1 FM
- BRISBANE 936 AM
- GOLD COAST 95.7 FM
- MELBOURNE 1026 AM
- ADELAIDE 972 AM
- PERTH 585 AM
- HOBART 747 AM
- NORTHERN TASMANIA 92.5 FM
- DARWIN 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—FOURTH PERIOD

Governor-General

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

Senate Officeholders

President—Senator the Hon. Paul Henry Calvert

Deputy President and Chairman of Committees—Senator John Joseph Hogg


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

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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

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

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

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

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

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

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

Minister for Human Services
The Hon. Joseph Benedict Hockey MP

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

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

Special Minister of State
Senator the Hon. Eric Abetz

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

Minister for Ageing
The Hon. Julie Isabel Bishop MP

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

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

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

Minister for Workforce Participation
The Hon. Peter Craig Dutton MP

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

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

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

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

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

Parliamentary Secretary (Foreign Affairs) and Parliamentary Secretary to the Minister for Immigration and Multicultural and Indigenous Affairs
The Hon. Bruce Fredrick Billson MP

Parliamentary Secretary to the Prime Minister
The Hon. Gary Roy Nairn MP

Parliamentary Secretary to the Treasurer
The Hon. Christopher John Pearce MP

Parliamentary Secretary to the Minister for the Environment and Heritage
The Hon. Gregory Andrew Hunt MP

Parliamentary Secretary (Children and Youth Affairs)
The Hon. Sussan Penelope Ley MP

Parliamentary Secretary to the Minister for Education, Science and Training
The Hon. Patrick Francis Farmer MP

Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry
Senator the Hon. Richard Mansell Colbeck
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
Gavan Michael O’Connor MP

Shadow Assistant Treasurer, Shadow Minister for
Revenue and Shadow Minister for Small
Business and Competition
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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Tuesday, 13 September 2005

The PRESIDENT (Senator the Hon. Paul Calvert) took the chair at 12.30 pm and read prayers.

TELESTR A (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 2005

TELECOMMUNICATIONS LEGISLATION AMENDMENT (COMPETITION AND CONSUMER ISSUES) BILL 2005

Second Reading

Debate resumed from 12 September, on motion by Senator Coonan:

That these bills be now read a second time upon which Senator Bob Brown had moved by way of an amendment:

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

Senator McGauran (Victoria) (12.31 pm)—I am speaking in continuation on the five bills that will legislate for the sale of Telstra. Yesterday evening in my address to the parliament I outlined the history that brings us to this rather historic—momentous, no less—event, taking us right back to the original monopoly that Telstra began as and then through to the T1 and T2 sales. I talked about the government’s policy at that time—and the objection of the opposition—and our determination and follow-through and the successes that were brought about by the T1 and T2 sales. That brings us to the T3 sale of Telstra, which we are all addressing this week.

Throughout that history the government showed a clear and open policy, a policy judged by the people. The government successfully followed through, on each occasion, the commitments that we made with regard to T1 and T2, and all the time we were transparent. There was no cover-up, no kidding around and no tricks with either of those sales. We were open, fair and transparent and we have been judged on that. That is our record and that is how we come to this debate.

We have always had three planks which we have worked off. The first is to encourage greater competition. That is the very basis on which we build our argument with regard to the sale of Telstra. We say that competition is aimed at bringing about cheaper prices and greater infrastructure. We can see that the goal of cheaper prices and greater infrastructure—bringing greater services to the people—has indeed been achieved, particularly with regard to the mobile phone sector. The consumer knows well that real prices have dropped by some 20 per cent on fixed lines, and I believe Australia has internationally competitive mobile phone pricing; indeed we are among the greatest users of mobile phones. So we have achieved our goal of bringing about greater competition.

The second plank is to bring about regulation with respect to customer service guarantees and universal service guarantees so that there are tough safeguards to underlie that competitiveness, particularly in rural and regional areas. As the Senate knows, we have toughened up the universal service obligation. We have introduced—and in this legislation we again toughen it up—the customer service guarantee and so on. The third plank is that the government telecommunications policy has targeted areas, especially in rural and regional Australia, where there is a market failure. We accept that in a true open market—laissez-faire, if you like—the rural and regional areas would be disadvantaged, but we have acted to fill that gap and provide, where the market has failed to, the necessary funds. This legislation addresses that particular problem, which has been an ongoing one.
The point is—and I am glad to see that Senator Conroy follows me in this debate—that the National Party and the coalition in our nine years of government have always known where we have stood. There have been preconditions upon T1, T2 and now T3. We have always placed conditions on the sale of Telstra so that market failures will be addressed. We do so now with T3.

Senator Conroy interjecting—

Senator McGauran—We did not rush into this. We instigated the Estens inquiry and the Besley inquiry to give us benchmarks which we can work off. We have never been ideologically bogged down about who should own Telstra and who should not. That has never been the debate on this side of the house. It has been about whether the rural and regional areas will be left behind in a fully open and competitive market. That has been the real argument. Senator Conroy, you know that only too well because you happen to agree with us, unlike some of your left-wing colleagues who are bogged down in the ideology of whether Telstra should be sold or not. They want to keep it in government hands. In fact, they pine for the good old days when most things—telecommunications, banks, airlines—were kept 100 per cent in government hands. They were just monopolies acting like monopolies—overpriced and inefficient, not able to meet the modern market demands. The world changed, particularly in telecommunications, during the nineties. That has been our concern on this side of the house. Senator Conroy, when you stand up you ought to confirm that you do not have an ideological bent. You really do not care—

Senator Conroy (Victoria) (12.39 pm)—I am pleased that some members of the National Party are finally participating in the debate publicly rather than behind closed doors as they try to drag as much money out of the government and taxpayers as they can. I always enjoy Senator McGauran’s contributions. As always, while very passionate in his position, he is not always accurate. I simply respond by saying: you should not believe everything the Prime Minister says, Senator McGauran, and you might want to
try reading what the question was before you read out an answer.

The ACTING DEPUTY PRESIDENT—You should address your remarks through the chair as well, Senator Conroy.

Senator CONROY—I accept your admonishment. I was drawn into it by Senator McGauran’s earlier commentary. Senator McGauran should have tried, for a start, reading the question that I was asked before he decided to read out the answer. That is always one of those useful things in politics—do not always just fall for whatever any mug says publicly. In this case, the mug is the Prime Minister.

Senator Ellison—Mr Acting Deputy President, I raise a point of order. Referring to the Prime Minister as a mug is unparliamentary and he should withdraw that.

The ACTING DEPUTY PRESIDENT—It is unparliamentary, and it should be withdrawn.

Senator CONROY—I unreservedly withdraw my comment that the Prime Minister is a mug.

Government senators interjecting—

The ACTING DEPUTY PRESIDENT—Would you care to withdraw that last remark?

Senator CONROY—Withdraw my withdrawal? I said I unreservedly withdraw and I described my remark.

The ACTING DEPUTY PRESIDENT—I accept that.

Senator CONROY—It will come as no surprise to this chamber that Labor oppose the Telstra (Transition to Full Private Ownership) Bill 2005. Labor have voted against the sale of Telstra on every occasion that the Howard government has tried to force it through parliament. We promised the Australian public at the last three federal elections that we would oppose the sale of Telstra, and we will honour that commitment. The reasons we oppose the sale are well known. We believe that a fully privatised Telstra would inevitably increase prices, slash services and desert communities where it could not make a profit. We believe that a fully privatised Telstra would leave town faster than the banks.

We believe that we need to keep Telstra in public ownership to ensure that it invests in the telecommunications infrastructure needed by the Australian economy and needed to deliver new services like e-health and e-education to Australian consumers. We believe that we need to keep Telstra in public ownership to ensure that the home phone never becomes a luxury item for the most vulnerable in our society. This is why Labor believe that it is essential to keep Telstra in majority public ownership. It is also why Labor believe the government should fix Telstra instead of selling it.

Labor also understand that the overwhelming majority of Australian voters oppose the sale of Telstra, and we intend to represent those voters in this chamber. In contrast, the Howard government has shown nothing but contempt for those Australians who do not support the sale. What an act of arrogance for a government to try to rush through a piece of legislation, that 70 per cent of Australians oppose, without even acknowledging the significant concern that exists on the issue. What an act of arrogance for the government to try to rush through such controversial legislation without even allowing the opportunity for a proper Senate inquiry. In fact, what an act of arrogance for the government to introduce this legislation when it cannot even satisfy the conditions it stated—

Senator Ferris—I raise a point of order, Mr Acting Deputy President. I draw attention to standing order 187. Senator Conroy is
reading his speech, which is against standing order 187.

The ACTING DEPUTY PRESIDENT—
I understand that Senator Conroy could be referring to copious notes. I will be able to make a further determination on that as he proceeds with his speech.

Senator CONROY—What a sad and tragic effort to gag a speaker.

Government senators interjecting—

Senator CONROY—This is just another demonstration that the government, if it does not like what it hears, tries to shut the debate down.

The ACTING DEPUTY PRESIDENT—
Order! Senator Conroy—

Senator CONROY—You might be able to gag the committee and you might be able to gag the chamber later this week, but you are not going to gag me today. I could not hear you for the noise, Mr Acting Deputy President.

The ACTING DEPUTY PRESIDENT—
I think you could not hear because of your own noise, Senator Conroy. Have you finished your speech or are you going to continue with it?

Senator CONROY—I am continuing with it.

The ACTING DEPUTY PRESIDENT—
Well, I invite you to do so.

Senator CONROY—Thank you, Mr Acting Deputy President—

Senator Sherry—He’s entitled to make a noise. He’s speaking.

Senator CONROY—That’s right. Usually sound goes with a speech. I am glad that the chair recognises that there is some sound when you are making a speech.

So what an act of arrogance: the government has introduced the legislation into the chamber before the Senate Environment, Communications, Information Technology and the Arts Legislation Committee has even finished looking at it. The Howard government promised the Australian people that it would not sell Telstra until it satisfied three conditions. Let me tell you what those three conditions were: that services were up to scratch, that the share price guaranteed a proper return for the government and that it obtained approval for the sale from parliament. Let us assess the progress of the government in meeting its own thresholds.

So far as services go, it is difficult to find anybody in this country, outside of the Howard ministry, who agrees that Telstra services are currently up to scratch. Just last Friday, at the committee hearing, in the very short period of time that witnesses were given to examine the legislation and respond to it, the President of the National Farmers Federation, Mr Peter Corish, when asked, ‘Are services up to scratch?’ stated categorically, ‘No.’ The National Farmers Federation—not a front for the Labor Party—said, ‘No.’

Prior to that, we had the release of the now infamous 11 August private briefing from Telstra to the government, in which Telstra itself admitted that services were not up to scratch. In fact, Telstra’s internal document stated that in the past few years, as Telstra tried to prop up its share price by offering special dividends and share buybacks, Telstra did not make the investments it should have made and needed to make. Telstra admitted that at the same time that it was returning billions of dollars of capital to the share market, it had underinvested to the tune of $2 billion or $3 billion over the past three to five years. As a result, Telstra had failed to replace obsolete equipment, had failed to replace legacy IT systems which were not capable of handling new services and had failed to train new workers to replace its ageing work force.
This is not another Labor Party front; this is not the union: this is the new CEO of Telstra. He has blown the whistle on the government. At his press conference, he said, 'I have to tell the truth. Telstra has not provided a world-class service. We have underinvested in our network and we have not introduced the new cutting edge technologies.' That is what Mr Sol Trujillo, the new CEO of Telstra, said. He pointed out to the Prime Minister, who claims that services are up to scratch, that the emperor has got no clothes. He has told the truth. What a sin! I know it is a disgrace for Mr Howard to hear the truth from anyone, and that he is really quite used to not hearing the truth, but he has attacked Mr Trujillo on the basis that he is a disgrace simply because he told the truth. That is what is at stake in this debate. Mr Howard cannot afford to have the truth known about the state of Telstra and the network in this country.

The consequence of the underinvestment is that Telstra has received 14 million phone fault reports and that over 14 per cent of Telstra's lines are faulty. Let me put that into perspective. That is 1.4 million Australian phone lines that are currently defined by Telstra as being faulty. Yet despite these damning figures from Telstra itself, John Howard describes Telstra services as up to scratch.

The Acting Deputy President—Please refer to him as Mr Howard or Prime Minister.

Senator Conroy—I am sorry, Mr Acting Deputy President. Mr Howard describes Telstra services as up to scratch. Despite more than 1.4 million faulty lines, the Minister for Communications, Information Technology and the Arts, Senator Coonan, describes Telstra services as being 'well and truly adequate'. To insist that Telstra's services are up to scratch in the face of this overwhelming evidence to the contrary is either wilful blindness or intentional deceit on the part of the government as it relentlessly pursues its ideological privatisation process and obsession.

Let us talk about the share price. The government's next condition for the privatisation, that the Commonwealth was able to receive an adequate return for its shareholding, is also clearly about to be jettisoned by the Howard government. Mr Howard insists that the government is not a distressed seller and will not sell Telstra for just any price. But he will not commit to setting a floor price for the sale. The government's budget papers value Telstra at $5.25 per share. We have already seen the Minister for Finance and Administration, Senator Minchin, dump that. Senator Minchin has been asked questions about that in the last couple of weeks. He answered, 'No, we never intended that $5.25 to be a share valuation. It was not what we wanted for it.' It was only in the government's budget papers, which valued Telstra at $5.25 for their indicative share price. But, according to Senator Minchin, that is not what it is. Senator Minchin insists that the government's budget papers are not a reflection of the price at which the government would sell the shares.

That is a good thing, because if the government is holding out for $5 a share, on current form it will be a lot of years before Telstra shares get anywhere close to that. The Telstra share price today is $4.34. Based on the experience of the past two tranches, we can expect the share sale price to be a full 40c lower than that. If the government wants to push through the sale of Telstra, its obsession, it has to sell to the Australian public at around $4 a share. That is $1.25 down on its own calculations. So at the moment, we are looking at selling Telstra for more than $1 a share less than the current price at which the government values it on its books. So condition No. 2—the Howard government went to the election saying, 'We won't do it unless
we can satisfy these conditions,’—has gone. It has been jettisoned by the minister for finance when he said, ‘No, it is not really the share price.’

Mr Howard’s final condition for the privatisation was that he was able to obtain Senate approval for the sale. That looks like a condition that Mr Howard may actually be able to satisfy. However, by anyone’s standards, the way this government has gone about achieving this goal shames this chamber and it shames the government. It is no wonder that politicians are held in contempt at times by the public, when the Prime Minister says, ‘We won’t be arrogant. We won’t rush the legislation through. We will be relaxed. We will be comfortable.’

The Telstra sale, according to the government’s own words, will be some time in the middle of next year. That is nearly 12 months away, but it is ramming it through. To obtain Senate approval for this sale, the government is relying on the vote of a senator who was elected on a platform of opposing the sale of Telstra. The government will be relying on the vote of a senator who told the voters of Queensland: ‘I won’t be endorsing the sale of Telstra.’ Senate approval for the sale of Telstra will forever be tainted by the fact that it was obtained through a politician who betrayed his constituency to vote for the privatisation.

Compounding the dishonour of Senator Joyce’s betrayal of his constituents is the way the government brought him into the fold. To convince Senator Joyce to sell out his constituents, the government engaged in what Senator Joyce described as a ‘quid pro quo’ for his vote. Senator Joyce went so far as to issue a press release expressing his pride in the fact that people were describing the ‘communications fund’ offered to him by the government as a ‘slush fund’. Is it old-fashioned to be embarrassed by the shamelessness of this behaviour? Is it old-fashioned to think that senators ought to honour the commitments they make to their constituents instead of simply taking the money and running at the first opportunity?

Senator Joyce told the voters of Queensland something else while he was promising them that the government would not be selling Telstra, and this statement may actually come true. Senator Joyce stated:

Telstra is a national icon, and if you launch yourself as a political party into destroying national icons then you will come unstuck with the electorate.

I could not agree more with Senator Joyce.

In addition to the privatisation bill, Labor is also opposing the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005. While Labor supports the stated objectives of the government’s operational separation regime, the model that the government has adopted for operational separation is fundamentally flawed and is doomed to fail. The operational separation regime outlined in the bill considered by the Senate committee inquiring into the bill contains very little detail as to how the final operational separation model will operate. The bill merely provides a very broad framework for the operational separation model and then allows Telstra three months to prepare a draft operational separation plan for approval by the minister. Let us get this straight: we want to set up a regulatory regime for Telstra—which will be a 600-pound gorilla when it is fully privatised in the marketplace—and Telstra gets to write the regulations. And then the minister gets to tick it off behind closed doors. Fair dinkum, what sort of process is going on in this parliament?

The legislation further provides that the pricing principles that will govern the provision of wholesale services by Telstra will be
determined at a future date by a committee comprising—shock, horror!—Telstra, the minister and the ACCC. You have got to begin to ask yourself: at what point should a minister be involved in determining prices in the marketplace? When should a minister be sitting on a committee determining prices? The minister should make the final decision; there is no question about that. But these negotiations should take place between the ACCC and Telstra, without the interference of the minister. We have a situation now where we are enshrining in legislation that a minister is going to sit in on commercial negotiations between a regulator and a company—and these commercial negotiations materially affect every other telco in this country.

Companies that rely on ministerial decisions in many other areas will be afraid to speak out about what is going on. They will be afraid, as they were at the Senate committee inquiry, to criticise the legislation, because their future commercial operations depend on the goodwill of the person who is determining the prices they will be charged and will be able to pass on. This is a corruption of the process. You cannot put a minister into a position where they are an active negotiator between Telstra and the ACCC. This is wrong. This is a step too far.

I fully support operational separation. Labor has been campaigning on it for years. My predecessor, Lindsay Tanner, championed it. Yet we have got a situation where the minister has said one thing and the legislation, when you see it, says something completely different. I said publicly on the day the minister announced the Telstra package that if the minister were to deliver the package she has talked about in her press release and in her press conference, Labor would support her and she would deserve to be congratulated for having done a good job. You may say, ‘So what?’ but it is not often in parliament that you get an opposition saying, ‘That is the right direction to go, and good on the minister for doing it.’

But I say to all those people who are listening to the broadcast of these proceedings and those who are here in the gallery: the minister has talked the fight but not delivered. It is a bit like Barnaby. Barnaby talks the talk—

Senator Ferris—Senator Joyce.

Senator CONROY—It is a bit like Senator Joyce. Senator Joyce talks the talk but does not walk the walk. He will not walk across the chamber to deliver on his promise. As such, at the time when senators are asked to vote on this bill—with far-reaching consequences not just for Telstra but for every other company in the telco sector—crucial aspects of the government’s operational separation regime remain incomplete.

Issues that still require consideration, as noted by Graeme Samuel, the Chairman of the ACCC, during the inquiry include: the precise details of the operational separation plan and Telstra’s obligations in relation to that plan; the scope of services that will be subject to the operational separation plan; the enforcement regime associated with compliance or, more importantly, noncompliance with the operational separation plan; the powers to investigate whether or not compliance has occurred; and 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. There is clearly much work to be done. In fact, you could almost say that this bill which deals with operational separation is a scam. It purports to introduce a regulatory regime, and all it does is give power to Telstra, the minister and the department to go off behind closed doors and do some deals. It is not
good for business and it is not good for democracy to give a minister so much power.

The next flaw in the operational separation model set out in the proposed bill is the way in which the government has chosen to separate Telstra. Under the government’s model, Telstra would be separated into retail, wholesale and network businesses. Such a structure poses problems as it would institutionalise differential treatment of wholesale access seekers when compared with Telstra retail. The whole point of the operational separation regime was to get equivalent treatment between Telstra’s retail arm and all the other retail providers with Telstra Wholesale. That was the core principle behind operational separation that the minister signed up to, the ACCC signed up to, the department signed up to and the opposition signed up to. When you see the legislation, it actually does not deliver.

Under the government’s model, wholesale access seekers would be forced to acquire services from the wholesale business unit while Telstra retail would be able to acquire services from Telstra network. The fact that wholesale customers would be acquiring different products from a different unit of Telstra when compared to Telstra retail gives Telstra substantial leeway to ‘game’ the regime and frustrate the intent of the operational separation model. For those who think that it is just the opposition crying wolf, have a look at the banner headline on the front page of today’s Financial Review. (Time expired)

Senator SHERRY (Tasmania) (1.01 pm)—Today in the Senate we are considering the Telstra (Transition to Full Private Ownership) Bill 2005—in other words, the sell-off or privatisation of one of Australia’s core and essential service providers. With the passage of this bill, we will be only part way through what has degenerated into a total shambles, a circus, a farce, an example of massive incompetence and a con job. That is not my description of the mess Australians are now confronted with but the description used by a range of political and economic commentators surrounding the events of the past few months. Indeed, one pro-privatisation newspaper, the Financial Review, referred to the Liberal government’s incompetence on the sale of Telstra as being akin to a John Cleese training video. I would refer to it as an episode of Fawlty Towers, if only it were so funny!

However, what we are now faced with is very serious in its consequences for Australian consumers, taxpayers and the existing Telstra shareholders. Labor has a clear, simple position, a sound policy position: maintain Telstra in majority government ownership. Labor has consistently argued this principle, and has done so over many years, because it believes the only way to ensure decent essential service levels at a fair price to all Australians, particularly those living in rural and regional Australia, is to maintain majority government ownership. I will return to some problems in regional Australia a little later.

It is my intention to focus on the process management and financial issues surrounding this sale. Over the last 9½ long years, this Liberal government has been determined to pursue an extreme ideological obsession: sell Telstra. Its central argument—and about the only argument seriously advanced—is that continued majority government ownership is a conflict of interest. It is a conflict because the government is both a regulator of telecommunications and a majority owner of Telstra. This is a false argument, because Telstra operates as a separate commercial corporate identity at arm’s length from the government on the one hand and also in a totally separate way from the various regulators that regulate telecommunications in Aus-
tralia. So there is clear arms-length separation between the government as the majority shareholder and the government having established the regulatory authorities, which in turn independently set out the regulations under which telecommunications operate in this country.

If there were any substance to this argument, what about Australia Post and what about public sector superannuation funds? Both are totally owned by the government but in turn are regulated by government-established authorities. This highlights just how false the government’s central argument about an alleged conflict of interest is. There is no argument.

I would like to have a look at some of the history of the mismanagement and incompetence surrounding the Liberal government’s gradual privatisation of Telstra. Under this government, Telstra has lost its way. I would claim that this Liberal government has been actively misleading ordinary Australians about the financial state of Telstra. Some 1.6 million Australians—some 80 per cent as individuals and some 20 per cent as institutional investors—were convinced to participate in the two sales over the past eight years. Ordinary Australians—about 1.4 million—trusted Mr Howard when he directly urged them to participate. For example, he claimed in October 1999 that it was a great deal to buy shares in Telstra.

At the same time as the Prime Minister, Mr Howard, and, for that matter, his ministers have been talking up Telstra, the government has been extracting billions of dollars in special and ordinary dividends and effectively forcing Telstra to draw down on its capital—capital that was needed for essential investment to maintain infrastructure for the very survival of Telstra in the long term; the very survival that would have allowed Telstra to compete against its rivals who have gradually been gaining market share. Dividend payments have averaged seven to eight per cent. Comparable circumstances overseas would average three to four per cent. What this Howard Liberal government has been actively involved in is presiding over a policy to inflate past and current dividend payments by robbing the future, by drawing down on future investment that was essential for Telstra’s survival. This is unsustainable. This has obviously been a bid to artificially inflate the share prices in the past.

This process has caught up with the government and unfortunately it has caught up with the T2 share purchasers, because the deliberate financial mismanagement of this government was exposed by the leaking that occurred last week of a secret report on Telstra’s true condition. The report was written by senior Telstra executives and was presented on 11 August to the Prime Minister, Mr Howard, and to the Minister for Communications, Information Technology and the Arts, Senator Coonan—and I think other ministers were present as well. This secret report, prepared by senior Telstra executives, outlined in great detail the poor state that Telstra was in. It highlighted a number of critical issues: there were 14.3 million fault calls in the past year; the company was bogged down with obsolete equipment; it had an ageing workforce and a lack of training for new workers; it had outdated IT systems that were not up to the job; its main market, fixed line telephones, was in meltdown; and it would have to dramatically draw from its reserves to continue paying dividends at the same level.

This secret document, written by Telstra executives themselves, has become public. I have never seen an executive of any company in any report describe their own company, or an essential part of their market, as being in meltdown, but that is how serious the problems are which are confronting Tel-
stra. The Prime Minister, Mr Howard, as the leader of the government, and his ministers who were present at that secret briefing, listening to that secret report and the difficulties of Telstra, should have insisted, as the 51 per cent majority owners of Telstra, that this information be released to the markets so that those who are share owners, or those who are contemplating share ownership at some time in the future, could be fully informed. But that did not happen because it did not suit the government. It suited this Liberal government to sit on this report and cover it up so it would not become public.

Why did it sit on this report and cover it up? The government had sold T2 shares at $7.40. In this year’s budget it is projected that the sale price would be $5.25, and over the last week or two the price has been hovering around and dropping to the mid-four range. So the government was desperate to avoid releasing this critical information about the poor state of Telstra in order to try to hold the share price and get it back up so it could maximise its returns from privatisation. The government is entitled to maximise the return to shareholders in selling off and privatising Telstra, but it is not entitled to withhold information from Australian consumers who have already been burnt and from future purchasers of shares. In fact, it gets worse, because the Prime Minister, Mr Howard, went on to say in parliament:

... it is the obligation of senior executives of Telstra to talk up the company’s interests ...

No, it is not. As the Prime Minister discovered the next day, when it was pointed out to him by lawyers and experts in the financial markets, it is not the obligation of senior executives to talk up the company’s interests; it is the obligation of senior executives to tell the truth—which is what Mr Howard, along with his ministers, has not been doing and has been seeking to avoid throughout this whole sorry saga. But it does not end there.

The Prime Minister labelled executives a disgrace, having earlier and since referred to the Chief Executive Officer of Telstra, Mr Trujillo, as a good bloke. So, on the one hand, the Prime Minister has bagged senior executives as a disgrace and, on the other hand, he has praised Mr Trujillo as a good bloke. Presumably he is a disgraceful good bloke—a bit of a contradiction in the Prime Minister’s analysis of who is running Telstra.

On 21 August, both the Treasurer, Mr Costello, and the Minister for Finance and Administration, Senator Minchin, suggested that the sold shares, which will be authorised once this legislation is passed by parliament, would pass over into a government owned Future Fund—so we are selling them but, at the same time, they are still being maintained in ownership by a government owned Future Fund—and they implied they would be sold down over time. This was not the original claim and it was not the basis for the Future Fund. The Future Fund to offset unfunded public sector super liabilities was supposed to be a fully independent, arms-length and diversified investment vehicle—not one containing 51 per cent, decreasing-over-time Telstra shares. It is hardly a diversified or a balanced fund. This defies the government’s own laws in respect of all other superannuation funds in this country—the prudent person principle which requires diversified investment commensurate with safety. For good reason, every superannuation fund has that law, but there is going to be one exception: this government is setting up a de facto superannuation future fund loaded to the hilt with Telstra shares, in direct contradiction of existing law in this country.

This will also be very damaging to the prospects of share price recovery for current shareholders and future purchasers because, if the government sells down over time—and I see no way they can avoid that—then every time the price moves up a little and the Fu-
ture Fund decides to offload and sell a block of shares—and the markets will obviously be expecting it—the shares will drop again. So there will be downward pressure placed on Telstra shares. That is not much good for the current owners of T2 who bought shares at $7.40 which are currently at the low- to mid-four range. This is an appalling situation which has been widely condemned by fund management experts as being totally undesirable for the existing shareholders.

Ironically, despite the passage of this legislation the government will still be a major owner of Telstra shares for many years via the Future Fund. This is not the only regrettable ‘highlight’ of this circus. The government limited Telstra hearings on the bill to just one day, despite the major new factors, which should have been thoroughly examined, that I and my colleagues have been outlining. What arrogance! Remember Mr Howard, the Prime Minister, said that the government would be sensible and wise in terms of using their Senate majority. Sensible and wise—and yet we got one day’s hearing into a Telstra privatisation bill.

The directors’ fees are to be increased by $680,000 to $2 million despite forecast profit drops. So, despite the profit going down, the directors’ fees are going to more than double. And this government, the Liberal government, is going to go to the annual general meeting and vote for it—they have a 51 per cent shareholding and they are going to vote to more than double the directors’ fees. The top 10 executives will take home $25.2 million—almost double the amount last year—and, again, the government is going to vote for it. How out of touch is this government? Share prices are dropping, directors’ fees are being doubled, top executives’ fees are being more than doubled and the government is going to vote for it! We have had Mr Costello, the Treasurer, saying over and over again in the last two years that there should not be pay rises and bonuses for executives where share prices are going down. It is hardly performance pay. But, as Mr Howard, the Prime Minister, said, the Telstra chief executive is a ‘disgraceful good bloke’, so presumably they are going to front up in October and approve those pay increases.

To top it all off, we have had the on-off circus of Senator Joyce, who apparently is satisfied with the $2 billion fund—initially going to be shares; now apparently cash. Let us remember that it is the income stream from that $2 billion fund of between maybe $150 million to $180 million a year which is meant to upgrade and maintain the sadly neglected rural and regional services. It will not do that. It will not have enough money because we know that Telstra has underinvested.

We have had the desperate declarations of the Prime Minister, Mr Howard, and Senator Coonan that the fund will now contain cash and not, as previously announced, Telstra shares and/or a combination of sale proceeds. No wonder Senator Minchin, the finance minister, was at his evasive best when I asked where the $2 billion in cash was going to come from. He avoiding referring to a rundown in the budget surplus earlier this week by referring to reserves. At the same time, last week he made the incredulous claim that the $5.25 share price in the budget, with the $11.8 billion over three years in sale proceeds, is not a target price for a government sale. If it is not a target price, what is it doing in the budget? Are we similarly not to believe any other significant figure in the budget—it is just a target price, you know, $5.25; it is tough luck that it is now in the low fours. That is the view of the finance minister of this country. It will be interesting to see the rewrite of the budget later this year, the timetable for sale, the projected share price and the $2 billion reduction in the surplus.
I referred briefly to Senator Joyce and the National Party because that is all they deserve, frankly. They have long been the doormats of this government. The Liberal Party gives them a few titbits now and then. Senator Boswell smiles, but he knows the truth. They are a sad and sorry shadow of their former selves. When it comes to the crunch, they always do what the Liberal Party wants time and time again.

In my own backyard on the north-west coast of Tasmania there are still some major issues to be resolved, including lack of mobile phone coverage, insufficient lines to connect houses to high-speed broadband—therefore they are using what they call a box to connect homes in pairs—and delays in connections to new homes and subdivisions. These problems could have been fixed if Telstra had been properly investing money in the system rather than having to divert it to dividends. My other fear is job losses. Mr Trujillo has already referred to a major shake-up which will undoubtedly include job losses. We will hear more about that in some detail later in October, as I understand it.

In my view, the passage of this legislation is very regrettable. It is not in the best interests of the over 1.6 million shareholders who are unlikely to see a price recovery to levels near to what they paid for their shares in T2. Dividends are set to decline. The return to the taxpayer from the sale of Telstra over time will be, we believe, less than $5.25 a share. Telstra is in poor shape. It has been underinvesting. We are left with the worst of all worlds due to this Liberal government’s massive incompetence over the last eight years and the way it has handled the sale of Telstra. As I said, it is a real Fawlty Towers performance from this Liberal government—a government that now has total power and is determined to implement its extreme obsessions. (Time expired)

**Senator Boswell** (Queensland—Leader of The Nationals in the Senate) (1.21 pm)—As we engage in the debate on the Telstra (Transition to Full Private Ownership) Bill 2005, I think I should first put in its historical perspective this debate on the sale of the final tranche of Telstra. When I first became a senator in the early eighties, it certainly was not easy to contact anyone in western Queensland. Party lines meant that several families, or even up to 10 families, shared a single line in an often unreliable telephone service. STD call rates commonly applied between the homestead and the cottage 50 feet away on the same property, not to mention when ringing a neighbour or ringing your town. The School of the Air services were inadequate. New phone connections took months. The onset of the wet meant long-term outages of communication lines.

Meanwhile, the rest of the world was improving its productivity and the cities were going ahead in leaps and bounds in communication based service delivery. At that time the Labor government owned Telecom. It was obvious that rural services would have to be greatly improved if primary industry and rural Australians were to be competitive and if rural families were to be treated in the same way as other Australian families. The infrastructure upgrade required was substantial. Labor had three choices: fund the upgrade from the budget, fund it through a sale of their shares in Telecom or just leave Australia as it was. Labor chose the third option. They did absolutely nothing. Complaints about Telecom grew progressively worse.

The other day I tried to ring the same grazier out west whom I could not reach years ago because of the party-line system he had on his property. Surprisingly, he took the call on his mobile phone at the windmill on his property. He had his calls switched through to his mobile. Ten years has made a
big difference in communications on the land thanks to a coalition government prepared to back rural Australia with tightened regulations and cold, hard cash—cash which has bought hundreds of mobile phone towers throughout Australia, even in the remotest little towns like Muckadilla, Boulia and all those sorts of places on the edge of the Simpson Desert. We have abolished the pastoral call rates so that everyone is now on untimed local calls. The internet has been put into many remote homesteads for the cost of a local call and high-bandwidth services are now being rolled out. Bandwidth? Who had ever heard of that 10 years ago?

With the sale of the first part of Telstra in 1997, we saw the establishment of Networking the Nation, a general fund for regional telecommunications infrastructure that served to highlight how thirsty the bush was for telecommunications infrastructure. The T2 sale was a momentous opportunity to fill the gaps identified by rural Australia and the Networking the Nation fund experience. T2 went ahead only once The Nationals had secured a landmark billion-dollar social bonus package for regional Australia. It was known as the Bundaberg resolution. That suite of programs effectively brought rural Australia online, abolished the inequitable timed local calls, saw the installation of hundreds of mobile phone towers across rural and remote Australia, and connected rural properties with the internet. Local government, education, health and even legal services were enthusiastic participants in the great hook-up that occurred as a result of the social bonus package of T2.

This partial sale of Telstra, owned by all Australians, funded much of the infrastructure needed by the bush. There was no other way to do it. The new millennium found rural Australians very communicative. The many options and new technologies left everyone with a taste for more—more mobile coverage, faster speeds, fewer wires, fewer faults, lower connection times. They wanted service, service and more service. The government responded with two inquiries: Besley in 2001, which led primarily to $163 million being spent on mobile phone towers in smaller and smaller and even smaller communities, and the Estens inquiry in 2003, which identified broadband issues and even more mobile phone towers to be funded by the government at a cost of over $180 million.

While all this money was being spent, the government also moved to tighten up the regulations governing telephone companies to improve competition and enforce a customer service guarantee. All these measures are collectively responsible for the great leap forward in bush telecommunications over the past decade. This would not have been possible if the sale of Telstra had not provided the cold, hard cash to reinvest in rural infrastructure.

Now we are faced with the sale of the balance of the Telstra shares. On the table is $1.1 billion of rural reinvestment in broadband and mobile connections. Let us be honest: if Labor ever get back into government, they will sell Telstra to pay off their debts and we will not see any money go to regional and rural Australia. There is also a $2 billion perpetual Communications Fund that will deliver rural communications where it is not otherwise commercially viable into the future. Again, Labor have put nothing on the table. They even refuse to sit at the table. This is no time to hang onto a telephone company out of nostalgia for the times when you could never even get a line.

A few weeks ago, I visited a remote station in outback Queensland with my colleague Bruce Scott. We were delighted to find that the children there were connected to their school and the rest of the world by sat-
ellite. We on this side of the chamber made this classroom type interactive communication system possible. It is a giant leap forward from the old School of the Air system where only one student could speak at any one time on the radio. The radio often sounded scratchy and crackly and atmospherics would render it useless. For the cost of a local call, three children in a family I know who live 70 miles out of Longreach can now get a decent education delivered by a two-way satellite system—made possible by reinvesting funds from the sale of Telstra back into the bush infrastructure.

Labor say that The Nationals will lose votes and relevance over Telstra. Let me assure them it will not happen while we are delivering modern services and cheaper prices to the next generation of regional Australians. The aim of The Nationals is to make our people competitive and connected. The large amounts of money required to do that have to come from somewhere. In effect, we are trading public ownership for the public benefit that results from a competitive export sector. Rural Australians want the technology, the competitiveness, the connectedness and the education, health and other services delivered by modern communications. There is no going back.

At the moment, we have the government trying to both run on the field and keep the score—a dysfunctional arrangement that does not please the consumer, the shareholder or the market. It is the government that makes the rules on what telephone services are provided to whom, at what cost and in what time period. Telecommunications services must operate within this charter or they leave the field. Ownership by the government for the government is at odds with delivering good rules and a good game for the benefit of all.

The Nationals have fought hard for tough regulations that protect communications services for the seven million people who live outside the metropolitan areas. So have no doubt that, when Telstra is sold, we will still be out there with a strong physical rural presence. We will still be active in responding to complaints from our constituents. This is not a perfect world and we are going to have those complaints. We will still chase the company up and make sure that they deliver on the guarantees that we have made them give, by law. To those who criticise The Nationals in the Telstra debate I say, ‘What have you achieved, either when you were in government or in your current policy?’ The answer is, ‘Absolutely nothing.’ The Nationals have to be pragmatic and we are. We deliver in buckets. It is not easy, but we do it.

I would now like to turn to The Nationals’ requirements on Telstra, as per the resolution of our Queensland national conference, and show exactly how the government has responded to our concerns and recommendations. The first pillar was to call for a permanent trust fund, with earnings to provide future technology and infrastructure upgrades with prices and services at parity with the metropolitan regions. The government has responded by agreeing to a $2 billion trust fund that is linked to regular reviews of regional telecommunications. Importantly, this fund is not to be used to pay for normal maintenance and upgrades of Telstra’s network.

The second pillar was to ask for a way to monitor, report on and review the adequacy of regional telecommunications every three years. We also referred to the ability to investigate service inadequacies in urban areas and the authority to remedy inequities. In response, we now have legislation which provides for regular reviews of regional telecommunications by an independent committee. This committee can be assisted by the
Australian Communications and Media Authority. The ACMA is required to report annually on the overall performance of telecommunications in Australia, and quarterly on the performance of all carriers against the customer service guarantee and on Telstra's performance under the Network Reliability Framework. The government has also agreed to enhance ACMA's enforcement powers to allow it to accept enforceable undertakings from carriers to address breaches of their regulatory obligations.

The third pillar was to retain Telstra's Country Wide. We have imposed a licence condition on Telstra making it a legal requirement for Telstra to maintain a presence in regional, rural and remote Australia.

Another important pillar of the Queensland Nationals' resolution was the maintenance of price averaging on new connections. There are price caps for connections and line rentals and dial-up internet service providers using an 0198 number. The local call price parity system will be retained. Also retained are existing provisions relating to extended zones, line rental offerings to schools, charges for directory assistance and the price cap of 22c on the standard untimed local call. We also called for the maintenance of the existing price parity for untimed local calls and the retention of the universal service obligation.

The Telstra (Transition to Full Private Ownership) Bill explicitly reaffirms both the Universal Service Obligation and the Customer Service Guarantee. The $1.1 billion Connect Australia package and the $2 billion communications fund are key to our strategy to future-proof telecommunications in regional Australia. Connect Australia will start to immediately roll out affordable broadband and extend mobile phone coverage even further in regional, rural and remote areas, including remote Indigenous communities.

The fund will kick-start even more investment from the private sector. It will consist of: $878 million to roll out affordable broadband services in areas where the market is not working and is not capable of working; $113 million for new broadband infrastructure to improve essential services, such as health and education, in regional areas; $30 million to extend mobile phone coverage even further and continue satellite handset subsidies for remote areas; and $90 million to improve communications in remote Indigenous communities.

There has been some very pious criticism about the time allowed for debate on the Telstra legislation. In fact, the Senate spent a great deal of time over the past week debating over the length of time to debate it. I understand Senator Brown accused the government of ramming the legislation through the Senate. I say that a total of 105 hours and 49 minutes since 1996 of legislative debates, not counting all the Senate inquiries of the past and the debate that is to come, is enough. The lengthy literary tome War and Peace has 365 chapters and is half a million words long. The Telstra debate in this parliament has reached some one million words. We have had two War and Peaces on Telstra—enough already.

To delay the passage of the legislation through both the Senate and the House of Representatives will only continue to add to the uncertainty in the market within Telstra and other telcos, and with the customers and shareholders. Delays will continue to undermine confidence and put on hold investment plans. None of this is in Australia's interest and we must now get on with the process of putting in place the legislative framework that will remove Telstra from government ownership while at the same time ensuring delivery of high-quality services, real competition and the funds to get on with the job in regional Australia.
The seven million people living in rural and regional Australia rightly demand the highest quality telecommunication services. They rightly demand services which are commercially non-viable because of distance. It is The Nationals’ job—in fact, it is the essence of why we are here in this federal parliament—to see that they get those services. We have found that the only way to do that is in the legislation before us. It is the only way to deliver that reinvestment of public funds into regional services. That is why The Nationals federally adopted the Queensland platform from our annual conference. That is why we have this legislation before us. That is why our state colleagues voted against Labor in the Queensland parliament on the sale of Telstra. That is why I also oppose Labor here in my support for this legislation. This legislation will see that our constituents’ demands are met.

Senator O’BRIEN (Tasmania) (1.38 pm)—It is certainly true that the National Party deliver, but I would not have used the word ‘buckets’. ‘Barrels’ is the term that is normally used in relation to the National Party’s delivery mechanisms. They are buckets that used to contain pork. I will deal with that later in the contribution. I just thought I should pick Senator Boswell up on his contribution. He used a lot of fancy words, but I thought that word ought to be corrected at the start.

Contrary to Senator Boswell’s view, we are dealing with legislation that is being gulllessly and arrogantly rushed by the government through the Senate. Last week, we saw the Howard government again use their numbers to stymie debate on these bills by exempting them from the cut-off. But we really saw power go to the heads of those in the Howard government when we saw them allow only a one-day hearing on these momentous bills—one day! Due to the government’s unseemly hurry, those who wish to participate in the hearings on these momentous and complex bills had just 24 hours to prepare. That is no way to handle an issue as complex as the sale of what will be Australia’s largest company. This is no way to handle the sale of what will be in many parts of Australia the monopoly provider of an essential service. If this government get this wrong—and we say that they are getting it wrong—it will not just be the government that pays for this obscenity at the next election; Australians in rural and regional Australia, and indeed outer-metropolitan areas, will pay for decades to come. I say that because all Australians, especially those in regional areas such as my home state, will be able to trace their ongoing substandard essential services back to the ideological zealotry of Mr Howard and his government.

In the northern part of Tasmania where I live, we have communities whose landlines fail nearly every time we get decent rain. I am talking about those who live on the Tasman Highway just to the east of Launceston—where mobile phones still do not work—and even those out at Nunamara, which is just a matter of minutes outside of the boundaries of the city of Launceston. I do note the election promise by the current member for Bass, Mr Ferguson, to provide mobile coverage to that community. The people of Nunamara are still waiting. In November last year, Mr Ferguson said: ‘My first 100 days begins now. All the coalition promises for northern Tasmania will be delivered in full.’ But, in speaking in the other place on 7 September, Mr Ferguson said:

Prior to my election as the member for Bass, I promised to lobby for better coverage for Nunamara and the Tasman Highway.

He said, ‘Lobby for.’ He promised it before the election; now he is promising to lobby for it. He went on:

We are now presented with a terrific opportunity, a realistic opportunity, to get a result.
… … … …

I will be seeking the support of my colleagues.

The date of 7 September was 333 days after Mr Ferguson’s election to the House of Representatives. Yet, despite his promise to the people of Nunamara and his big talk about delivering election promises in his first 100 days, Mr Ferguson has apparently not even started lobbying for the funds for mobile coverage for Nunamara. Furthermore, the Hansard reveals that it is only in light of the proposed communications fund that Mr Ferguson thinks that there is now a ‘realistic opportunity’ to get a result. One can only assume that, at the time that Mr Ferguson promised mobile coverage to the people of Nunamara, he knew that it was not a realistic promise. That is one symptom of the fact that the Howard government has lost touch with the people of Tasmania on Telstra. Either the lines of communication have gone dead or the Howard government is simply ignoring the call. Unfortunately for the people of the electorate of Bass, it appears to be a mixture of both.

Mr Ferguson has clearly failed to tell the senior Howard government minister responsible for the sale of Telstra about the woeful state of telecommunications services in the state of Tasmania and, indeed, in his own electorate. The most recent proof about how ineffectual Mr Ferguson is as a representative for the people of Bass was uncovered by a Launceston school student. Recently, at the National Press Club, Launceston College student Maxine McIntyre told Senator Minchin about poor phone reception, limited mobile telephone coverage and patchy internet access in and around the city of Launceston—the main city in the electorate of Bass. Ms McIntyre then asked Senator Minchin this question:

Can the government create a future Telstra that will ensure equal access of service to all Australians, particularly in regional areas such as Launceston?

Senator Minchin’s response was:

I understood that telecommunications in Tasmania were not bad …

The fact that Senator Minchin thinks that everything is fine in Tasmania in the electorate of Bass is a damning indictment of Mr Ferguson’s inability to represent the people of Bass at the senior levels of the federal government.

Last week, the shadow minister for regional development, Mr Crean, revealed that the electorate of Bass has three of the worst exchanges in the nation, and Telstra, by their own admission, say that at any given time there are 300 faults on the go in Tasmania. If Mr Ferguson had been doing his job, Senator Minchin could not possibly have made such an embarrassing gaffe about the state of telecommunications services in Tasmania. After nine long years, it is no surprise that the Howard government is so out of touch. It does not realise that the people of Bass do not want Telstra sold. What is surprising is that, less than a year after Mr Ferguson’s election, he either is so out of touch that he does not know this or has so little influence with senior colleagues that he cannot effectively represent the people of north-eastern Tasmania.

Before coming into this place, Senator Joyce made much of his intent to stand up for the people of Queensland to ensure decent telecommunications services and, if unsatisfied, to vote against the sale of Telstra. But within a fortnight of arriving in this place Senator Joyce had crumbled. We have seen and we continue to see the hand-wringing Senator Joyce in his own garden of Gethsemane. There, he is saying in effect, ‘Take this vote from me.’ He is saying he wished that he did not have to vote for the sale of Telstra, and of course he does not.
But, as we know, Senator Joyce is unable to resist. And what temptation is he unable to resist? It is the allure of 30 pieces of silver or, rather, the modern-day equivalent—a $3 billion slush fund effectively under National Party control.

After the Senate Environment, Communications, Information Technology and the Arts Legislation Committee hearing into the Telstra legislation on Friday, Senator Joyce was again saying he might withhold his support for the sale of Telstra. He says this is because of the previously secret document released last week which showed Telstra has massively underinvested in regional Australia. Well, to quote the Prime Minister: ‘Hello? Hello?’ If Senator Joyce or any of the remnants of the National Party truly represented the people of regional Australia, they would not need a secret report to tell them that the telecommunications in the regions are not up to scratch. For nine long years the community has been saying this to any parliamentarian who will listen; for nine long years the Howard government, frankly, has ignored regional Australians on the issue of telecommunications services; and for nine long years the Howard government, frankly, has ignored regional Australians on the issue of telecommunication services; and for nine long years the National Party has been prepared to sell out regional Australia. Despite Senator Joyce’s latest episode of public agonising, this morning we got the news that he has yet again backed down and will sell out the people of not only Queensland but also Tasmania and the rest of Australia. Surprise, surprise. Were we ever expecting better?

When it comes to the $3 billion fund, we all know the spin from the National Party. It says the money is supposed to future-proof regional telecommunications and ensure parity of services in all parts of Australia, but the reality will be something different. During the nine long years of the Howard government, the National Party has been left in charge of hundreds of millions of dollars of taxpayer funds. Mostly, the programs were set up with reasonable-sounding intent. For example, the Dairy Regional Assistance Program was supposed to assist farming communities destroyed by the Kennett Liberal government’s deregulation of the dairy industry, but what did we get? Duck igloos: wine appreciation courses for wealthy private schools and a polocrosse field at Beaudesert, barely 100 kilometres from an already existing and world-class polocrosse field—and the polocrosse field funded by Dairy RAP, according to photographs published by the Daily Telegraph, was a field with a shed and a locked gate.

Which electorates benefited from the Dairy RAP? Heading the list of recipient electorates was Wide Bay. Who is the member for Wide Bay? Mr Warren Truss. What position does he now hold? He is the Deputy Leader of the National Party. He is the minister for transport and a television cameo star. Which came in second? It was none other than the electorate of Lyne. Who is the member for Lyne? Mr Mark Vaile. What position does he hold? He is the new National Party leader. So, the first and second cabs off the rank are the electorates of key National Party figures—by a long way, I might say, and over 20 per cent of the funds ended up in those two electorates.

More recently we saw the National Party in charge of the now infamous Regional Partnerships program, known to the public as ‘regional rorts’. This program has been the subject of direct political interference by the National Party. A case in point is the $1.2 million approved for a one-dollar—no, I think it was a two-dollar—ethanol company, Primary Energy, which was based in the electorate of the former Leader of the National Party, Mr Anderson. During a recent Senate committee hearing, a senior adviser to the former Deputy Prime Minister and National Party leader, John Anderson, was shown to have interfered in the grant assess-
ment. During the hearing, it emerged that Mr Anderson’s senior adviser directed the Department of Transport and Regional Services to trash its original assessment and do it again, this time ignoring the Regional Partnerships program guidelines. This is just one example. Other regional rorts scandals, such as Tumbi Creek and the Beaudesert Rail project, are well known to members of the public because of the extensive media coverage of the committee’s hearings, and more will be heard about that later.

If Australians believe the National Party can be trusted with large sums of money, they only need refer to the $93.5 million of the $120 million AusLink strategic regional fund that was not excluded—there was $150 million in the fund, but $30 million was allocated to non-incorporated road systems. So there was $120 million for the rest of the road systems, and $93½ million of that was promised by the coalition, by the National Party, in coalition held and targeted seats during the last election campaign. A program that had been announced was without guidelines and had not received any applications, yet $93½ million of the $120 million was spent in the campaign for the political purposes of the National Party. If the National Party says that the Telstra fund will be used to upgrade and future-proof the Telstra network, one only has to look at their history over those nine long years to know they just cannot be trusted.

Besides the promise that the National Party slush fund will somehow take care of rural and regional services, we were also told that strong government regulation will ensure that Telstra does not leave great swathes of Australia in the technological dark age. Again the reality will be something quite different. Last week we saw ASIC launch an investigation into the alleged improper disclosure of information by Telstra to the government. This would indicate that Telstra already has something of a cavalier attitude to regulation. Yet those opposite expect the Australian people to believe that regulation rather than government ownership will ensure a fully privatised Telstra will meet its obligations to all Australians. Telstra’s campaign to water down regulation has already begun, and I suspect that campaign will only become more effective once a fully privatised Telstra starts donating to the Cormack Foundation. I think we in this place all know that donations to the Cormack Foundation are a good way, for the purposes of the corporations, to secretly contribute to the Liberal Party.

The once great National Party was always going to roll over on the issue of Telstra, just as Black Jack McEwen will be rolling over in his grave at the National Party betrayal. Senator Joyce is still rolling, despite telling ABC radio that he has done so in fear of retribution. I am sure it is not because of any alleged intimidation by Senator Heffernan, who I think has been ill-accused in this matter. The whole National Party charade has simply been an attempt, apparently successful, to get their hands on yet another bucket of public money which they can use to prop up what Senator Brandis termed their flat-lining single-digit vote come election time.

While Senator McGauran knows the mobile coverage at the Paris end of Collins Street is just fine, he and his National Party colleagues do not really understand what rural and regional telecommunications are currently like. In my home state, there are more Tasmanian tigers than National Party members, so the National Party cannot have any idea of the state of telecommunications in Tasmania. I have never seen any of them spend any serious time down there. However, Tasmanian Liberal senators and members such as Mr Michael Ferguson, the member for Bass, and Mr Baker, the member for Braddon, have no such excuse. They live
in the community and are supposed to repre-
sent that community. If they were effective
representatives, Senator Minchin would
know the true state of telecommunications in
Tasmania. He clearly does not. The Tasma-
nian members of the government are either
deaf to the overwhelming view of people of
Tasmania or they are held in such low esteem
by the players within the Howard govern-
ment that they cannot effectively represent
the Tasmanian community.

The Howard government does have con-
trol of this Senate—total control to enact its
extreme policies. As Senator Joyce pointed
out on ABC radio on Sunday, the Howard
government’s policies come straight out of
the Melbourne Club. TheHoward govern-
ment’s extreme policies on industrial rela-
tions, on welfare and on Telstra are all Mel-
bourne Club specials. There was a time when
Australia was an egalitarian society where all
Australians could share in the national pros-
perity. After nine long years of the Howard
government, this is no longer the case. The
extreme agenda of this government will fur-
ther entrench disadvantage for some Austra-
lians, particularly in rural and regional Aus-
tralia, and further entrench advantage for the
few. The sale of Telstra will do exactly this
in the field of telecommunications.

The extreme agenda of the Howard gov-
ernment will lead to rural and regional tele-
communications falling further behind. The
extreme agenda of the Howard government
will lead to greater job insecurity for Austra-
lian workers and a race to the bottom with
regard to working conditions and wages. The
Howard government’s policy on VSU, which
Senator Joyce describes as ‘ideological abso-
lutism’, will make it harder for all but the
wealthiest Australians to take on tertiary
education and it will make life harder for
those already doing it hardest—those with
disabilities and the children of single-parent
families. With total control of the parliament,
nothing will stop the Howard government
unleashing all of this on the Australian pub-
ic. But once the Australian people have
borne the full brunt of the extreme policies
of the Howard government they will make
this government pay at the ballot box. To the
members for Bass and Braddon, I say: make
the most of your thousand days in parlia-
ment, because that will certainly occur.

With regard to comments that have been
made about the slow implementation of
modern technology in rural and regional
Australia, particularly by National Party
members, I say this: when companies invest
in technologies, they do so on the basis that
they will make a return. When the sharehold-
ers of that company desire the highest return
and the highest share price, they will insist
that those who run the company make deci-
sions in that interest. That interest is inimical
to the interests of those parts of Australia
where a profit cannot easily be turned, and so
the question will return to the parliament and
to the government of the day: do you want
these services for regional Australia and who
is going to pay for them?

A short-term policy of selling an asset
where there is some control and where the
government is a majority shareholder and
handing that control to the private sector will
ensure that, at the end of the day, as these
deficiencies increase, rural and regional Aus-
tralians will be saying to the Australian gov-
ernment, ‘Help us make them make it good,’
and the company will be saying to the Aus-
tralian government, ‘Pay us to do it.’ It will
be a short-term gain to sell Telstra, because
in the end any government that wants to de-
fend rural and regional Australia will be
forced to pay the money back to Telstra and
its shareholders to get that outcome. That is
the inevitable reality of this government’s
policy.
Senator MARSHALL (Victoria) (1.58 pm)—Since it is almost question time, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

QUESTIONS WITHOUT NOTICE
Welfare Reform

Senator WONG (2.00 pm)—My question is to Senator Abetz, the Minister representing the Minister for Employment and Workplace Relations. Is the minister aware of the new report released today by the National Centre for Social and Economic Modelling, or NATSEM, an organisation which the Prime Minister has described as respected, independent and objective? Is the minister aware that this respected institute has found that people with a disability will lose up to $122 a week under the Howard government’s extreme changes to welfare? How can the minister look people with a disability in the eye and say he is helping them when the government is clawing away money they desperately need? How can the minister stand by the Prime Minister’s feeble claim that these changes do not punish people?

Senator ABETZ—First of all, I do not think anything the Prime Minister has ever said or done could be described as feeble, so allow me at the outset to repudiate that assertion that was made by Senator Wong. The other thing that needs to be set out is that no-one currently on the disability support pension will be affected in any way, shape or form. Senator Wong and the Australian Labor Party are playing yet again their classic scare tactic. Currently there are some 707,000 people on the disability support pension, a trebling of the numbers over the past 25 years.

The existing disability support pension criteria are out of step with community expectations. The reality is that the capacity of people with disabilities to work varies enormously. Australians believe that people should be asked to support themselves in keeping with their capacity. That is why we as a government have said that those that can work for 15 hours or more should be encouraged through incentives to participate in the work force, and that is exactly what we are seeking to do with our Welfare to Work program and initiatives. The government is acting to maintain the integrity of our system for those who need it the most. Those requirements to undertake work will not be made of those that have genuine disabilities and are unable to undertake work.

Can I also indicate to the Senate that over a million people with disabilities are working now. We want to help more people increase their income through work and not hold them back. Mr President, you and I know a startling example of a person with very serious disabilities, one Erick Pastoor, who was the Liberal candidate for Denison at the last federal election. He was an inspiration to many people. Erick Pastoor is a man with significant physical disabilities as a result of a disease that he unfortunately contracted, but he was absolutely motivated to get back to work. The disability support pension was a very important safety net for him and is something that we as a government will maintain.

We are determined to assist people and motivate people. Sure, there are some people in the community like Erick Pastoor that do not need that sort of motivation, but there are some others that do need some encouragement with incentives to ascertain how much they are actually able to work. In other words, we concentrate on their abilities, rather than what the Labor Party does—that is, concentrate on their disabilities. We look at people differently from those on the other side. We look at a person and ask: ‘What is their inherent worth? What are they able to do?’ as opposed to those on the other side, who look at a person and ask, ‘What sort of
disabilities do they have?” It is a completely different approach. The government is committed to making sure that every Australian has the opportunity and support needed to get and keep a job. We on this side support the Welfare to Work program and believe that it is an important social reform.

Senator WONG—Mr President, I ask a supplementary question. I ask that the minister address the primary issue contained in the question, which he completely avoided: why is this government taking back $122 a week from people with a disability, as indicated by the independent NATSE report? Does the minister agree that this report comes on top of evidence issued by NATSE earlier this month that showed that sole parent families will be up to $91 a week worse off under the government’s changes? With these two independent reports showing that the government’s extreme welfare changes will inflict terrible hardship on vulnerable Australians, isn’t it time for the minister to step up to the plate, admit the government has stuffed it up and fix the mess that it has made?

Senator ABETZ—Firstly, I repeat for the benefit of Senator Wong and those opposite: the government is not taking anything back. Current beneficiaries will retain exactly what they have today. Let us dispense with that nonsense that Senator Wong and her colleagues are trying to peddle. Secondly, I indicate that, to help people get ahead, the government is in fact spending money, $555 million, in new and expanded employment services. This includes over 101,000 new rehabilitation and employment assistance places to meet the various needs of job seekers with disabilities. Unlike those on the other side, who would just leave them on the disability support pension and not worry about their abilities, we say, ‘Let’s look at their abilities, invest in their abilities and mainstream them into Australian society, where the overwhelming majority of them want to be.’ (Time expired)

Welfare Reform

Senator FERRIS (2.06 pm)—My question is to the Minister for Family and Community Services and the Minister Assisting the Prime Minister for Women’s Issues, Senator Kay Patterson. Will the minister inform the Senate of how the federal government is continuing to provide for carers, a very important group in our community? Can the minister outline the new initiatives that recognise the extraordinary support they provide to so many Australians?

Senator PATTERSON—I thank Senator Ferris for her question and say that I know how interested she is in this area. I would like to start by recognising all of the carers from across Australia who attended the ‘Walk A Mile In My Shoes’ campaign on the lawns of Parliament House this morning. I was pleased to be able to join them and listen to what they had to say. I just wish that the state ministers would come along with me and have the consultation process with these people that they refused to have when I asked them to look at issues of succession planning.

I recognise some of those carers who are in the gallery this afternoon. They make an enormous sacrifice in taking care of the people they love. We on this side of the chamber, the Howard government, recognise the enormous contribution and vital role that carers play in our society. We will continue to support them. We have seen significant changes since we have been in government, and just a few have been announced recently. We give direct payments to carers, the carers payment and carer allowance. That, in 2004-05, has constituted $2.2 billion in this year alone. That is a 175 per cent increase since 1999-2000.
Because we run the economy soundly—and I note the recent IMF report which talks about Australia’s economy and the way in which it is run—we are in a position to assist people by giving them not just tax cuts but, for those who are in receipt of the carers payment who would not benefit from a tax cut, a $1,000 bonus last year and $600 last year for those who are in receipt of carers allowance. Some people received both. This year, again, because of sound economic management—and I note that the Labor Party have gone quiet, because they never did anything like this; they were chalking up debt for the next generation—there will be a $1,000 bonus for those people in receipt of carers payment and another $600 bonus for people in receipt of carers allowance.

When we came into government, people caring for a child aged under 16 got no assistance whatsoever. Not one single person received a carers pension for a child they were caring for who was under 16. In difficult circumstances, when we were trying to reduce the $10 billion debt that Labor had left us, former Senator Newman, in 1998, introduced a carers payment for people caring for children under 16. These were profoundly disabled children. I have been arguing for some time now that, as we have sound economic management, we should extend that payment to people whose children have a profound disability as a result of psychiatric disorders, intellectual disability or some other disorder which means that they need constant care and supervision.

Yesterday, I announced the extension of that carers payment to another 4,000 families, beginning in the next financial year. Sadly, there will be about 1,200 more each year added to that group of people who have the misfortune of having a profoundly disabled child. There will now be 5,000 people on that carers payment—a payment that was not available at all to any parent caring for a child under 16 when we came into government. I am delighted that we have been able to do that. It is an extended payment for this group of people. So we have extended the carers payment.

There was an amount of $25 million in the budget before last for young carers, a group that had been totally ignored, such as a 13-year-old looking after a mother with multiple sclerosis. They are now able to hold a conference. We now send kits to schoolteachers to help them deal with children who are caring for others, such as their siblings and people with disabilities. That is what they asked for. We give 500 of them respite for up to five hours a week and two weeks a year. They were never acknowledged before. They never had any assistance. (Time expired)

Senator FERRIS—Mr President, I ask a supplementary question. Can the minister further explain any other initiatives that the government has provided for carers, and is she aware of any alternative policies?

Senator PATTERSON—Young carers have had additional assistance. In the budget before last there was $72½ million for older carers looking after adult sons and daughters with a disability. And do you know what? It has taken until yesterday for New South Wales to sign up and Queensland still has not signed up. That money is languishing, sitting there and not being used. I went out to talk to the carers today and I was given a postcard showing a centre in the Bega Valley. This respite centre was built with some state money and some money raised by carers. And guess what? There has been nobody in there. Not one respite person has gone in there. I have offered the states money to give respite to older carers, so that their sons and daughters could go into respite care. In the Bega Valley there is a place that is empty. That is what Labor governments do. They fail people. They have failed with accommo-
dation; they have failed on respite. We gave them money and they failed to sign up. Queensland still has not signed up. **(Time expired)**

**Welfare Reform**

**Senator STERLE** (2.12 pm)—My question is to Senator Abetz, the Minister representing the Minister for Employment and Workplace Relations. Is the minister aware that today’s report into the government’s welfare changes by the respected NATSEM institute has found that the Howard government will take back as much as 75c of every dollar a person with a disability earns? Why does the Howard government find it acceptable for people with a disability to work for an effective return of $2.27 an hour? Does the minister seriously expect Australians to believe that he would work for that kind of money? If the minister would not work for $2.27 an hour, can he explain why the government is insisting that people with a disability should?

**Senator ABETZ**—It is a pity when those opposite do not get their question time tactics in order, because it is quite clear that the honourable senator’s question is a virtual repeat of that which Senator Wong asked, containing all the same misrepresentations that were in Senator Wong’s question. I say to the new senator opposite: a great test is that if a shadow minister gives you a question, ask them, ‘If it’s that good, why aren’t you asking it yourself?’ I think that might be a very good lesson for the honourable senator opposite. First of all, no-one currently on the disability support pension is going to be affected.

**Senator Wong interjecting**—

**Senator ABETZ**—Senator Wong interjects and says that I am giving the same answer, and she is very perceptive. I have been asked basically the same question.

**Senator Chris Evans**—Mr President, I raise a point of order on relevance. Twice now, Senator Abetz has been asked about conclusions drawn in a NATSEM report. I accept that he may not have read the report. He is not terribly well briefed normally. If he has not, I am happy for him to take the question on notice, but he does have to be relevant to the question asked. He made it clear that he wanted to lecture the senator about his question, but could you bring him to order and ask him to answer the question? This is about question time and ministers answering questions.

**The PRESIDENT**—Senator Abetz, I would remind you of the question.

**Senator ABETZ**—Thank you, Mr President. I think the only purpose of that point of order was to try to allow Senator Wong to recover from her embarrassment. The simple fact is: yes, I do have the report and the press release in front of me. Just because a particular report says something does not of itself mean that we as a government necessarily accept its findings.

**Senator Chris Evans**—Here’s your chance to refute it. Tell us why it’s wrong!

**Senator ABETZ**—If Senator Evans was genuinely interested in the answer, he would know that I have already set out why the report—or rather, the representation of the report by those opposite—is wrong. First of all, all those people who are on a disability support pension today will not be affected. As a result of that, those who might come onto the disability support pension will come in under a new regime as of 1 July 2006. Under that new regime, we as a government made a conscious decision to concentrate on people’s abilities as opposed to their disabilities. Therefore, if a person is deemed by the appropriate authority to have the capacity to work for 15 hours or more, they will be given appropriate incentives to be able to
undertake work and re-engage with the mainstream community. Indeed, there are already one million Australians with disabilities engaged in the work force. What we are trying to do is encourage a few more across—for their benefit, for Australia’s benefit, and for the whole community’s benefit.

I said before, in answer to Senator Wong, and I will repeat it in my answer to the new senator’s question as well: we as a government are concentrating on people’s abilities. We want to encourage them. That is why we are investing $555 million in our efforts to assist these people who are currently disabled, or who are disabled as of 1 July 2006, into work. I would have thought those opposite would have said that that is a good, laudable approach that deserves opposition support. But, as with every single one of our major reforms, all we get from the Labor Party is nay-saying without any alternative policy being placed on the table.

Senator Chris Evans—So you haven’t read the NATSEM report and you have no idea.

The PRESIDENT—Order! Senator Evans, your colleague is on his feet.

Senator STERLE—Mr President, I ask a supplementary question. After that answer, I am still not sure if the minister would work for $2.27 an hour or not, but my supplementary question is: doesn’t today’s damning report come on top of NATSEM’s previous research which showed that sole parents who earn $195 for working 15 hours a week at the minimum wage will keep only $81, while the Howard government helps itself to the other $114? Now that we know how much they will destroy the incentive to move from welfare to work, haven’t the government’s extreme proposals lost all credibility?

Senator ABETZ—I do not think the vast majority of Australians listening in to this question time would suggest that our policy of concentrating on people’s abilities and providing them with incentives to get into work are somehow extreme policies. I will tell you what the extreme policy is: to forget the disabled, throw a pension at them, and then—Pontius Pilate-like—wash your hands and claim that you no longer have any social responsibility toward them. We as a government believe that we do have a social responsibility. That is why we want to concentrate on their abilities and that is why we are spending $555 million in our package—actual cost to the taxpayer—to encourage these people into the work force. Surely that is a laudable objective, and surely the party that used to represent the workers ought to support our proposals.

Australian Workplace Agreements

Senator JOHNSTON (2.20 pm)—My question is to the Special Minister of State, Senator Abetz, representing the Minister for Employment and Workplace Relations. Will the minister outline to the Senate the benefits to Australian workers and their families of Australian workplace agreements? Is the minister aware of any alternative policies?

Senator ABETZ—I thank Senator Johnston for his question and for his longstanding interest in workplace relations matters, especially in his home state of Western Australia. Yesterday I outlined to this place the benefits which AWAs bring to Australian workers by allowing simple, fair and understandable workplace agreements. I also remind the Senate of the important fact that workers on AWAs are, on average, 13 per cent better off than those on collective agreements.

Senator Johnston’s question allows me to outline to senators yet another benefit of AWAs, and that is the family-friendly and worker-specific conditions which AWAs allow for. Take, for example, Banjo’s Bakery in Strahan in my home state of Tasmania. As
you know, Mr President, Strahan is a tourist town which booms over summer and has a significant lull over winter. Formerly, this Strahan bakery employed all its workers under the award, meaning that during summer they had to employ extra casual staff and pay huge penalty rates to their workers; yet, over winter, they had no work for their workers. As a result, they actually went out of business—which benefited absolutely no-one. However, by utilising Australian workplace agreements, the new owner and the workers have been able to come up with working conditions which benefit all parties, keep the business operating and keep the workers in a job. A key component of this AWA is that employees take their annual leave between June and August, when work is at a minimum, helping to ensure that they are available to work in the summer peak and giving them the benefit of permanent employment—a permanent job—with all its flow-on benefits.

Or how about the family friendly nature of the AWAs at Crafty Kids, where staff are able to take as much unpaid sick or personal leave as they need, for example in order to look after their children. In exchange for receiving no pay for the days they choose to have off, staff are paid 20 per cent more than the award rate for their working hours and receive a generous bonus when the business exceeds its annual forecast. I could go on. The benefits to workers of AWAs are clear.

I was asked about alternative policies. Labor’s official policy platform is to abolish AWAs. Of course, that has been dictated by Labor’s union masters. But let us have another ‘Who said it?’ Who said this: ‘We will legislate in a way that effectively does the job’—that is, ‘We will legislate to abolish AWAs’? Who said that? Those on the other side ought to know. Senator Marshall is trying to indicate that he himself said it. Those opposite should know. It was the same person who said this—and this is a hint for those opposite: ‘Labor could not desert them’—that is, workers on AWAs—‘by sticking to its policy of abolishing AWAs at the next election and then expect to receive their support.’ Do you know what? Those two statements, made by the same person, were made only seven days apart. Those opposite know exactly who said it, but they are too ashamed to name him: the Leader of the Opposition, Mr Beazley. Until Labor come clean on where they stand, they will never get the support of the Australian work force.

(Time expired)

Welfare Reform

Senator McLucas (2.24 pm)—My question is to Senator Patterson, the Minister for Family and Community Services. Can the minister indicate how many of the 90,000 single parents that the government wants to move onto the dole will actually benefit from her announcement yesterday about the new class of carer payment? How many of the other single parents affected by the government’s welfare changes also have children with special needs? Following the changes she announced yesterday, can the minister now provide absolute certainty to parents of children with disabilities such as Down syndrome, cystic fibrosis or autism that they will not be forced onto the dole when their child turns six? Isn’t it actually the case that the real impact of these changes will be to create separate classes of parents and children with disabilities—those who qualify for special arrangements and those who just get thrown onto the dole like everyone else?

Senator Patterson—I take questions from Senator McLucas with a grain of salt when it comes to people with disabilities, because she has form. There are some things I forgive in politics and there are some things I do not forgive. I do not forgive people who go out and scare people with children with
disabilities. That is exactly what Senator McLucas did after a question during an estimates hearing in this place about parents caring at home for children who have a disability and the child-care support program. She was told unconditionally—

Senator Chris Evans—Mr President, I rise on a point of order. Question time is becoming a farce. The minister has made no attempt to answer the question at all. She is a consistent offender. I ask you to draw her attention to the question and make some attempt at least to respond to the question.

The PRESIDENT—There has been a habit in this place of those asking questions and those answering questions to have a preamble. I remind the minister of the question, but she has three minutes and 26 seconds left and I am sure that she is coming to address the question.

Senator PATTERSON—Thank you, Mr President. I just want to put the question and the questioner in context. There are not many things that get up my nose in this place, but there are a few people who have. I will not go through the one, two or three who have. Senator McLucas is in that number, because she went around frightening people with children with a disability. What she is going to do now is exactly the same thing. We will get some shonky press release after this, saying that people with a disability will be left out.

Senator Chris Evans—Mr President, on a point of order: I do not know if it is your ruling that this sort of abuse of a senator is a legitimate answer to a question. Senator McLucas can look after herself and I am sure that she can win that argument, but this is supposed to be question time. The minister is supposed to be accountable for the actions of her department in the Senate. She has made no attempt to answer the question. Last week she gave a homily about her mother. It just got ridiculous. She has made no attempt to answer the question. I ask you to bring her to order and ask her to answer the question.

The PRESIDENT—Senator, I have already reminded the minister of the question. She still has three minutes to answer it.

Senator PATTERSON—I wanted to predict what is going to happen. But let me just say what is the case. The case is that, when we came into government, people with children under 16 had no carers payment or pension at all—not one parent. Former Senator Newman, as I said in answer to my first question today, and the government gave that payment to parents of children with profound disabilities. There were quite strict criteria because we had to ensure that we got the budget back into surplus because we inherited $10 billion of debt.

We are now in a position where we can extend that payment to parents of a child who requires constant care and supervision because of their behaviour. I will be working with health professionals, with medical professionals and with the sector to work out how we can best identify those families. The estimate I have is that that will include about 4,000 additional families. That is about 5,000 who never, ever got any carers payment under Labor. They were left. The attitude was that, if a child is under 16, you have to look after it anyway. There was no acknowledgment of a child’s needs. We are now in a position where we can extend that payment and there will be about 5,000 people next financial year on carers payment. A number of those will be people who would otherwise have been on parenting payment and moved through Welfare to Work with some work obligations. But it has been extended to people who are not in that situation—people with low incomes who are not getting parenting payment, or parenting payment partnered. There will be 5,000 more people get-
ting carers payment for caring for a child with a profound disability—5,000 more than ever got it under Labor. That is the message.

Senator McLUCAS—Mr President, I ask a supplementary question. Why did the minister fail to ensure that the extreme impact of the government’s proposals on parents of children with disabilities was not taken into account in the first place? Isn’t it the case that the minister’s failure to address these problems earlier has now led to a situation where there will be two classes of parents of children with disabilities? If the minister for families was not protecting the interests of families containing children with disabilities when the welfare changes were signed off in the first place, who was?

Senator PATTERSON—The measures are not to be introduced until 1 July 2006. We indicated, and I have said over and over again in this place, that we would take into account the caring responsibilities of people who were on the parenting payment. I have said that over and over again. As a member of that task force, I have been arguing very strongly that we should take into account the caring responsibilities of people—the number of children they have, for example, and the fact that they are caring for a disabled child or a child with a profound disability.

We just announced yesterday an extension of a carers payment that did not exist under Labor. There are now 5,000 more families receiving it. No families under Labor—not one family—got any carers payment. As we developed the welfare reform details—and it is not being introduced until 1 July—we knew that we had to look at the issues about people who had caring responsibilities. We have been doing that. Mr Andrews will announce, when he announces the whole package—(Time expired)

Aboriginal and Torres Strait Islander Commission

Senator BRANDIS (2.31 pm)—My question is to the Minister for Immigration and Multicultural and Indigenous Affairs, Senator Vanstone. Is the minister aware of strongly worded comments made by the Leader of the Opposition in the Senate regarding last week’s decision by the full bench of the Federal Court to reject the minister’s appeal relating to the suspension of the former ATSIC chairman? Given that Senator Evans’s media statement accused the minister of incompetence and inept handling of the Geoff Clark matter, will the minister advise the Senate and remind Senator Evans of facts relevant to this case that appear to have been conveniently forgotten in the haste to issue a cheap and tawdry media release? Will the minister advise the Senate of the government’s reforms to Indigenous services and the importance of informed debate and sensible bipartisan cooperation in overcoming Indigenous disadvantage?

Senator VANSTONE—I thank Senator Brandis for the very elegantly worded question. I think it is worth mentioning the press release of Senator Evans. It is quite fortuitous that someone in my office—Opposition senators interjecting—

The PRESIDENT—Order! I am starting to believe that Senator Evans is right—question time is becoming a farce because of the noise in the chamber.

Senator VANSTONE—Someone in my office, I think, was suffering from insomnia and got onto the Labor Party web site, otherwise we would not have known, in fact, that this press release existed. But what it said is that the appeal to the full Federal Court was an attempt to justify my allegedly inept handling of the matter and has reportedly left taxpayers out of pocket to the tune of several hundred thousand dollars. So I
thought it was worth pointing out to the Senate a couple of matters in relation to this case.

Justice Gray in the first instance held two things in relation to the determination which was used to attempt to dismiss Mr Clark. He held that the determination could not specify conclusively the meaning of ‘misbehaviour’ and he further held that the determination was inconsistent with the Racial Discrimination Act. I believed it was important to test both of those matters, and it was important to test them for a couple of reasons.

Senator Chris Evans—How did you go?

Senator VANSTONE—I will come to how we went on those matters. With confidence you call out, ‘How did you go?’

The PRESIDENT—Minister, ignore the interjections.

Senator VANSTONE—I will give you a bracket on that in a minute, Senator Evans. The reason is that the determination that Mr Ruddock made which was used was very similar to—substantially the same as—one made by Mr Tickner. It had been through a Senate committee, had had plenty of discussion in this place and had been approved in this place. So what the court was saying was that a determination approved by the Senate had a racially discriminatory element to it. Forgive me, but I thought it was appropriate to put to the test whether anybody here had voted in favour of or not voted against a determination that would breach the Racial Discrimination Act. That seemed to be important to me.

Actually, even though it was not in the leadership group at the time, it was important enough for the Labor Party in the caretaker period to agree to launch such a challenge. Now you would have thought Senator Evans, being Leader of the Opposition in the Senate, would know that. You would have thought he could turn around and ask Senator O’Brien, who knew it because he was given a copy of the letter. I can see him nodding. Senator Evans, you could not walk the distance to ask a colleague. You could not be bothered to find out. The question was asked: ‘How did you go?’ How did we go on challenging both those things?

Senator O’Brien—You lost.

Senator VANSTONE—No, with respect; perhaps you have not read it. On both of those counts, the Commonwealth won, so I am glad I acknowledged your interjection. There were two further matters that were of interest. One was the statement of reasons for misbehaviour under the general provisions of the act, and that was held to be inadequate. On that basis, we could not rely on the general misbehaviour provisions in order to sack him. The third matter went to the disproportionableness or unreasonableness contained within the determination, the same as the Tickner determination, and we lost on that as well.

So I just highlight that to indicate that in Indigenous affairs we are trying to work in a cooperative way with people on all sides of politics at all levels of government. There are plenty of opportunities to have a free and cheap kick. We do not take them, and largely Senator Evans’s state and territory colleagues do not take them. Here is an instance where the full Federal Court decided something against a determination made in this place and agreed to by everybody. Senator Evans, who cannot be bothered finding out the details, has to put out a cheap press release and that is why he is being left out—(Time expired)

Telstra

Senator STEPHENS (2.37 pm)—My question today is to Senator Coonan, Minister for Communications, Information Technology and the Arts. Is the minister aware of the existence of a 104-page document pre-
pared by Telstra Chief Operations Officer, Mr Greg Winn, which details plans to slash jobs and services from Telstra as part of CEO Sol Trujillo’s strategic review of Telstra that is scheduled to be released next month? Has Telstra briefed the minister on the contents of this document? Is the minister aware that this document details up to 14,000 job losses from Telstra, including thousands of workers in rural and regional Australia? Is it true that the government is keeping this document a secret pending the full privatisation of Telstra, and doesn’t this explain the government’s desperate efforts to rush the legislation through the parliament this week?

Senator COONAN—Thank you to Senator Stephens for the question. No, I am not aware of the leaked report. What I am aware of is a press release from the CEPU which calls on all independent minded federal parliamentarians—read ‘ALP’—to vote against the sale of Telstra, so that is what this is all about. You have belled the cat, Senator Stephens. This is precisely what this is all about—a last ditch attempt from the ALP to try to obfuscate and scare Australians about something that certainly has not been brought to my attention or to the government’s attention. The situation is that I understand that Telstra has been reviewing staffing policies for many months and it is public knowledge that at Telstra’s AGM last week Telstra CFO, John Stanhope, outlined a $100 million plan for some staff changes. In relation to Telstra’s expenditure plan, if you look at the figures, Telstra’s capital expenditure has in fact hit a record high, and last week it outlined a further $536 million plan to boost capital expenditure even further.

What is interesting about this is that curiously the same tender concern for jobs was not displayed by the Labor Party when it set about privatising just about everything that moved when they were in government. As minister for finance, Mr Beazley presided over the sale of the Commonwealth Serum Laboratories, the Moomba-Sydney pipeline system—

Opposition senators interjecting—

The PRESIDENT—Order! There is too much noise on my left. I call you to order!

Senator COONAN—I was just saying that the Labor Party did not display any tender concern for job losses or indeed for any other losses to the community when it set about systematically privatising the Commonwealth Serum Laboratories, the Moomba-Sydney pipeline system, the Commonwealth uranium stockpile, Aerospace Technologies of Australia Pty Ltd, and the federal government’s remaining stakes in Qantas and the Commonwealth Bank. The comedy of blackflips and stuff-ups involved in these sales clearly showed that when Labor privatised government assets it was not part of a long-term plan at all to do what this government is doing to create competition, to create jobs for Australians and to provide an efficient telecommunications service going forward. The Labor Party was only interested, of course, in filling a very big black budget hole.

In 1991, as aviation minister, Kim Beazley said it was the government’s firm stand that Qantas should remain in majority government ownership. Four years later, as finance minister, Mr Beazley did what? Yes, of course, he privatised Qantas. Despite lifting the foreign ownership limit from 35 per cent to 49 per cent, there was still a half billion dollar shortfall on the budgeted $2 billion sale price. So the Labor Party, of course, is crying crocodile tears over something that does not even exist. I have not seen this report. These figures have certainly not been brought to my attention, but I am not surprised that the Labor Party is out there with a scare campaign trying to drum up some kind of opposition that does not exist. All Austra-
lians know that the $3 billion package that this government has put forward based on the legislation passing this parliament will be of benefit to the Australian people, to the economy more broadly and certainly it will be good for jobs.

Senator STEPHENS—Mr President, I ask a supplementary question. The minister said that the report does not exist and if it does exist she has not seen it, which is of great concern. Since the information in this document is potentially market sensitive, does the minister agree that it should be fully disclosed to the market rather than selectively leaked to some journalists? Will the minister support Labor’s call to ensure that this information is released to senators and the public before the vote to privatise Telstra takes place?

Senator COONAN—What Senator Stephens should have learnt from this week and last week, if nothing else, is that the obligation for disclosure of market sensitive information is on Telstra.

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the chamber of the Speaker of the parliament of Sri Lanka, the Hon. WJM Lokubandara. On behalf of all senators, I wish you—and the High Commissioner—a warm welcome to Australia and to the Senate. With the concurrence of honourable senators, I invite the Speaker to take a seat on the floor of the Senate.

Honourable senators—Hear, hear!

The Hon. WJM Lokubandara was seated accordingly.

QUESTIONS WITHOUT NOTICE

Mr Scott Parkin

Senator STOTT DESPOJA (2.44 pm)—My question is addressed to Senator Ellison, the Minister representing the Attorney-General. I ask the minister if he can outline to the chamber the reasons for the revocation of Mr Scott Parkin’s visa. I also ask the government if there is any evidence that the government is aware of that Mr Parkin has acted in any way contrary to the laws of Australia while he has been in Australia. Can the government clarify whether Mr Parkin’s visa was revoked on the basis of character requirements or on the basis of national security concerns? I also ask the government to advise the chamber as to when the government will inform Mr Scott Parkin and his lawyers of the decision on and the rationale behind the visa cancellation?

Senator ELLISON—Some of these questions are of course immigration questions. Insofar as they relate to the Attorney-General’s portfolio, I can advise that ASIO did not oppose Mr Parkin’s visa at the time of application. However, ASIO’s understanding of his intentions has changed while he has been in Australia. ASIO is responsible, of course, for protecting the community from security threats and all forms of politically motivated violence, including violent protest activity.

ASIO’s assessment of Mr Parkin has been made in accordance with the provisions and requirements of the ASIO Act and has not been influenced by any recent or prospective changes to Australia’s counter-terrorism legislation. ASIO makes security assessments independently on the basis of all the information available at the time. In that regard, foreign governments cannot influence ASIO assessments. Mr Parkin’s current visa status is a matter for the Department of Immigration and Multicultural and Indigenous Affairs. I understand he is able to take legal proceedings to test the lawfulness of decisions that have been made. Insofar as the remainder of Senator Stott Despoja’s question relates to immigration, I will take that on notice.
Senator STOTT DESPOJA—I ask a supplementary question, Mr President. I thank the minister for his answer and clarify that I asked him in his capacity as Minister representing the Attorney-General because the Attorney-General has been handling this matter in spite of the immigration issues. When will Scott Parkin and his lawyers be advised of the reasons for the visa cancellation? Given the minister’s response that Mr Parkin can challenge the visa cancellation, are reports true today from Mr Parkin’s lawyers that he is being pressured by the immigration department in order to leave earlier and that he should ‘sign away his rights’—that is, the right to challenge the visa cancellation—and he will be able to leave the country sooner? Is it correct that the immigration department has been putting that pressure on Mr Parkin and his lawyers?

Senator ELLISON—I am not aware of any pressure being exerted by the department of immigration. I will take that matter up with the minister, but I am not aware of that. In relation to the other matters, I will take those on notice. The department did receive an adverse security assessment relating to Mr Parkin. In relation to reasons for the decision, I understand that any adverse security assessment is a matter for the Attorney-General and I am not able to comment on that.

Telstra

Senator BOSWELL (2.48 pm)—My question is to Senator Helen Coonan, the Minister for Communications, Information Technology and the Arts. Given the ACCC’s proposal to de-average the wholesale unbundled local loop access pricing, will the minister please advise the Senate how the federal government will ensure that regional Australia will not be forced to pay higher line rentals than people in the metropolitan area? Is the minister aware of any alternative policies?

Senator COONAN—Thank you to Senator Boswell for the question and for his long-standing interest in telecommunications issues. Line rental parity is important to the government. Let me make it very clear that the government can and the government will ensure that people in regional Australia are not disadvantaged in the line rental prices they pay compared to people in metropolitan Australia—in other words, parity arrangements between city and country consumers will remain.

I know some concerns have been expressed about the prospect of major line rental increases if the ACCC goes ahead with its proposed wholesale pricing approach. Let me make a few things clear. Firstly, we announced on 16 August that we were examining the interaction between wholesale and retail price regulation. Secondly, under the current price controls there is no prospect of major line rental pricing changes, and there is time to evaluate the impact of the ACCC’s decision. Thirdly, whilst we do not necessarily have to adopt any proposal being put forward by Telstra, their views need to be considered as there are a number of different ways in which the government can respond.

The ACCC is still going through a process of deciding whether to accept or reject Telstra’s wholesale pricing proposals for access to the ULL, and no decision has yet been made. The government recognises that access to the ULL is critical to future investment in telecommunications services in Australia. The ULL is already being used by Telstra’s competitors to offer VOIP and six-megabit broadband services in some parts of Australia. Telstra’s retail pricing has been addressed through price controls. New price controls to protect all consumers will come into effect from 1 January 2006, and these
controls will include caps on Telstra’s basic line rental products.

I was asked by Senator Boswell if there were some alternative policies. Of course, the government’s commitment to regional consumers stands in stark contrast to Labor’s total neglect of regional Australia. What did Labor do for rural and regional telecommunications? The short answer is that they ignored the needs of the bush and the needs of consumers. They had no customer service guarantee, no priority assistance, no network reliability framework and people could wait for more than two years to get a phone connected. Labor closed down the analog mobile phone network and left poor old mobile phone users stranded in rural and regional Australia. And now they criticise subsidies that have delivered satellite broadband to 9,000 Australians.

What Australia needs is to not just future-proof telecommunications but Labor-proof them as well. We need to make sure that Labor will not try to undermine or derail the government’s $3 billion package of services and future-proofing for the bush. The Howard government has offered this $3 billion package of support for rural and regional Australia and, if accepted, it will ensure that it is delivered in full. This government has an unparalleled track record of improving communications for rural and regional Australia, and it will make sure that all Australians have access to affordable communications services, irrespective of where they live.

Mr Scott Parkin

Senator NETTLE (2.52 pm)—My question is to Senator Ellison, the Minister representing the Attorney-General and is about Mr Scott Parkin. Is it true that Mr Parkin’s security clearance has been revoked since he arrived in Australia as a result of his participation in protests? Is this the first time that a peace activist has been detained at the behest of ASIO? And will the minister reveal what Mr Parkin has done, or what ASIO believes he planned to do, that has led to him being considered a threat to our national security? What is the adverse assessment that the minister mentioned? Or is the government claiming that it is in the interests of the Australian public not to know why a peace activist has been arrested and deported? Why has the adverse assessment not been given at this stage to Mr Parkin or his lawyers?

Senator ELLISON—As I said earlier, ASIO did not initially oppose Mr Parkin’s visa at the time of application and, as I said earlier, there was a change in the assessment in relation to two matters after it became apparent that Mr Parkin’s intentions had changed whilst he was in Australia. As I said earlier, ASIO is responsible for the protection of Australia’s security, and that includes protecting the Australian community from forms of politically motivated violence. Of course, that includes violent protest activity. There was an adverse security assessment made; that was made on 8 September, I understand. Migration law requires that any temporary visa held by a person who is the subject of an adverse security assessment must be cancelled. Mr Parkin was located by Immigration officials in Melbourne on 10 September and his visa was cancelled. As I said earlier, adverse security assessments are a matter for the Attorney-General and I cannot comment on them publicly. I will convey your question to the Attorney-General. If there is anything further he can add, I will convey that but, I might point out, anyone without a lawful right to remain in Australia must be detained and removed as soon as reasonably practicable, and that is immigration law. In relation to the question that Senator Nettle has raised, it was largely similar to that asked by Senator Stott Despoja. As
I said earlier, if there is anything else that I can advise the Senate of, I will do so.

Senator Nettle—Mr President, I ask a supplementary question. The Attorney-General has said that the security assessment has been made upon matters relating to protest activity. Given that I attended the protest held in Sydney at the Opera House on 30 August as did Mr Parkin, does this mean that ASIO considers me also to be a threat to national security? Can we take Mr Parkin’s detention and pending deportation as an indication that the government would detain Australian peace activists if they had the laws to do so? And would the government deport me if they could?

Senator Ellison—Can I say that we all know that, in order to be here, you have to be an Australian citizen and you do not deport Australian citizens, as Senator Nettle is.

Senator Carr—Don’t you! A new policy has been announced—that we don’t deport Australian citizens!

The President—Order!

Senator Ellison—Senator Carr might find that quite funny, but we know—

Senator Carr interjecting—

The President—Senator Carr!

Senator Ellison—what the law is and I can say that—

Senator Carr interjecting—

The President—Senator Carr, come to order!

Senator Ellison—the suggestion by Senator Nettle is a farcical one.

Telstra

Senator Sherry (2.56 pm)—My question is to the Minister for Finance and Administration, Senator Minchin. I refer the minister to his answer to a question yesterday in question time, which asked where and over what time period the $2 billion in cash would be sourced for the communications fund. The minister replied: "... we would transfer approximately $16 billion from our reserves into the Future Fund. The communications fund would operate in a similar fashion."

Is the minister aware that, at a press conference today, the Treasurer, Mr Costello, directly contradicted this answer when he said, ‘What we have said is that we will set aside $2 billion and it is anticipated that that will be part of the proceeds of the Telstra sale.’ Does the Finance Minister still stand by his answer of yesterday?

Opposition senators—Did you tell the dormouse this?

Senator George Campbell—Does Barnaby know that?

The President—Come to order, please! Senator George Campbell, shouting across the chamber is disorderly.

Senator Minchin—I do stand by my answer and, indeed, perhaps everybody should have read my answer yesterday, but the Treasurer has put out a statement today—

Opposition senators interjecting—

The President—Order!

Senator Minchin—called Budget Treatment: Regional Communications Fund, in which he does make clear that the regional telecommunications fund will be established with $2 billion from cash reserves currently held in the Reserve Bank of Australia. It reads:

The money will be credited once the Future Proofing Bill and the Telstra Sale Bill are passed by the parliament. This is not conditional on any actual sale of further shares in Telstra.

Senator Sherry—Mr President, I ask a supplementary question. Thank you, Minister. I am glad you stand by your answer. You had better brief the Treasurer. Didn’t the
minister also indicate yesterday in respect of the timing of the transfer, ‘I would imagine that that would be immediate’—‘immediate’? Didn’t the Treasurer, again today at his press conference, contradict this answer by referring to the timing for the transfer of the $2 billion as going to occur after the Telstra share sale occurs? That is certainly not immediate. Does the Minister for Finance and Administration still stand by his answer of yesterday, or does he need to go and brief the Treasurer yet again?

Senator MINCHIN—Senator Sherry should have listened to my answer before he asked his supplementary question because, in my answer, I read to Senator Sherry what the Treasurer said in his press release issued before question time. He said:

The money will be credited once the Future Proofing Bill and the Telstra Sale Bill are passed by the parliament. This is not conditional on any actual sale of further shares in Telstra.

And the amendments to be moved on behalf of the government by Senator Coonan make that abundantly clear. The amendments require that the account—that is, the communications fund account—be credited on the first business day after the later of the day on which this bill receives royal assent and the day on which the Telstra (Transition to Full Private Ownership) Bill receives royal assent. There can be no doubt about the government’s position. I hope Senator Sherry understands it.

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Welfare Reform

Senator CHRIS EVANS (Western Australia—Leader of the Opposition in the Senate) (3.00 pm)—I move:

That the Senate take note of the answers given by the Special Minister of State (Senator Abetz) and the Minister for Family and Community Services (Senator Patterson) to questions without notice asked by Senators Wong, Sterle and McLucas today relating to welfare changes.

Mr President, in doing so, I want to reiterate the comments I made to you in a point of order today that I think question time is becoming a farce because of the failure of ministers to seriously attempt to answer questions asked of them. Question time is a key accountability measure of our democracy, and the arrogance of this government is becoming so strong that even question time is beyond their tolerance. I do think it is important that we get proper accountability at question time and that we get ministers to attempt to answer the questions. It was clear today that both Senator Abetz and Senator Patterson struggled because there is no answer to the emerging evidence about the effect of the welfare reforms proposed by the government and announced in the budget.

We knew those reforms that were stitched up after the budget had been signed off on by cabinet in the late-night meeting between the Prime Minister and Mr Costello, the Treasurer, at the height of their leadership tensions. We knew it was a mess; we knew it was inconsistent, but now it is increasingly clear how unfair it is on sole parents and on people with disabilities. We are seeing a debate about these issues emerge in the government as backbench members of the government begin to realise what they have been asked to sell to the community: an attack on sole parents and an attack on people with disabilities.

The key evidence released today is the NATSEM report entitled The distributional impact of the Welfare-to-Work reforms upon Australians with disabilities. As I said, NATSEM are very well regarded. They are endorsed by the Prime Minister as being in-
dependent and effective in their work. I will read you a clause from their findings today about the impact of the government’s policy on people with disabilities. The report says:

It shows that the disposable incomes of people with disabilities can be up to about $120 a week lower under the proposed new system than under the current system. It also finds that effective marginal tax rates will be sharply increased under the proposed new system, over a reasonably wide range of earned income.

That is NATSEM’s conclusion about the impact on people with disabilities.

Senator Abetz tried to answer the question. He tried at one stage to dismiss the report, but he could not argue with the evidence. The groups have been saying this for months. NATSEM has now quantified the impact on people with disabilities to show that they will be worse off financially and they will face effective marginal tax rates that mean that people with a disability returning to work will be on a rate of about $2.27 an hour. This is supposed to be the government’s idea of incentives to work. The effective marginal tax rate and the loss of income mean that these people will be on an effective return from work of $2.27 an hour as a result of the combination of changes proposed by the government.

This is supposed to be about helping people off welfare and into work. It is nothing of the sort; it is about punishing disadvantaged people in our community and it is not going to achieve its stated goals. Mr Deputy President, I do not know if you are much of a punter. I am very rarely a punter, but I do know that it is very hard to pick a double. I have trouble picking the winner at any stage. The government have got a rare double. They have managed in their welfare reform package to achieve the double of not only reducing the incomes of people with disabilities by $120 and by over $100 for sole parents but they have also effectively reduced the incentive to work by imposing higher marginal tax rates on those people. People with a disability will effectively earn $2.27 an hour as a result of the effective marginal tax rates. This is what the government have achieved: the rare double of reducing the income of those people by punishing them and putting them onto the dole and reducing their incentive to work by providing marginal tax rates that reduce any incentive for them to move.

I misjudged the government, because I thought their plan was to reduce people’s income in order to increase their incentive to work. Make them poorer and you will increase their incentive to work. That is how I understood the Liberal Party plan; that is how I understood the welfare reform package on budget night. I did not agree with it, but I could see the logic—that is, reduce their income so much that they have to work because otherwise they are going to starve. But, no, it is not that. The government are going to reduce their income and reduce the incentive to work. It is a very rare double.

(Time expired)

Senator HUMPHRIES (Australian Capital Territory) (3.05 pm)—Once again, we see that the Australian Labor Party sits on the sidelines and throws obstacles in the path of a very important national objective, which is to ensure that people who are presently not in the work force but who have the capacity to work are encouraged to move into the work force wherever possible. It does not take very much study of the profile of the Australian work force to realise that this policy has a very important underpinning in securing the capacity of our nation to have enough people in the work force in the future to meet basic social and economic needs. We
have an ageing population. We have a large number of people who will move out of the work force in the next 15 to 20 years. At the other end of the spectrum, we have a falling birth rate and a problem with having enough people in the work force to be able to deal with the basic needs of our economy.

The government acknowledges, however—and I hope the opposition does as well—that there are significant numbers of people in our community who have the capacity to work but, for whatever reason, are not doing so. Indeed, even the Leader of the Opposition, Mr Beazley, acknowledged that fact tacitly a year or so ago when he accused the government of artificially fixing the figures for unemployment, the number of people on unemployment benefits, by, as he put it, ‘shifting people across inappropriately into disability support pensions’.

It follows, I think, from that statement—that the government had somehow pushed people off the dole and onto a disability support pension and inappropriately depressed the number of people on the dole—that these people are capable of working. If they are not capable of working, the criticism does not have any teeth. If those people are receiving a disability support pension and are, as Mr Beazley’s accusation clearly assumes, capable of working, then they are the people that the government’s policies are targeting and that these welfare-to-work measures are designed for, to ensure a move into work wherever possible.

As Minister Abetz pointed out in the course of today’s question time, this is not about achieving savings for the fiscus in the short term. In fact, this is going to cost the public purse a lot of money in the short term, as we engineer a system where people are capable of moving into work. There were extensive measures announced in the Welfare to Work package designed to ensure that people have the capacity to make that transition—for example, through assistance with redesigning workplaces and covering the costs of those transitions for employers who take on people with disabilities in their workplace.

The government is sensitive to the fact that these will be difficult transitions for many people and it is doing all it can to ensure that those transitions are appropriately managed. Just in the last seven days, the Minister for Family and Community Services, Senator Patterson, announced that from 1 July next year eligibility for a carer payment will be extended to include carers of children with severe intellectual, psychiatric or behavioural disabilities who require constant care or supervision for their safety or the safety of others. Those sorts of changes are also quite likely to benefit some parents who would otherwise receive a parenting payment or, under the Welfare to Work package, would be expected to undertake part-time work when their youngest child reached the age of six.

The Labor Party obviously does not agree with what the government is doing. We have seen that pattern so often over the last 9½ years: ‘You’ve got it wrong, you don’t know what you’re doing, you’re going to disadvantage Australian families.’ I would say to those who repeat that tired old line today: ‘Look at our record. Look at the record of this government in actually being able to deliver to the Australian community high living standards, high disposable incomes and higher benefits when people genuinely can’t obtain employment.’ That is our record. We stand by that record and these Welfare to Work reforms must be based on the same record if they are going to succeed. I believe that they are based on that record. I believe they are built on the success of the government’s reforms to date. They are not designed to punish people who cannot obtain
employment. They are designed, however, to provide appropriate incentives to people to gain employment if they are capable of doing that work. (Time expired)

Senator MARSHALL (Victoria) (3.10 pm)—Why am I not surprised that, when this government is confronted with an independent analysis on the effect that its welfare changes will have on welfare recipients, it simply goes into denial mode? Senator Abetz, in answering two questions today about the NATSEM report on the Welfare to Work reforms, discarded the findings, yet did not once offer any reason why—not a skerrick of a reason or an argument for why he would reject the findings. I guess the minister, in his normal arrogant way, in analysing any criticism, might say, ‘Well, what’s another report?’ or, to follow on from Senator Humphries’s line: ‘This is simply about an opposition that wants to whinge and carp on about the welfare reforms that this government has made.’

But NATSEM is not just an independent reporting body. In true Minister Abetz tradition, I ask: who has actually described NATSEM as ‘independent, objective and respected’? Who actually said that? None other than the Prime Minister himself. The Prime Minister holds this organisation in high regard, describing it as independent, objective and respected, yet the Special Minister of State can simply dismiss its analysis and findings without offering the Senate any explanation. He can simply go on in his arrogant way and say, ‘What we are actually doing is providing people with incentives.’ But, again, he could not go on to tell us what those incentives were.

While the minister at least acknowledged that he had read the report, he could not tell us what those incentives were and, in the face of evidence that there are actually disincentives in these reforms, he marched on with the government’s normal rhetoric. Of course, the minister did indicate what is really behind this: there is a trebling of the numbers of people on a disability support pension. Anywhere else, that is code for the need to cut the costs of that particular program—and the government are good at that. What they want to do is dress it up as incentives but actually cut the costs to the Commonwealth of paying this sort of welfare to anyone, whether or not they deserve it. They do it under the guise of giving people the opportunity to participate but then move on to simply punish people.

It is not just in the disability area that there are disadvantages. The Newstart allowance is $29 a week less than the parenting payment single rate; it is expected to average $228 a week in 2006-07, as opposed to the PPS rate of $257. In addition, people on Newstart may earn only $31 a week before their income support is reduced, as opposed to $76 a week for parenting payment single. Essentially, the free area where the amount of private income does not affect welfare payments will decline sharply, relative to the current rules, by about $45 a week. Under the Newstart allowance, only $31 of private income can be earned before the allowance is reduced. The first $94 of private income earned above the $31 a week threshold will reduce the allowance payment by 50c in the dollar. Once private income exceeds $125 a week, the allowance is reduced by 60c in the dollar.

I cannot quite understand the logic of the minister saying that somehow a disincentive—in terms of the amount of money you actually earn by going to work being decreased—provides any incentive at all for people to re-enter the workplace. This, of course, is a farce. It is simply an excuse for this government to cut its overall welfare budget at the expense of poor people. This government does not care how it saves the
dollars. It does not care that it is attacking poor people through its welfare reforms. It does not care that independent analysis says so. It simply persists with its rhetoric that somehow this is a good thing for people on welfare. We in the Labor Party know that it is not and we will continue to expose this sham for what it is. If you want to do the right thing, provide real incentives for people. Do not call it an incentive when you are actually cutting what people earn. (Time expired)

Senator ADAMS (Western Australia) (3.15 pm)—It is important to note that those people on a disability support pension will stay on a disability support pension under the conditions on which it was granted. The government is not placing obligations upon people to work unless they are assessed as having the capacity and availability to undertake work. The government’s vision for supporting people with disabilities is to provide more opportunities for participation in the economic and social life of the community and to achieve better outcomes for individuals. Support for people with a disability is provided by a number of Australian government agencies, including Family and Community Services, as well as at the state and territory level. The Family and Community Services disability programs and supports assist people with a disability to participate in the community, including in employment.

The Australian government recognises that work force participation brings not only the economic benefit of a regular income and contributions to superannuation but also the social benefits of engagement in the community. Responsibility for employment support for people with a disability is shared between the Department of Employment and Workplace Relations and the Department of Family and Community Services. DEWR has responsibility for employment support in the open labour market, including payment of the disability support pension and the administration of programs such as the Workplace Modifications Scheme, mobility allowances and the workplace subsidy scheme. Family and Community Services has responsibility for specialised supported employment services for people with a disability, known as Business Services. Business Services employ around 17,000 people with a moderate to severe intellectual disability and play a vital role in providing the kinds of employment and participation opportunities that may not be available in other parts of the employment market.

The 2004-05 budget included an employment assistance package to provide a further $99 million over four years to strengthen the disability employment sector to support services in moving forward with the reforms and to improve the living standards of very vulnerable workers. Family and Community Services actively supports people with a disability to participate in a wide range of community activities. This includes providing funding of $150,000 to the Royal Society for the Blind of South Australia to roll out the highly innovative Books in The Sky system to public libraries in several states. The Books in The Sky system is a digital compression and encryption system for storing, handling and transmitting electronic information through the public libraries system. It represents a significant innovation in the way that blind or vision-impaired people can access information, allowing instant access to a wide range of information.

In the 2004-05 budget the government also provided $18.4 million to set up a national service to help people book an Auslan interpreter for health care appointments. The National Auslan Interpreter Booking and Payment Service commenced operation in January 2005 and plays a vital role in helping people who are deaf or hearing-impaired get better access to health care information.
The Australian government is committed to continuing to improve the access of people with a disability to a range of services, programs and opportunities through the Commonwealth disability strategy.

Senator STERLE (Western Australia) (3.20 pm)—I also rise to take note of the answers given today by the Special Minister of State, in his capacity as the Minister representing the Minister for Employment and Workplace Relations, to questions without notice relating to welfare and industrial relations reform. I would also like to note that, after the last election, frustrated with Senator Patterson’s inability to manage her portfolio, the Prime Minister took 60 per cent of her Family and Community Services staff and moved them to Human Services in the finance portfolio and the Department of Employment and Workplace Relations. As a result of this, social policy in this country is now driven through a prism of economics and finance.

What we saw from Senator Abetz today was yet another example of the arrogance of this senator and the arrogance of this government. We also saw just how out of touch the senator is with the flaws in the government’s Welfare to Work policy and the effects these flaws will have on Australians with disabilities and their families. The report released today by the National Centre for Social and Economic Modelling, or NATSEM, titled The distributional impact of the Welfare-to-Work reforms upon Australians with disabilities, is a damning indictment of just how extreme the reforms this government has proposed are. The NATSEM report shows that, because the Newstart allowance income test is much less generous than the disability support pension income test, and because its payments are also less than those of the DSP, the loss of take-home income for Australians with disabilities would be as high as $122 a week for single people.

The report also details that, for those with some private income, the potential losses are much greater. The take-home incomes of people with disabilities and private incomes of between $145 and $405 a week will fall by at least one-quarter. An Australian with a disability who works 15 hours a week for the minimum wage will earn $191 a week under the new system but will take home only $80 of this. The government will keep the other $111 through Newstart clawback and income tax. That means that the take-home income of this person working 15 hours a week will only be $288 a week under the new system. This is only $34 a week higher than the $254 a week that person receives under the current rules. That means that the effective hourly rate for each of those 15 hours of paid work is $2.27 per hour. This arrogant minister still would not answer the question: would he work for that? I will leave that decision to the voters at the next election. Whether he is worth $2.27 an hour would be another argument altogether.

Government senators should be ashamed. We have been told repeatedly by this government that their Welfare to Work package would move hundreds of thousands of people from welfare to work. What I do not understand is why it is necessary to cut $122 a week from the weekly budget of people with disabilities in order to get them a job. I would have liked to have heard the minister explain how taking $122 from the weekly budget of people with disabilities in order to get them a job. I would have liked to have heard the minister explain how taking $122 from the weekly budget of people with disabilities in order to get them a job. I would have liked to have heard the minister explain how taking $122 from the weekly budget of people with disabilities in order to get them a job. I would have liked to have heard the minister explain how taking $122 from the weekly budget of people with disabilities in order to get them a job. I would have liked to have heard the minister explain how taking $122 from the weekly budget of people with disabilities in order to get them a job. I would have liked to have heard the minister explain how taking $122 from the weekly budget of people with disabilities in order to get them a job. I would have liked to have heard the minister explain how taking $122 from the weekly budget of people with disabilities in order to get them a job.
Maybe this government wants to cut the weekly budgets of Australians with disabilities because it thinks they are bludgers. I cannot speak for government senators, but I have not met a person yet who would rather be on a pension than working if they could find suitable employment. Labor believes that people who can work should work, but they should be given assistance to help train them to participate in Australia’s changing workplaces.

This government does not share Labor’s view. Instead of providing the quality training that Australians with disabilities deserve, this government wants to put them on the dole. I would welcome the minister explaining to the Senate why it is a good thing to put families of Australians with disabilities under financial pressure, to cut their weekly budgets and take bread from their tables. But so far I have not heard anyone speaking on behalf of this government explain why it is a good thing to put families of Australians with disabilities under financial pressure, to cut their weekly budgets and take bread from their tables. But so far I have not heard anyone speaking on behalf of this government explain why taking the money out of the pockets of people who are already doing it hard helps them get a job. I suspect I never will. Australians will not be fooled by the government’s so-called Welfare to Work package. They will see it for what it is. They will know that the package is not about jobs but about reducing government expenditure.

Question agreed to.

Mr Scott Parkin

Senator STOTT DESPOJA (South Australia) (3.25 pm)—I move:

That the Senate take note of the answer given by the Minister for Justice and Customs (Senator Ellison) to a question without notice asked by Senator Stott Despoja today relating to the detention of Mr Scott Parkin.

I wanted to hear from this government today the reasons behind the revocation of Mr Parkin’s visa. Even if the government were going to say that there were valid security or intelligence reasons why the chamber could not hear the exact reasons for this man’s visa being cancelled, I was hoping that the government and the minister would at least explain to the chamber when Mr Parkin and his lawyers—he has a number of lawyers, including Julian Burnside, a distinguished and prominent Australian citizen; as I am sure you would be aware, Mr Deputy President—are going to find out what exactly Mr Parkin has done wrong. As honourable senators may be aware, he was arrested on Saturday in a Melbourne cafe and his visa—which had been granted for a six-month period, so he was not here under false pretences or on illegal grounds—was subsequently cancelled. He was detained in a Melbourne custody centre at a cost to himself of at least $130 a day, not to mention that he was in solitary confinement.

When is the government going to tell us why this man has been detained and is about to be deported and the reasons for the decision to cancel his visa? At first we heard that maybe it had something to do with the character requirements in relation to visas. That is something we are familiar with, although the criteria seem to be somewhat ambiguous at times. Then we heard it was because of an adverse security assessment, so again I asked the government, the minister in particular and the Attorney-General specifically what the grounds were for this and when the information was provided to the government that suggested there was some kind of security threat or adverse assessment of Mr Parkin. I also asked what that assessment related to—whether it was to do with his so-called peaceful activities and activism in this country or with running peace activism workshops. That does not sound too scary to me.

Having said that, if the government has information that this man has acted in a way that is contrary to our laws, if there is any evidence that he has broken the laws while
he has been in Australia—and I suggest that none of that evidence has been presented to the minister, if it is even available—then it should bring it forward, show us and convince us. But it should not have this lack of scrutiny, transparency and accountability, because it begs the question of what accountability there is with our current laws in relation to counterterrorism, let alone what assessment or what accountability provisions there will be with the new legislation. As I said, I am quite comfortable for the government to say: ‘We’re sorry; we can’t tell you the exact reasons for this man’s detention.’ But I tell you what: I do not want to live in a society where the lawyer defending the man cannot even find out what his client is accused of and the man himself is not aware of why he has been detained, put in solitary confinement, charged for it and is about to be deported.

In question time today another senator asked whether this was setting a precedent for Australian citizens who may be peaceful activists. Some of us in this chamber do go to the odd protest on occasion and do have protest tendencies when an issue is strong. The government said, ‘This isn’t setting a precedent for Australian citizens, because we do not deport them.’ I have news for you, Mr Deputy President: unfortunately we have a couple of cases that prove that very wrong. I do not mean to make light of those cases, because this is a dangerous precedent. People in this place and in the community and media may say, ‘Hang on. He was a US citizen. He’s an activist. Was he up to no good? We don’t really know.’ But it is the slippery slope. If we let this go unacknowledged, without question, scrutiny or some accountability from government, it will only be a matter of time before it happens to someone else in this place or in this country.

So I still want to know: when will the lawyers find out? When will Mr Parkin know? Is he going to be charged? Why is he in solitary confinement? When did the report come in? Who prompted that report? When was information received? Was it an organisation or an individual that prompted a new assessment? And why did ASIO grant the visa in the first place if they had reason to suspect that there was a problem? I suggest that this is part of a government agenda and part of political pressure from another country and I defy the government to come in here and not just say that it is not but explain exactly what is going on. (Time expired)

Question agreed to.

NOTICES

Presentation

Senator Milne to move on the next day of sitting:

That the Senate—

(a) notes:

(i) the report of the House of Representatives Standing Committee on Environment and Heritage, entitled Sustainable cities, tabled on 12 September 2005, and

(ii) the committee’s call for the Government to exercise leadership in addressing urgent issues of sustainability, including:

(A) increasing funding for public transport,

(B) establishing an Australian sustainability charter and an independent Australian sustainability commission,

(c) reviewing fringe benefits tax concessions for car use,

(d) considering lifting the tariff on four-wheel drive vehicles, while exempting primary producers,

(e) coordinating a national report on options for future water use, including greater use of recycled water,
(f) encouraging state and territory governments to mandate disclosure of energy efficiency and greenhouse performance of residential properties at point of sale or lease,

(g) ensuring that Commonwealth departments improve the energy efficiency of the properties they own or lease,

(h) doubling the photovoltaic rebate to encourage the uptake of photovoltaic systems,

(i) examining the environmental and economic benefits of decentralised energy delivery and encouraging investment in this area, and

(j) developing a set of national environmental objectives for Australia; and

(b) calls on the Government to adopt the committee’s recommendations.

Senator Murray to move on the next day of sitting:

That the following matter be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by the last sitting day in March 2006:

The impact on rural water usage of recent water policy initiatives and the possible role for Commonwealth agencies, with particular reference to:

(a) the development of water property titles;

(b) methods of protection for rivers and aquifers;

(c) farming innovation;

(d) monitoring drought and predicting farm water demand; and

(e) the implications for agriculture of predicted changes in patterns of precipitation and temperature.

Senator Siewert to move on Tuesday, 4 October 2005:

That the Senate—

(a) notes the damage caused to deep sea coral and sponge communities by the increasing prevalence of bottom trawling;

(b) recognises that unregulated high seas bottom trawling is inconsistent with international law as recognised in the United Nations (UN) Convention on the Law of the Sea;

(c) acknowledges the collapse of seamount fisheries to the south east of Australia, with severe consequences for target species such as orange roughy as well as many untargeted species;

(d) commends the Government for taking initial steps toward protecting some deep sea coral and sponge ecosystems under its jurisdiction;

(e) supports the prohibition of bottom trawling of deep sea coral and sponge ecosystems in Australian waters; and


Senator O’Brien to move on the next day of sitting:

That the Senate—

(a) notes that:
(i) based on longstanding bipartisan policy as announced by the then Prime Minister, Mr Fraser, in May 1997 (Uranium—Australia’s Decision, Fraser Government, 24 May 1977), export of uranium from Australia is permitted only to those states which are party to the Nuclear Non-Proliferation Treaty and with which Australia has a bilateral safeguards agreement,

(ii) Australia has a right to be selective as to the countries to which it is prepared to export uranium on the basis of the need for assurances that exported uranium and its derivates cannot be used in the development of nuclear weapons or in other military programs,

(iii) Australia has 19 bilateral safeguard agreements which cover 36 countries that are party to the treaty, providing for the continued export of uranium to those countries including existing exports to Japan, South Korea, France, Spain, Sweden, the United Kingdom, Canada, Belgium, Finland and the United States of America,

(iv) China is a signatory to the treaty, and

(v) India is not a signatory to the treaty; and therefore

(b) calls on the Government to immediately rule out the export of uranium from Australia to India in order to uphold our international obligations as a signatory to the treaty.

Senator Milne to move on the next day of sitting:

That the Senate—

(a) notes that:

(i) half of the world’s population lives on less than $US2 a day, and

(ii) the Prime Minister (Mr Howard) has flagged increasing Australia’s overseas aid contribution by $1 billion, phased in over 5 years, which will still leave Australia short of the United Nations (UN) recommended level of 0.7 per cent of gross national income;

(b) calls on the Government at the New York summit on the UN Millennium Development Goals, from 14 September to 16 September 2005, to commit to lifting Australia’s overseas aid contribution to the UN recommended level within 3 years; and in the meantime

(c) calls on the Government to double its current overseas aid budget and allocate $5 billion in the 2006-07 Budget for the purpose.

Withdrawal

Senator WATSON (Tasmania) (3.31 pm)—Pursuant to notice given at the last day of sitting, I now withdraw business of the Senate notice of motion Nos 1, 3 and 4 standing in my name for eight sitting days after today.

Presentation

Senator WATSON (Tasmania) (3.31 pm)—On behalf of the Standing Committee on Regulations and Ordinances, I give notice that, 15 sitting days after today, I shall move that the following delegated legislation, a list of which I shall hand to the Clerk, be disallowed:

The list read as follows—


(3) Foreign Passports Determination 2005 made under section 24 of the Passports Act 1938.

(4) Public Accounts and Audit Committee Regulations 2005, as contained in Select Legislative Instrument 2005 No. 127 and made under the Public Accounts and Audit Committee Act 1951.

(5) Student Assistance Amendment Regulations 2005 (No. 1), as contained in Select Legisla-
I seek leave to incorporate in Hansard a short summary of the matters raised by the committee.

Leave granted.

The summary read as follows—

**Australian Passports Determination 2005**

This instrument determines various matters concerning, amongst other things, special circumstances for the issue of children’s passports; refusal to issue a passport on law enforcement or harmful conduct grounds; concurrent diplomatic and official passports; and damaged passports.

The Committee has written to the Minister seeking advice on the following matters.

Subsection 2.1(3) lists the special circumstances in which the Minister may issue a passport to a child even though a person with parental responsibility for the child has not given consent to the child travelling internationally. Paragraph 2.1(3)(g) specifies the issue of a family violence order, as defined under Part VII of the Family Law Act 1975, against the non-consenting parent as one such special circumstance. The definition of ‘family violence order’ under the Family Law Act includes interim orders (see section 60D(1)). An interim order may be issued without evidence and in the absence of the party accused of violence. There is no indication whether it is intended that a passport may be issued to a child in such circumstances and, if so, whether a passport that is issued on the basis of an interim family violence order may be cancelled if the interim order is not subsequently confirmed.

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 this Determination, though detailed, makes no reference to consultation.

**Electoral and Referendum Amendment Regulations 2005 (No. 1), Select Legislative Instrument 2005 No. 125**

These Regulations substitute a new Schedule 1 for the existing Schedules 2 and 3 to the principal Regulations, specifying the prescribed authorities that can be provided with information from the electoral roll and the permitted purposes for the use of that information. The Committee has written to the Minister seeking advice on the following matters.

The new Schedule 1 adds two new Australian Government agencies to the list of prescribed authorities: the Australian Communications Authority and ASIO. The Explanatory Statement merely notes the addition of two new agencies without identifying them or explaining the reasons why they have been added to the Schedule. Further, the Australian Communications Authority is now part of the Australian Communications and Media Authority. It is not clear what effect this has on the instrument.

The previous Schedule 3 contained Notes that specified those branches or units of the respective Departments and agencies that would be make use of the information. The new Schedule does not contain these Notes, and the Explanatory Statement does not give a reason for this.

These amendments remove the sunset clause that was found in the pre-existing subregulation 10(3). No reason is given in the Explanatory Statement for the removal of the sunset clause.

**Foreign Passports Determination 2005**

This determination specifies competent authorities who can request an order from the Minister requiring a person to surrender foreign travel documents, and specifies indictable offences which might constitute conduct in relation to which such an order might be made.

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 this Determination makes no reference to consultation.

Public Accounts and Audit Committee Regulations 2005, Select Legislative Instrument 2005 No. 127

These Regulations repeal, replace and update the former Public Accounts and Audit Committee Regulations. Schedule 1 to these Regulations specifies the fees payable to witnesses appearing before the Public Accounts and Audit Committee. The Committee notes that Items 1 and 2 in this Schedule specify a fee “for each day on which the witness appears”. It is not clear what, if any, fee is payable if a witness appears for only part of a day. The Committee has written to the Minister seeking advice on this matter.

Student Assistance Amendment Regulations 2005 (No. 1), Select Legislative Instrument 2005 No. 123

These Regulations amend the principle Regulations to extend eligibility for ABSTUDY payments to new apprentices. Item 8 of Schedule 1 to these Amendments inserts a new regulation 5D into the principal Regulations that defines the term ‘partner’. The Committee has written to the Minister seeking advice on the following matters concerning this regulation.

Subregulation 5D(1) begins with the words “For subregulation (1)”. It is not clear what subregulation is being referred to.

Paragraphs 5D(1)(a)(ii) and (b)(iii) each refer to “the Secretary’s opinion” regarding whether a person is living separately from another, or whether a person is in a marriage-like relationship. It is not clear on what basis the Secretary will form such an opinion.

Senator WATSON (Tasmania) (3.32 pm)—I give notice that, at the giving of notices on the next day of sitting, I shall withdraw business of the Senate notice of motion No. 1 standing in my name for the next day of sitting for the disallowance of the Aviation Transport Security Regulations 2005, as contained in Select Legislative Instrument 2005 No. 18 and made under the Aviation Transport Security Act 2004 and the Aviation Transport Security (Consequential Amendments and Transitional Provisions) Act 2004. I seek leave to incorporate in Hansard the committee’s correspondence concerning these regulations.

Leave granted.

The correspondence read as follows—
Aviation Transport Security Regulations 2005, Select Legislative Instrument 2005 No. 18
12 May 2005
The Hon John Anderson MP
Minister for Transport and Regional Services
Suite MG41
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to the Aviation Transport Security Regulations 2005, Select Legislative Instrument 2005 No. 18. The Committee raises the following matters with these Regulations.

Paragraph 3.15(1)(e) requires the display of signs on the fencing or barrier around an airside area as specified in subregulation 3.15(4), warning against unauthorised entry. Paragraph 3.15(1)(f) requires the display of signs at every entrance to an airside area as specified in subregulation 3.15(6), warning against the unauthorised possession of weapons. It is not clear why the signs required to be displayed at entrances to an airside area are not required to display warnings against unauthorised entry.

Regulation 3.29 requires the operator of a designated airport to “enter into an agreement with a counter-terrorist first response service provider”. Regulation 3.30 specifies the qualifications of members of a counter-terrorist first response force. The Regulations do not, however, specify who may be a service provider, nor whether an airport operator is responsible for acts of the ser-
vice provider undertaken pursuant to the agreement.

Paragraph 4.59(5)(b) provides that a weapon is “a tool of trade” if the person who possesses it requires it for a lawful purpose. Is the word “lawful” in this context to be determined solely by reference to the laws of Australia or will the laws of other countries be also to be considered?

Subregulation 4.75(2) defines when a person in custody is classified as being dangerous for the purposes of Subdivision 4.5.2—Persons in custody under the Migration Act. Paragraph 4.75(2)(a) of the definition states that a person is dangerous if DIMIA has assessed the person as being likely to attempt to commit an unlawful interference with aviation, or likely to attempt to escape. This appears to give DIMIA considerable discretion. Does DIMIA have the relevant expertise to make this type of assessment and on what basis will such assessments be made? Paragraph 4.75(2)(b) supplies an alternative definition, referring to a person who has been charged with or convicted of a crime involving violence against a person or serious damage to property. The paragraph does not specify any time limit (for example, ‘in the past 5 years’), with the consequence that a person who has been convicted of, or charged with, such a crime at any time in the past may be classified as dangerous. Is this the intended ambit of this paragraph?

Similar questions are raised by subregulation 4.87(2). Additionally, the combined operation of paragraphs 4.87(1)(b) and (2)(a) gives the Australian Fisheries Management Authority the role of assessing whether a person is dangerous. Does the Authority have the relevant expertise to make this type of assessment?

Paragraph 6.06(b) refers to the issue of temporary ASICs that are designed to be used on a single occasion and then destroyed. Paragraph 6.36(6)(b) allows for a temporary ASIC to be issued for a period of 3 months or the remaining period of validity of the permanent ASIC. There appears to be an inconsistency between these two provisions and the Committee would appreciate clarification regarding the timeframe for which temporary ASICs may be issued.

Regulation 6.40 makes it an offence of strict liability to issue an ASIC or a VIC without authority. There does not appear to be a cognate offence relating to the wearing or displaying of an unauthorised or false ASIC or VIC. It is not clear whether this is an intentional omission.

Regulation 7.10 provides that a person who receives an infringement notice may apply “before the end of 28 days after receiving an infringement notice” to have the notice withdrawn. Regulation 7.08 provides that the recipient of a notice may apply for an extension of time to pay the penalty, but there is no time limit specified (as in regulation 7.10) within which such an application should be made. The Committee suggests that for the sake of clarity regulation 7.08 be amended in terms similar to regulation 7.10.

The Committee would appreciate your advice on the above matters as soon as possible, but before 10 June 2005, to enable it to finalise its consideration of these Regulations. Correspondence should be directed to the Chairman, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely

Tsebin Tchen
Chairman

24 June 2005

Senator Tsebin Tchen
Chairman
Senate Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600

Dear Senator Tchen

Thank you for your letter of 12 May 2005 concerning matters raised by the Committee in its consideration of the Aviation Transport Security Regulations 2005. I apologise for the delay in responding by the date requested by the Committee and trust this has not inconvenienced the Committee. The responses to the matters raised are set out below.

Question 1

Paragraph 3.15(1)(e) requires the display of signs on the fencing or barrier around an airside area as specified in subregulation 3.15(4), warning
against unauthorised entry. Paragraph 3.15(1)(f) requires the display of signs at every entrance to an airside area as specified in subregulation 3.15(6), warning against the unauthorised possession of weapons. It is not clear why the signs required to be displayed at entrances to an airside area are not required to display warnings against unauthorised entry.

Answer

A sign of the type required by paragraph 3.15(1)(e), warning against unauthorised entry, is not required at every entrance to the airside. However, subregulation 3.15(5) requires there must be as many of such signs as are necessary to ensure that a person approaching the barrier and looking towards the airside is able to see at least 1 of the signs no matter where he or she stands. Hence, a sign of the type required by paragraph 3.15(1)(e), warning against unauthorised entry, will be visible from every entrance to the airside.

Question 2

Regulation 3.29 requires the operator of a designated airport to “enter into an agreement with a counter-terrorist first response service provider”. Regulation 3.30 specifies the qualifications of members of a counter-terrorist first response force. The Regulations do not, however, specify who may be a service provider, nor whether an airport operator is responsible for acts of the service provider undertaken pursuant to the agreement.

Answer

Regulation 3.30 requires that CTFR members must be either members of the Australian Federal Police, or a member of a State or Territory police force in the jurisdiction in which the airport is located. In drafting the Regulations the Government did not envisage that the service provider would be other than the responsible force to which the members belong, that is, it was not envisaged that the service provider would ever be a combination of the police force of more than one jurisdiction.

It would be inappropriate for the regulations to make an airport operator responsible for acts of the service provider given that the service provider would be a Commonwealth, State or Territory police force governed by the laws of the Commonwealth, State or Territory.

Question 3

Paragraph 4.59(5)(b) provides that a weapon is “a tool of trade” if the person who possesses it requires it for a lawful purpose. Is the word “lawful” in this context to be determined solely by reference to the laws of Australia or will the laws of other countries also be considered?

Answer

Paragraph 4.59(5) provides that something is a tool of trade for the purposes of paragraph (3)(a) and subregulation (4) if the person whose possession it is in requires it for the purpose for which he or she is in a prescribed aircraft; and the purpose is lawful. (italics added).

It is intended that the purpose be one which is lawful under Australian law.

Question 4

Subregulation 4.75(2) defines when a person in custody is classified as being dangerous for the purposes of Subdivision 4.5.2—Persons in custody under the Migration Act. Paragraph 4.75(2)(a) of the definition states that a person is dangerous if DIMIA has assessed the person as being likely to attempt to commit an unlawful interference with aviation, or likely to attempt to escape. This appears to give DIMIA considerable discretion. Does DIMIA have the relevant expertise to make this type of assessment and on what basis will such assessments be made?

Answer

Division 4.5 is intended to place the responsibility for assessment of persons in custody on enforcement agencies which have expertise in the enforcement regimes that they administer and the airlines they contract to transport persons in custody.

It is considered that DIMIA are best placed to assess persons in custody under enforcement regimes that they administer. The assessment of dangerous persons, as set out in Form 1 in Schedule 1 of the Regulations, is the product of particularly detailed consultations with industry and enforcement agencies.
Question 5
Paragraph 4.75(2)(b) supplies an alternative definition, referring to a person who has been charged with or convicted of a crime involving violence against a person or serious damage to property. The paragraph does not specify any time limit (for example, 'in the past 5 years'), with the consequence that a person who has been convicted of, or charged with, such a crime at any time in the past may be classified as dangerous. Is this the intended ambit of this paragraph?
Answer
Yes, it is the intended ambit of the paragraph. Following discussions with airlines, and to give them further comfort that the serious criminal background of persons in custody had been properly considered, DIMIA requested that this paragraph be inserted.

Question 6
Similar questions are raised by subregulation 4.87(2). Additionally, the combined operation of paragraphs 4.87(1)(b) and (2)(a) gives the Australian Fisheries Management Authority the role of assessing whether a person is dangerous. Does the Authority have the relevant expertise to make this type of assessment?
Answer
As stated above, Division 4.5 is intended to place the responsibility for assessment of persons in custody on enforcement agencies which have expertise in the enforcement regimes that they administer and the airlines they contract to transport persons in custody. It is considered that AFMA are best placed to assess persons in custody under enforcement regimes that they administer.

Question 7
The Committee raises an inconsistency between the provisions of 6.06(b) which refers to the issue of temporary ASICs that are designed to be used on a single occasion and then destroyed and 6.36(6)(b) which allows for a temporary ASIC to be issued for a period of 3 months or the remaining period of validity of the permanent ASIC.
Answer
Regulation 6.06 allows for an Issuing Body’s ASIC program to provide the ability for an Issuing Body to issue and produce Temporary ASICs that are to only be used on one single occasion. Regulation 6.36 provides for Temporary ASICs to be issued for a period of up to three months, but only under certain conditions set out in Regulation 6.36.

Question 8
Regulation 6.40 makes it an offence of strict liability to issue an ASIC or a VIC without authority. There does not appear to be a cognate offence relating to the wearing or displaying of an unauthorised or false ASIC or VIC. It is not clear whether this is an intentional omission.
Answer
There are no express offences of displaying an unauthorised or false ASIC or VIC. However, Regulation 3.03 sets out the requirements for displaying an ASIC and, in subregulation 3.03(1), requires that it be a valid ASIC or VIC. Failure to display a valid ASIC or VIC can result in a penalty of up to 5 penalty units. The meaning of valid ASIC and valid VIC are contained in Regulation 1.05

Question 9
Regulation 7.10 provides that a person who receives an infringement notice may apply “before the end of 28 days after receiving an infringement notice” to have the notice withdrawn. Regulation 7.08 provides that the recipient of a notice may apply for an extension of time to pay the penalty, but there is no time limit specified (as in regulation 7.10) within which such an application should be made. The Committee suggests that for the sake of clarity regulation 7.08 be amended in terms similar to regulation 7.10.
Answer
My Department is currently reviewing the Aviation Transport Security legislation to consider whether there are any unanticipated conflicts or inconsistencies and in response to the Government’s 7 June 2005 announcement on enhancements to aviation security measures. I note the Committee’s suggestion in relation to 7.10 and have asked the Department to consider it as part of its internal review. Indeed, it would seem prudent for the Department to also consider, as part of its internal review, whether any of the other
matters raised by the Committee could be clarified by regulatory amendment.
I trust this assists the Committee’s consideration of the Regulations.
Yours sincerely
John Anderson
Minister for Transport and Regional Services

11 August 2005
The Hon Warren Truss MP
Minister for Transport and Regional Services
Suite MG46
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to the letter dated 24 June 2005 from the former Minister for Transport and Regional Services, the Hon John Anderson MP, to the Committee concerning the Aviation Transport Security Regulations 2005, Select Legislative Instrument 2005 No. 18 (reference 01323-2005). The letter addresses most of the Committee’s concerns with this instrument and I thank you for that response.
However, there is one matter on which the Committee would appreciate some additional advice. Paragraph 4.785(2)(a) of the Regulations states that a person is considered dangerous if DIMIA has assessed the person as being likely to escape. Similarly, the operation of paragraphs 4.87(1)(b) and (2)(a) gives AFMA the role of assessing whether a person is dangerous.
In Minister Anderson’s letter, he points out that Division 4.5 is intended to place the responsibility for assessment of persons in custody on enforcement agencies which have expertise in the enforcement regimes that they administer. While officers of DIMIA and AFMA may have expertise in the enforcement regimes which they administer, the Committee would appreciate your advice on whether this necessarily entails expertise regarding the likelihood of a person committing an unlawful interference with aviation or escape. Specifically, what training do officers receive that would assist them in making such assessments?
The Committee would appreciate your advice on the above matter as soon as possible, but before 2 September 2005, to enable it to finalise its consideration of these Regulations. Correspondence should be directed to the Chairman, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.
Yours sincerely
John Watson
Chairman

5 September 2005
Senator John Watson
Chairman
Senate Standing Committee on Regulations and Ordinances
Room SG49
Parliament House
CANBERRA ACT 2600
Dear Senator Watson
I refer to your letter dated 11 August 2005 concerning additional advice that your Committee seeks on the Aviation Transport Security Regulations 2005 (the Regulations). I am pleased that the response from the former Minister for Transport and Regional Services to your earlier letter was of assistance to the Committee. I trust that the following information will be equally helpful.
You have sought specific advice in relation to assessment of persons in custody (PICs). To impose discipline on assessing whether PICs are likely to attempt to escape or to commit an act of unlawful interference with aviation, the Regulations provide that enforcement agencies are to complete Form 1 (Schedule 1 to the Regulations) for all PICs travelling on a prescribed air service or prescribed aircraft.
Form 1 asks various questions that are designed to assist the assessment of a PIC’s likelihood of attempting to escape or of committing an act of unlawful interference with aviation.
Where the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) is the enforcement agency for the purposes of the Regulations, DIMIA staff complete the Form 1 after:
• reviewing the person’s immigration file, for evidence of the potential for disruptive behaviour;

• obtaining a detailed questionnaire from the detention services provider, which for the majority of immigration detention facilities is GSL (Australia) Pty Ltd. That questionnaire seeks advice on such things as the person’s history of behaviour in relation to violence, attempted escape, drug addiction, mental state as well as the potential for disruptive behaviour. The form will be completed by GSL security personnel who are required to obtain a Certificate 3 in Correctional Procedures, as endorsed by the Australian National Training Authority (ANTA); and

• completing a DIMIA Aviation Assessment form, which will assist the removals officer in selecting the appropriate type of travel (ie. whether escorted or unescorted).

DIMIA advises that to obtain a Certificate 3 in Correctional Procedures, the holder is required to undergo 240 hours of formal training in correctional procedures and 12 months on the job training.

DIMIA has also advised that a cautious approach is adopted when deciding whether an escort is required. For example, DIMIA will often arrange an escort or escorts if a person presents a risk of disruptive behaviour, even if the person does not meet the definition of ‘dangerous person’ as provided in the Regulations.

The completed Form 1 is also provided to the operator of the flight, who is entitled to refuse carriage if they are unsatisfied with the information provided or the assessment that has been made.

As an extra layer of assurance the completed Form 1 is provided to the Department of Transport and Regional Services to obtain the Secretary’s approval when more than two escorted PICs are to travel on one flight or where PICs, other than under the Migration Act, are to travel unescorted.

Finally, until now, PICs who have been held under fisheries management legislation have been processed and assessed by DIMIA. The new Border Protection Legislation Amendment (Deterrence of Illegal Foreign Fishing) Act 2005, (which was assented to on 23 August and which amends the Fisheries Management Act 1991, Torres Strait Fisheries Act 1984 and Migration Act 1958) sets out training requirements for officers and detention officers under that legislation. Specific queries about the operation of that legislation should be directed to the responsible Minister.

I trust this information is of assistance to the Committee

Yours sincerely

Warren Truss
Minister for Transport and Regional Services

8 September 2005

Senator the Hon Ian Macdonald
Minister for Fisheries, Forestry and Conservation
Suite M1.17
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to the Aviation Transport Security Regulations 2005, Select Legislative Instrument 2005 No. 18. The Committee has corresponded with the Minister for Transport and Regional Services on a number of aspects of these regulations. However, there is one particular aspect on which the Minister has suggested I seek your advice.

Paragraphs 4.87(1)(b) and (2)(a) of the regulations give AFMA the role of assessing whether a person is dangerous and likely to escape. The regulations give a similar role to officers of DIMIA. While officers of DIMIA and AFMA may have expertise in the enforcement regimes which they administer, it is not clear that this necessarily entails expertise in the likelihood of a person committing an unlawful interference with aviation, or escape. Specifically, what training do officers receive that would assist them in making such assessments?

Minister Truss has provided the Committee with advice in relation to the training and experience of DIMIA officers. He concludes that, until now, persons in custody who have been held under the
fisheries management legislation have been processed and assessed by DIMIA. However, following recent statutory amendments, this is no longer the case and he suggests seeking advice directly from you.

Given this, I would appreciate your advice on the training and expertise of AFMA officers that would assist them in making the relevant assessments of persons in custody.

The Committee has given notice of a motion to disallow these regulations. This notice must be resolved before 14 September 2005. Therefore, with apologies for the late notice, I would appreciate your urgent advice on this matter by 13 September 2005 to enable the Committee to finalise its consideration of these Regulations. Correspondence should be directed to the Chairman, Senate Standing Committee on Regulations and Ordinances, Room SG49, Parliament House, Canberra.

Yours sincerely
John Watson
Chairman

13 September 2005
Senator John Watson
Chairman
Senate Standing Committee on Regulations and Ordinances
Room SG49
Parliament House
CANBERRA ACT 2601
Dear Senator Watson

I refer to your letter dated 8 September 2005 concerning a request for advice on the training and expertise of Australian Fisheries Management Authority (AFMA) officers that would assist them in making assessments of whether a person in custody is “dangerous” within the meaning of Paragraph 4.87(2)(a) of the Aviation Transport Security Regulations 2005.

The Border Protection Legislation Amendment (Deterrence of Illegal Foreign Fishing) Act 2005 received royal assent on 23 August 2005 and provides changes to the detention regime under the Fisheries Management Act 1991 (FMA), the Torres Strait Fisheries Act 1984 (TSFA) and the Migration Act 1958 (MA). These amendments will not come into effect until the legislation is proclaimed or by 23 January 2006 at the latest.

The amendments, among other things, allow a broader range of people to be appointed as detention officers under the fisheries legislation. This will include people who are already appointed under the MA, so that a single set of officers can care for detainees, minimising disruption for these people and allowing for a smooth transition between fisheries and immigration detention.

The amendments also provide that AFMA may, by instrument, authorise officers and/or detention officers under the FMA who have successfully completed minimum training prescribed by a legislative instrument. AFMA would authorise officers who had been trained to carry out the duties of authorised officers, such as conducting specific searches and screening procedures under the FMA. The legislative instrument prescribing the training for the purposes of becoming an “authorised officer” will be made following the proclamation of the new amendments.

Until the new amendments are proclaimed, the existing arrangements will continue to apply. Under current legislation, illegal foreign fishers who are detained under the FMA must be detained by a fisheries officer, for the purpose of investigating foreign fishing offences. While the person is held in fisheries detention under the FMA for a maximum period of seven days, that person is the holder of an enforcement visa which is automatically granted under operation of law (under the MA). The person must be released from fisheries detention if a decision is made not to charge the detainee, if the detainee is brought before a magistrate following a decision to charge him or her, or at the end of 168 hours (7 days) after the detention began. At this time the enforcement visa automatically ceases and the person becomes an unlawful non-citizen under the MA and must be detained in accordance with the MA.

Traditionally persons in custody who were initially detained under the FMA but have since become unlawful non-citizens and detained under the MA, have been processed and assessed by the
Department of Immigration and Multicultural and Indigenous Affairs for the purposes of the Aviation Transport Safety Regulations 2005. This is because they have been moved while in immigration detention.

Persons in custody have also been transported by air by AFMA whilst they are under fisheries detention under the FMA. When this has been required AFMA has complied with the Aviation Transport Safety Regulations 2005 and performed an assessment of whether a person in custody is “dangerous”, that is whether they are “likely to attempt to commit an unlawful interference with aviation, or to attempt to escape”.

AFMA relies on its experience to perform these assessments. Since its inception in 1991, AFMA has extensive experience in apprehending and prosecuting illegal fishers. In particular, since 1991 it has made assessments of the danger that detained illegal fishers pose to other detainees and the general public when deciding on locations for detention and modes of transport for detainees. The officers making these assessments are generally former police or correctional services officers. To date no illegal Indonesian fisher has been assessed as “dangerous” and no incident has occurred whilst they were in air transit that would indicate otherwise.

I trust this information is of assistance to the Committee.

Yours sincerely
Ian Macdonald
Minister for Fisheries, Forestry and Conservation

NOTICES
Postponement
The following item of business was postponed:

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 4 October 2005.

CARERS’ NATIONAL DAY OF ACTION
Senator McLucas (Queensland) (3.34 pm)—I move:
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

Senator Ellison (Western Australia—Manager of Government Business in the Senate) (3.33 pm)—by leave—I move:
That consideration of the business before the Senate today be interrupted at approximately 5 pm, but not so as to interrupt a senator speaking, to enable Senator Carol Brown to make her first speech without any question before the chair.

Question agreed to.
(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.

The Senate divided. [3.38 pm]
(The President—Senator the Hon. Paul Calvert)

Ayes............ 34
Noes............. 37
Majority........ 3

AYES
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. Fielding, S.
Forshaw, M.G. Hogg, J.J.
Harley, 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.
Sherry, N.J. 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.
Eggleston, A. Ellison, C.M.
Ferris, J.M. * Fierravanti-Wells, C.
Fifield, M.P. Heffernan, W.
Hughes, G. Johnston, D.
Joyce, B. Kemp, C.R.
Lightfoot, P.R. Macdonald, I.
Macdonald, J.A.L. Mason, B.I.
McGauran, J.J.J. Minchin, N.H.
Nash, F. Parry, S.
Patterson, K.C. Payne, M.A.
Ronaldson, M. Santoro, S.
Scullion, N.G. Troeth, J.M.

Trood, R. Vanstone, A.E.
Watson, J.O.W.

PAIRS
Faulkner, J.P. Ferguson, A.B.
Ray, R.F. Hill, R.M.

* denotes teller

Question negatived.

NATIONAL BILBY DAY

Senator TROOD (Queensland) (3.42 pm)—I move:

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.

Question agreed to.

URANIUM EXPORTS

Request for Formality

Senator MILNE (Tasmania) (3.42 pm)—I ask that general business notice of motion No. 252, relating to the Nuclear Non-Proliferation Treaty and uranium exports to India, be taken as a formal motion.

The DEPUTY PRESIDENT—Is there any objection to this motion being taken as formal?

Senator O’Brien—Yes.
Senator Bob Brown—Oh, there is not, is there?

The DEPUTY PRESIDENT—There is an objection to it being taken as formal.

Senator Bob Brown—Mr Deputy President, I did not hear any objection. I wonder if you could identify who objected.

The DEPUTY PRESIDENT—Senator Brown, I heard a voice in the chamber quite clearly. It was Senator O’Brien. You could hear that as well as I could.

Senator O’Brien—Mr Deputy President, I raise a point of order. I simply suggest that that was a most frivolous point of order by Senator Brown, who indeed knew who objected. On behalf of the opposition, I objected to this motion having formality.

The DEPUTY PRESIDENT—There is no point of order.

Suspension of Standing Orders

Senator MILNE (Tasmania) (3.44 pm)—At the request of Senator Bob Brown and pursuant to contingent notice, I move:

That so much of the standing orders be suspended as would prevent Senator Bob Brown moving a motion relating to the conduct of the business of the Senate, namely a motion to give precedence to general business notice of motion No. 252.

I do this because—

The DEPUTY PRESIDENT—Just before you do, Senator Milne, there are people standing in the chamber, which is disorderly. When you are on your feet, you are entitled to be heard in silence and with the chamber in an orderly state.

Senator MILNE—Thank you, Mr Deputy President. I think it is a very interesting move from the Labor Party to prevent a vote being taken on this. Let everyone in Australia be aware: this is a signal from the Labor Party that it is about to change its position on exporting uranium to a country which is not a signatory to the Nuclear Non-Proliferation Treaty. The motion that I brought before the Senate was for the Senate to call on the government to rule out the export of uranium to India because, clearly, under the Nuclear Non-Proliferation Treaty and under a long-standing bipartisan arrangement, there is an agreement in Australia that we will not export uranium to countries which are nonsignatories to the non-proliferation treaty and indeed which are nuclear weapons states. How irresponsible is it?

This discussion about the export of uranium has been around for the last six or eight months as a response to climate change. It is rushing onto the agenda and it is very clear that the dollar signs are flashing up in the eyes of the shadow minister, Martin Ferguson, and the federal minister. They are moving rapidly to position Australia to export both coal and, in this case, uranium to China, which is known to have given nuclear technology to Pakistan. We know there is no way you could guarantee in China that the results of the export of uranium would not find their way into a weapons program. It is even more so with India, because India is not even a signatory to the non-proliferation treaty.

So I hope that people will think very carefully about what has gone on here, because, by preventing a vote on the proposed motion, we will now vote on a suspension of standing orders rather than on the actual issue itself. This should clearly signal what we are finding. We have already had Minister Macfarlane saying that both India and China will increase their nuclear generation and that it is important that Australia exports to meet those opportunities. So we have had a federal minister already touting exports to India, and here we have the Labor Party blocking formality, stopping a vote on a motion which would call on the government to rule out those exports. It is time now that the member for Kingsford Smith, Peter Garrett,
I think it is disgraceful the way people are pretending that the export of uranium has something to do with fixing climate change. As I said in here last week, nuclear is not the answer to climate change. Nuclear has two big issues with it. One is waste and one is weapons. The world simply cannot afford to pass on to future generations the hideous waste issues, not to mention increased global insecurity because of the rapid increase of nuclear weapons. I think it is time for a wake-up call in Australia and a serious debate about the way this country is going. That is exactly what I was proposing to do by moving in this chamber to note:

(i) based on longstanding bipartisan policy as announced by the then Prime Minister, Mr Fraser, in May 1977 (Uranium—Australia’s Decision, Fraser Government, 24 May 1977), export of uranium from Australia is permitted, in the case of non-nuclear weapon states, only to those which are party to the Nuclear Non-Proliferation Treaty and with which Australia has a bilateral safeguards agreement, and

(ii) India is not a signatory to the treaty ...

The motion also calls on the government quite clearly to rule out those uranium exports. The Greens will be campaigning around the country against uranium exports to both China and India. On the issue of global security, which the government says it is serious about, how can you be serious about global security when you want to export uranium to a nuclear weapons state, namely India, and to China, which although a signatory to the Nuclear Non-Proliferation Treaty is clearly providing that technology to other countries which are posing a threat in the region? I think this is a serious issue for Australia and it is time the Labor Party came clean if it is indeed shifting, as Martin Ferguson, the shadow minister, is indicating, to change its longstanding position on the export of uranium to India. It is a disgrace that this tactic today has prevented a clear vote which would signal where the Labor Party is going on this matter.

Senator O’BRIEN (Tasmania) (3.49 pm)—We heard nothing about why this motion is urgent. Let me say that the opposition does not like to refuse formality for motions but we do object to being asked to stand and deliver and vote for a motion in a form we do not find agreeable and, on the other hand, when we propose alternatives and amendments, have the mover of the motion say, ‘No, that’s not acceptable to me; you’ll vote on what I want or nothing.’ Given those circumstances and given the proposal for formality, where we could not properly deal with our concerns, we have no choice but to object to formality for this motion. However, I draw attention—and Senator Milne would not be aware of this, but perhaps, Mr Deputy President, you might be—to the fact that I lodged the form of a motion with the Clerk which is similar to this particular motion but which contains passages which the opposition would require to be in this motion before supporting it. Perhaps, judging from the comments which had been made, that motion will not be supported by Senator Milne.

But to stand up here and say that four senators should demand that the 28 Labor senators should do what they wish is just a nonsense and we will not simply be jumping to the tune of the Green senators in this chamber. The reality is that we have given notice of a motion which we will be prepared to move tomorrow which will give the Greens an opportunity to vote on the issues that they want as well as the issues that we want. We have taken this action not to pre-
vent a vote on this issue but to make sure that the votes of the 28 Labor senators will reflect the position supported by Labor and will not be governed by the Greens. If that does not suit the Greens, I am afraid their choice is to object to formality tomorrow and nothing will be voted on or to support our motion.

I cannot see any reason that Labor would permit a debate on this matter now. The very important legislation before the chamber has limited enough time to be dealt with and we have no wish to curtail that time. So we will not be supporting suspension, which I might say was not addressed in the motion at all. The substantive matter was addressed. We will be prepared to move the motion which I have given notice of today when the Senate sits tomorrow.

**Senator ELLISON** (Western Australia—Manager of Government Business in the Senate) (3.52 pm)—The government had no objection to the motion being taken as formal. For future reference perhaps we could look at a situation where a statement could be tabled and formality accepted. That would then allow a party or senators to put on record their reasons without opposing formality. I will not go into the substance of the debate or the motion other than to say the government had no objection to formality and are opposed to the motion. We have a very demanding legislative schedule and we want to keep on with that. We do not want to take up time unnecessarily in debating motions for the suspension of standing orders.

**Senator BOB BROWN** (Tasmania) (3.53 pm)—I will first of all note that the government is going to oppose the motion on the basis that the government’s immediate intention of increased export of uranium overseas is not an urgent matter, as far as it is concerned. Telstra is more important. I do not accept that.

The second thing is that the opposition claims it cannot support this motion and would rather have the motion reconstructed so that it makes clear that Australia has a right to be selective as to the country which it is prepared to export uranium to on the basis of a need for assurances from that country about how it is going to use the uranium. The Greens’ position is that there is a non-proliferation treaty. It is being undermined globally by a number of countries, including the United States, Iran, North Korea and India—the latter two not being signatories to it. But it is very important that we in this country are very strong supporters of the non-proliferation of nuclear weapons around this planet. They are arguably, along with global warming, the greatest threat to life on the planet in an age of handbag sized nuclear weapons.

The illustrious former Democrat senator Norm Sanders from Tasmania a little more than a decade ago made it abundantly clear in this place that the then Labor government had no idea about how the export of uranium to Europe could be prevented from going into the French nuclear weapons arsenal, and it was doing just that. Similarly, there is no way to ensure that uranium being exported from here—be it to China, which has signed the treaty and which breaks international treaties as a matter of course, or to India—will not end up in nuclear weapons.

What a daft thing for Australia to be doing when China has rockets that can already reach Sydney, Melbourne and Brisbane and when there is no guarantee that there will not be a change in the climate of accommodation and friendship which exists at the moment, be it with brittleness, between Australia and China. India is hell-bent on responding to the Chinese threat by having a similar reach and similar weapons. And next-door is Pakistan. What do the Labor Party and the Liberal Party think about exporting uranium to Paki-
stan? In the case of exporting uranium to China, what do they think of the abrogation of the rights of the Tibetan people, who have had to put up with both uranium mining in Tibet without their consent and the placement of nuclear weapons in Tibet aimed at India and, for all we know, further south?

We are in a new round of an explosion of nuclear weaponry and technology. The United States is leading that technology. In our own country, at Lucas Heights, there are people engaged in laser enrichment processes to make the enrichment of uranium much cheaper—much cheaper uranium, much cheaper technology and much easier access and ability for people with the wrong intent to make nuclear weapons. It is time for more than a raincheck here; it is time for an absolute lead to be taken in the world in defence of the Nuclear Non-Proliferation Treaty and in the holding back of uranium which goes into nuclear weapons, of which there are some 30,000 potentially aimed at not only military sites but also cities in the world right now.

Let us be real about this. Let us not have our heads in the sand. This is a motion that should have the support of both of the big parties. It is a motion which says we should not export uranium to countries which refuse to sign the Nuclear Non-Proliferation Treaty, such as India, and that is sufficiently urgent to take precedence over everything else. I would like to think that all of us in this chamber would believe that the need to reduce the threat of nuclear arms proliferation is something that should take pretty high precedence.

The other aspect is the substance of the motion itself. We have had a number of debates in this place over a long period of time—and Senator O’Brien alluded to this—about the problem of being given a black-and-white, take it or leave it, stand-up, hands-up, hands-down motion. I will read with interest what Labor’s alternative motion is. I appreciate that this mechanism can lead to point scoring and opportunities for everyone to create their own little wedges. That is unfortunate. I do not think it is appropriate to use the debate to take shots at Peter Garrett or anybody else, but that should not negate how crucial this issue is. It should not negate the real danger we face, not just from uranium but from the fact that, for all the talk about the problems of weapons of mass destruction, tackling terrorism and security issues, the globe has gone backwards in the last few years in weakening and ignoring the mechanisms that have been painstakingly put in place over decades to try and reduce the threat of nuclear weapons and other weapons of mass destruction.

It is pivotal that we are having a debate in this country at the moment about whether we should expand uranium mining—and that is controversial enough in itself. For the Democrats, it is pretty much an article of faith.
think the first policy our party ever adopted was to be categorically opposed to uranium mining, so not surprisingly we are not going to shift our position. But let us have that debate and let us have it on the basis of facts. If I could give a tip—maybe I should not be giving a tip to those who want to support expanding uranium mining—one thing you should do is to rule out any possibility that expanding uranium mining will mean that uranium will end up in the hands of countries that have not signed the Nuclear Non-Proliferation Treaty. I believe that sort of danger alone provides a cut and dried end of the argument and is sufficient to rule out any further export of uranium.

Under no circumstances should we be setting up our own little personal agreements and going outside the already gradually weakening international agreements that have been put in place. The United States is doing that already with India. I think it is a serious problem, and I think it is a real problem that the Australian government has not spoken out about that. If we want to debate exporting uranium and all the energy issues, let us have a debate around that. We have to categorically make clear that at a minimum the existing protections about the possibility of uranium being used for further nuclear weapons development are ruled out. There are enough problems already with existing guidelines. I urge not just the Labor Party but the government, and indeed all people involved in this debate—the mining industry and everybody—about uranium and energy and all of those things, to use it as a chance to reaffirm the importance of the existing protections and the need to strengthen those protections.

Senator Lyn Allison, the Democrats leader, is not here participating in this debate because she is going to the United States to participate in a debate in the US congress about the imminent expansion of weapons into space and the weapons arms race expanding into space. The US government is talking about developing guidelines for first strikes with nuclear weapons. These are serious times and the minimum we should be doing as a Senate is looking for opportunities, firstly, to recognise the urgency and, secondly, to make crystal clear the need to move much more strongly to regain the momentum about reducing the arms race, particularly the nuclear arms race. So this is urgent. In the absence of any other moves for this debate to happen in the parliament, then the Democrats support this. (Time expired)

Question put:

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

The Senate divided. [4.08 pm]

(The Deputy President—Senator JJ Hogg)

Ayes............ 7

Noes............ 50

Majority........ 43

AYES

Barlett, A.J.J.  Brown, B.J.

Milne, C.  Murray, A.J.M.

Nettle, K.  Siewert, R. *

Stott Despoja, N.

NOES

Adams, J.  Barnett, G.

Bishop, T.M.  Brandis, G.H.

Brown, C.L.  Campbell, G.

Carr, K.J.  Chapman, H.G.P.

Colbeck, R.  Crossin, P.M.

Eggleston, A.  Evans, C.V.

Faulkner, J.P.  Ferguson, A.B.

Ferris, J.M. *  Fierravanti-Wells, C.

Fifield, M.P.  Forshaw, M.G.

Hogg, J.J.  Humphries, G.

Hurley, A.  Hutchins, S.P.

Johnston, D.  Kirk, L.

Ludwig, J.W.  Lundy, K.A.

Marshall, G.  Mason, B.J.

McEwen, A.  McGauran, J.J.J.

McLucas, J.E.  Minchin, N.H.

Moore, C.  Nash, F.
O’Brien, K.W.K.  
Payne, M.A.  
Ronaldson, M.  
Scullion, N.G.  
Stephens, U.  
Troeth, J.M.  
Watson, J.O.W.  
Wong, P.  
* denotes teller

Question negatived.

COMMITTEES

Foreign Affairs, Defence and Trade References Committee
Meeting

Senator GEORGE CAMPBELL (New South Wales) (4.12 pm)—At the request of Senator Hutchins, I move:

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.

Question agreed to.

Extension of Time

Senator GEORGE CAMPBELL (New South Wales) (4.12 pm)—At the request of Senator Hutchins, I move:

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.

Question agreed to.

UNPAID FAMILY CARERS

Senator SIEWERT (Western Australia) (4.12 pm)—by leave—I move the motion as amended:

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 work with the state and territory governments to address the unmet need for support services, particularly to ensure states and territories fulfil their responsibilities under the Commonwealth-State/Territory Disability Agreement.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Welfare Reform

The ACTING DEPUTY PRESIDENT (Senator Marshall)—I have received a letter from Senator Wong proposing that a definite matter of public importance be submitted to the Senate for discussion, namely:

The Howard Government’s incompetent welfare changes that leave people worse off and with less incentive to work.

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 ACTING 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 WONG (South Australia) (4.14 pm)—Today we have the release in this house of a report by the National Centre for Social and Economic Modelling, NATSEM—an organisation that this Prime Minister has described as respected, independent and objective. What did the NATSEM research show us today? The NATSEM research clearly demonstrated, yet again, how incompetent this government’s welfare changes are. This government’s welfare changes have no credibility. Their credibility has been utterly destroyed by NATSEM’s research, which demonstrates absolutely clearly for all to see that the government’s so-called Welfare to Work changes are actually going to reduce the incentive for people to work. How can you have a so-called Welfare to Work package which makes it harder and less financially attractive for people to go back to work? That is what this government’s changes do when it comes to people with a disability and sole parents in this country.

We heard a lot before the May budget about how the government were going to address the growing number of welfare recipients in Australia, which has burgeoned under their stewardship. We heard a lot about how they were going to move people from welfare to work, but what they delivered was not a Welfare to Work package; what they delivered was an extreme set of changes which move people from one welfare benefit to another welfare benefit, from one welfare payment to a lower welfare payment. That is the cold heart of the government’s welfare changes: a reduction in the family budgets of vulnerable Australians and a reduction in the amount that a person with a disability in this country can live on.

There are going to be many people worse off under the government’s changes. It took the Labor Party a long time through the estimates process to actually get the government to admit how many people are going to be worse off. We know from the government’s own figures that over 260,000 people will be worse off under their changes. That does not include the children who will be affected, which will build the number far more. How many people do they say—and these are the government’s own figures—will move into work under their package?

The Treasurer boasted on budget night that it would be 190,000, but we now know from answers that have been provided by the department that it is 109,000. In order to get 109,000 people into work, they are going to reduce the incomes and budgets of 260,000 Australians—plus their children, because that figure does not include the children of the parents whose budgets will be cut under these harsh and extreme welfare changes.

On budget night, Labor warned of the reduced incentives which are built into the government’s changes. We warned of this, because we could see that the government were simply moving people off either the parenting payment or the disability support pension onto the dole. They were moving them onto the dole. Apart from the fact that these changes would mean a significant reduction in how much these families are going to have to pay for food, uniforms, schoolbooks and all those things, the thing about the dole is that the taxation and withdrawal arrangements applied to the Newstart payment are far harsher than those that currently apply to the disability support pension and the parenting payment. That is what the NATSEM paper shows.

The NATSEM research paper shows that, in effect, the government’s changes will mean that people with a disability in Australia will be working for $2.27 an hour. That is the effective return on 15 hours work at the minimum wage. These are not my words; this is NATSEM saying that the effective return for a person with a disability working...
15 hours a week under the government’s changes will be $2.27 an hour. That is after the government has clawed back the income it chooses to claw back as a result of its changes. We know that a great many people with a disability who will be put onto this new dole will be paying 75c in the dollar back to the government. John Howard will claw back 75c in every dollar earned for a great many people with a disability who are doing the right thing and who are trying to work.

What sort of incentive is there to work if you know that you only get 25c in every dollar earned? How can the government seriously come into this place and argue that it has a Welfare to Work package when it has so massively increased the barriers to work, when it has so massively increased the financial disincentive and when it is seriously proposing to claw back up to 75c of every dollar earned from someone with a disability who moves into the work force and works 15 hours a week? Those are the findings of the NATSEM report released today—that is, 75c of every dollar earned and the effective return of $2.27 an hour. NATSEM said that a person with a disability will have an effective return from work of $2.27 an hour and be up to $122 a week worse off.

We had the minister in question time today unable to answer this question. He was unable to answer whether or not he would actually work for $2.27 an hour. I challenge most senators in this place to find a constituent who thinks it is reasonable that a person with a disability in this country should be required to work for $2.27 an hour. Perhaps one of the worst things about that figure is not just that it is so low but that it does not even include the costs of going to work. It is a figure that does not have regard for the costs of transport or any other incidental costs associated with employment.

A very good comment was made by a woman representing women with a disability at the NATSEM conference today. She made the point that, under the current Newstart obligations, you can have up to 90 minutes travel time and that is still regarded as an appropriate and reasonable work opportunity for you. Under the government’s current arrangements that apply to the dole and that will apply to people with a disability unless the government changes the rules—which it has not indicated it will—they can travel for 90 minutes to a job. That is for the $2.27 an hour. She made a very good point in asking: what do you think many people with a disability will have to do in order to get to work? Is a 90-minute taxi fare a sensible option to go to work? Sometimes it is the only option a person with a disability has. It is the only way that a person with a disability can get to work. Let us subtract what that sort of taxi fare might cost from the $2.27 an hour that this government is saying that people with disabilities in this country should work for.

This NATSEM report comes on top of a report, also released by the same organisation a number of weeks ago, looking at the impact on sole parents. In that case, the findings are almost as bad. If a sole parent, under the government’s extreme changes, does the right thing and works 15 hours a week, they will only keep $81 of their earnings while John Howard and his government take the other $114. In other words, people will be working for, effectively, $3.88 an hour.

Why is the government coming into this place, after months and months of talking about welfare to work, to come up with a package that is so incompetent that it actually increases the effective marginal tax rates experienced by people moving off welfare and into work? How is it that you could come up with a set of extreme changes that simply increase the disincentive to work and

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ensure that welfare recipients retain less of every dollar earned, and then have the gall to call it a ‘welfare to work package’?

We have not seen the minister in this chamber in question time, on one occasion yet, justify this; on one occasion yet, explain why increasing the financial disincentive to work will actually improve people’s capacity to work. The only thing that Senator Abetz can do—and he represents the government on this issue in this place—is to go on, in a rhetorical way, about ‘We believe in looking at ability; we believe in getting people into work,’ and all of those parenthood statements that, frankly, we all agree with—there is no-one who disagrees with the importance of regarding people with a disability in this country from the perspective of their abilities. There is nobody who disagrees with the principle that those in Australia who can work should work. There is no-one who disagrees with the principle that those who can work ought to be given the help to work—although perhaps the government might not agree with that last one. But that is not what the government is doing.

What the government is doing is putting people with a disability, and parents, onto the dole. That is what they will do after 1 July next year—put them onto the dole. The senators on the other side should actually get up and join with the argument. Instead of giving everybody in this chamber, and the public, the rhetoric about why welfare to work is so important, they should actually justify their package. Senators on the other side should get up in here and explain to the Australian people why they think it is a good thing that a person with a disability under their package, under their changes, will be required to work for $2.27 an hour. They should get up and say why they think it is a good thing that the tax rate that they will experience, the effective marginal tax rate, will be up to 75c in the dollar. They should explain how ensuring that people are only allowed to keep 25c in every dollar earned will help to get them back to work.

I await with bated breath the contribution from the other side, because as yet we have not had a single government senator nor a single government minister explain why it is that it is a good thing to reduce the payments to these vulnerable Australians. Not once has Senator Abetz, Minister Andrews, Minister Dutton, or anyone in this chamber, explained why it is that vulnerable families and vulnerable Australians with a disability deserve to have their payments reduced—deserve to have their payments reduced.

We know from the NATSEM report that, for example, a person with a disability who is working, who is currently on the DSP, in the same situation as if they were on the dole, would be $122 a week worse off. I challenge the government senators in this chamber to come in and explain how that helps people work, and why they think someone with a disability in this country ought to be punished in that way by reducing their income by that much. Do they really think people with a disability in Australia deserve to have that kind of reduction to their take-home pay? Do they really think that vulnerable families, families on the parenting payment, deserve to have such a reduction in their income—that is, less money to put food on the table, less money for school books, less money for uniforms, less money to raise their children? How can this government justify these sorts of harsh cuts to the budgets of vulnerable Australians and their families? They cannot justify it; they have not justified it, and they will not justify it. The only thing they can do is run again with their rhetorical lines that do not join with the primary issue. You are making it harder for people to work; you are reducing the financial incentive to work; and in relation to people with a disability you are hav-
ing them keep less of every dollar— (Time expired)

Senator TROETH (Victoria) (4.26 pm)—The opposition in this argument seems to forget one basic fact—and this is so in this argument—that for many people who live in poverty it is because they are not employed, often through no fault of their own, and they do not work. The government’s view is that, of those people, those who want to work, and who are able to, should be encouraged back into employment.

Since the Howard government came to office in 1996, Australia has experienced strong economic growth and much lower rates of unemployment. But this has done little to slow the growth in the number of single parents and people with a disability on welfare. What we are interested in is moving people, if possible, from welfare to work. Every Australian of working age has the right, and deserves the opportunity, to participate in Australia’s prosperity.

In the government’s consultations on this issue, many welfare recipients of working age are unhappy with their situation and they often see welfare payments as a dead end, providing little or no hope of improvement in their socioeconomic status. We all know that getting back into the work force will give a person greater self-esteem, enhanced psychological well-being, and an opportunity to enjoy the social aspects of work while receiving all the financial benefits of a steady income. There are approximately 700,000 children living in this country of ours neither of whose parents has a job. That is something that we want to remedy, at least in part for the sake of the children, who will then be able to expect that, when their turn comes to leave school and gain employment, they will have a hope of doing so.

The challenge of implementing reform is to get the right balance between obligations and support. This must be accompanied by appropriate incentives and support mechanisms to ensure that job seekers continue to be provided with services. The government believes that these reforms strike the right balance. Unlike the opposition, who have tried to portray this reform as a blanket rule of one size fits all, the individual circumstances of each parent will be taken into account in determining the amount of job search and other activities parents are expected to do. People with a disability, and parents in receipt of income support, will face new work obligations, there is no doubt about that.

If a person is assessed as being able to work at least 15 hours a week at full award wages, they will not be eligible to receive a disability support pension. Parents who are receiving parenting payment prior to 1 July 2006—currently everybody in that situation—will be able to remain on that payment under the current entitlement, which is until their youngest child turns 16. That group of parents will have a year to seek work voluntarily from 1 July 2006 or when their child turns six. After that, they will become subject to an obligation to seek part-time work of at least 15 hours per week.

Parents applying for parenting payment on or after 1 July 2006 will receive parenting payment while their youngest child is less than six years old. When their youngest child turns six, this group of parents will receive enhanced newstart allowance and be subject to an obligation to seek part-time work of at least 15 hours a week.

This is the point that the Labor Party is missing: the Australian government will continue the availability of essential family benefits to single parents and partnered parents while on newstart allowance. Single parents will still have access to the pharmaceutical allowance and the pensioner conces-
sion card and partnered parents will still have access to the health care card. There will also be more practical support to parents to help them prepare for employment similar to what participants in Work for the Dole receive and there will also be assistance with child care, including 85,000 new child-care places.

Parents will not be required to accept a job offer if they have a good reason for declining such as suitable child care not being available, if the cost of care would result in a very low or negative financial gain from working or if the parent was in a very remote township and found it a great financial burden to get to a place where there was a job.

It is important to stipulate that the government is not placing obligations upon people to work unless they are assessed as having a capacity and availability to undertake work. So those people who are today already on the disability support pension will remain so and be exempt from the new participation requirements. Obviously, sole parents who are clearly not available to work due to child rearing responsibilities or lack of appropriate child care will not be forced to enter the work force. Likewise, those with caring responsibilities for disabled or ill children will be exempt from the new requirements.

Senator Patterson made this perfectly clear yesterday when she announced that the government had decided to extend eligibility for the payment to people caring for children under the age of 16 with a profound disability. Currently, 1,000 families are eligible for that allowance. The government’s new measures will extend that to 5,000 families. That, for a start, takes care of one of the main arguments of the opposition against these reforms.

We are committed to maintaining a sustainable and adequate safety net for people who are in genuine need, including people who, for whatever reason, are genuinely unable to work. Many people on income support are also reluctant to move into employment and lose access to not only their benefits but also other forms of special assistance. I have outlined the ones that will still be available to them so that, if their employment does not work out, they should not be left worse off.

The prevailing view of welfare is to look at it in terms of incapacity and disability—what people cannot do, rather than what they can do. That view is no doubt motivated by compassion. But it also reinforces a perception of helplessness in the eyes of both recipients and society. Once a person is judged to be disabled or incapacitated, their contribution to society can be ignored instead of being welcomed and they are not made to feel welcome in the world of work, whatever they choose to do. This government believes it is preferable to treat people on the basis of their capacity and their ability. For this program, we are going to provide $943 million over five years to increase incentives for people to move from welfare to work.

Senator Wong said in the wording of her motion that the changes will leave people worse off. The new income test makes getting work, or increasing the hours worked, more rewarding financially. The amount of extra assistance depends on the income a person has. I have drawn up a table looking at the different payments for a parenting payment single recipient versus a single parent on newstart allowance with a job.

Let us say both recipients have one child. I probably do not have time to go into the figures but let us say the private income is at the lowest rate of $12.75 per hour, which would give a person with 15 hours paid work $191.25. With the reduced income support—because they have a job—but leaving in that equation family tax benefit A, family tax benefit B and also the income tax that they
will pay, my figures give a $58 advantage to the person who decides to go into paid employment. Therefore, the single parent receiving newstart would have over $58 extra per week, along with all essential health and family benefits. That gives each parent an incentive to move from welfare to work, which is the true aim of this package. They can go to work and they and their families can be better off.

Senator BARTLETT (Queensland) (4.36 pm)—I have only four minutes to speak to this matter of public importance, but that is probably all I need. The debate we are having today is about the welfare changes and the fact that they leave people worse off and with less incentive to work, and it does not take four minutes to say that the government’s approach under the nice, cuddly sounding slogan of ‘welfare to work’ is an absolute disgrace that will clearly mean significant drops in income for large numbers of people. You can have all the arguments you like about different modelling—showing that it will be this many people rather than that many people; that this group might be excluded and this group will not be excluded; and that this many people might get jobs rather than that many—but the bottom line is that thousands and thousands of Australians will end up having significantly less income than they would otherwise have. Those Australians will be sole parents and people with disabilities, who are already struggling enormously.

To cap off the disgraceful contempt that the government is showing for Australians who are already struggling so much, it is doing this at the same time as it is running a long, public debate about how we can best cut income tax for the highest earners in the land. This is an example of just how perverted this government’s so-called values are: as soon as it gets the chance—as soon as it finally has the opportunity—by having control of the Senate, it goes go for the jugular. To even contemplate a policy that will dramatically cut the incomes of sole parents and disabled people and then try to call that a positive measure is just beyond belief. Everybody supports encouraging more people into work. We all support that. We will support all the programs that you want to fund to enable that to happen, but do not do it as some cheap wrapping paper for what is, bottom line, a massive savings measure for the budget by cutting people’s incomes. That is all it does.

If you trace right back to the welfare reform report of Mr McClure, which this government had the hide to say was not implemented because of Senate obstructionism—which some in the press gallery, for some extraordinary reason, actually believed and repeated—you see that a key part of that report was that we need to address the gap between pension payments and payments for the unemployed, or allowances, as they were at the time. This was because one was paid more than the other—and that gap has grown much since then. The other key problem is that, with pensions, the so-called withdrawal rate, or effective tax rate, is much less than it is on the dole or on these allowances. Basically, that has not been properly addressed since then either. At the heart of McClure was that, unless you addressed that key problem, all of the other things were not going to work.

This government not only has ignored that; it has actually acted to exploit it. It is pushing people down onto a payment that is lower, that has fewer of the other assorted supplements attached to it and has a tougher income test. So the government is going to cut the tax rates for the highest income earners and increase the effective tax rate for pensioners, the disabled and sole parents. The government will increase their effective tax rates. The typical old conservative man-
tra is to encourage people to work; if they earn a lot, you cut their taxes; if they earn nothing, you increase their taxes and you cut their pay. It is a disgrace, and this government is getting away with murder by distorting the debate and making people feel good about maybe excluding a few people from it—as if by cutting off one arm instead of two you should be congratulated. It is absolutely appalling. (Time expired)

Senator McLUCAS (Queensland) (4.40 pm)—I am also pleased to join the debate on this matter of public importance today. It is a matter of significant public importance that the Howard government’s incompetent welfare changes will leave people worse off and with less incentive to work. The evidence certainly supports that position.

Senators will remember that, in the lead-up to the budget, there was some commentary in the newspapers about rumours that were circulating around the notion that the budget was being cobbled together—that the so-called Welfare to Work package was being rushed, that it was not agreed on and that there were differences in the coalition about what may or may not be in it. In fact, I recall one writer saying that it was only almost a week before budget night that there was finally agreement on the proposal. That seems to be very true. They were rumours then—I think it is very evident now—that cracks and chasms are appearing in this so-called package that is meant to assist people, people with disabilities and single parents in particular, to get into work. We are now getting some real analysis—some sensible robust analysis—that is looking at the detail and looking at what the package will do to people who have disabilities. We saw that research today and late last month we saw NATSEM’s research on how it will affect single parents.

The NATSEM research on the effects on single parents showed us that, if you had no private income at all, your family’s income would reduce by $29 a week. We are not talking about people with big incomes here; we are talking about people who count every cent—where every cent counts towards food, rent, getting kids to school and making sure that ends meet. These are not people on big money—and then you take $29 away from them and say: ‘That’s your incentive; that is your encouragement; this is the thing that is going to make you want to go to work.’ How do you pay for your clothes to ensure that you turn up at work in a presentable form and how do you pay for your transport to get there if the government actually takes money off you and then says, ‘Go and get work’? Just imagine what the breaching regimes will be into the future in terms of single parents.

Today we got the evidence from NATSEM that goes to people with disabilities. Quite surprisingly for all of us, the evidence is clear that the impact on people with disabilities will be worse. I cannot believe that the government actually thought through a package in the knowledge that it would deliver something that would make people with disabilities in this country less able to get into the work force. We know that if you take $46 off an individual with a disability, the likelihood and the ability of that person to get into the work force must be diminished. It cannot be improved. The logic of this package is absolutely upside down. There is no way that a person with a disability with $46 less in their pocket a week has a greater capacity to get into the work force. That is no incentive; that is a huge stick. It is an enormous stick that people with disabilities are really fearful of. They know that it will come down hard on them through a breaching regime and they will have little ability to do anything about it.
The other point I want to re-emphasise absolutely is that when effective marginal tax rate systems are in place we have people with disabilities working for $2.27 an hour. That is a fantastic incentive. That really makes people want to get out there and contribute. That is the incentive that this government is giving to people with disabilities: ‘We’ll make sure your effective take home pay is $2.27 an hour.’ We do not let anyone in Australia work for that—nobody. Single parents get $3.88 an hour—they are lucky—but people with disabilities are going to get $2.27 an hour, and that is called an incentive.

It was not only people like me who were somewhat surprised to see the actual evidence about the effects of these proposed changes on people with disability. I want to quote from the Australian Federation of Disability Organisations. Maryanne Diamond, who is their CEO, said:

The study showed that the impact of the government decision to push people with disability onto lower payments was harsher than expected. Even the sector had not quite realised how harsh these proposals were going to be.

She went on to say:

No-one wants to work for $2.27 an hour but it is even worse for people with disability who have higher costs in the work force because of their disability.

That evidence is also included in the NATSEM report. We know that people with disabilities have much higher transport costs than those of us who are ambulatory, in particular. We know that people with disabilities have very much higher health costs than healthy Australians. A cut of $46 in your payment is not going to cover those sorts of costs or provide an incentive to get into the work force. We know also that housing costs for, particularly, people who are in wheelchairs are higher. These costs have not been considered in the government’s thinking in bringing together this package of changes.

Ms Diamond finished her comments on the report today by saying:

These changes will just leave people with disability poorer and more vulnerable.

Thank you very much, government. That is what your so-called Welfare to Work package is going to do—make people poorer and more vulnerable. It is not going to get people into work in and of itself. The big stick approach can work for some but for people who find it extremely difficult to get into the work force it is a highly inappropriate strategy.

We must also remember that at the same time as the Howard government are saying they want to encourage—they use language like that—people into the work force they have reduced the proportion of people with disabilities in their own work force, the Commonwealth government’s work force, from 5.6 per cent down to 3.8 per cent. At the same time as the government are using language like ‘incentives’ and ‘We are going to encourage you to get into work’ they have stopped employing people with disabilities. That is a great benchmark. That is a nice showpiece. The government are saying, ‘We are not going to employ people with a disability but you people with disabilities get out there and find a job by yourselves.’

In the brief time I have left I want to talk about the proposal that Senator Patterson raised yesterday. It supports the contention that this package was cobbled together. Yes- terday, some months after the budget proposals were announced, Senator Patterson, with attempted fanfare—I do not think it was successful fanfare—I do not think it was successful fanfare—suggested that there were people who were parents of children with a disability who would be exempted from the Welfare to Work proposals. We are talking about 5,000 people. The government wants to move 90,000 single parents onto the dole and Senator Patterson, with great fanfare, has
said that she is supporting 5,000 people who have children with a disability. What Senator Patterson has not told us is how many other parents out there have children with disabilities who require constant care and attention but do not fit that medical label ‘profound’.

Now every parent on supporting parent pension and every parent who wants to assess whether they are covered by this new class of carer payment is going to have to go through another barrage of medical tests and is going to have to prove that the child is so disabled that they cannot go to work. Guess what? Two out of every three applications for carer payment fail at the moment. All of those people have to go back to the doctor, go back and get those medical assessments, troop up to Centrelink yet again, and we know two out of three fail. (Time expired)

**Senator BARNETT** (Tasmania) (4.50 pm)—I stand opposed to the motion put forward by the Labor Party but acknowledge that this is an important topic for the Senate to discuss—the future for and the potential of people with disabilities. I want to start by relating some of the key principles behind the government’s thinking on this issue, and contrast that with Labor’s thinking, policy and philosophy. The first key principle is this: the best form of welfare is a job. People, wherever it is possible, whenever they are capable and wherever jobs are available, want to have a job. They want the best in life so they can achieve their potential, and the best form of welfare is a job. Working builds confidence, it helps them achieve their potential. This leads into another key message or principle—that we must always focus on the ability, not the disability. We are talking about people with disabilities, yes, but we should be focusing on their abilities, not their disabilities. We need to be focusing on what they can do, not what they cannot do. We need to give them an opportunity to express themselves, to achieve their potential and do what they can.

It is a blight on Australia’s community that 700,000 children today live in a home where no parent works. There are 700,000 Australian children in this position and that is something of which all of us can be ashamed. It is a great disappointment. It is sad. This is not giving those children the best opportunity in life. We want to give them an opportunity to achieve their potential and reach their dreams.

In putting up this motion the Labor Party appear to have been blind to the fact that, if you are already on a disability support pension, you will not be affected; you can stay on it. You can stay on the disability support pension, and that continues post 1 July 2006. Senator Wong mentioned that date. Yes, that is when the new rules do apply but if you are already on a disability support pension you can stay on it. The other key principle that appears to have not been acknowledged by the Labor Party is that, for those people with a disability, you are only put on Newstart and asked to work if they are assessed as having a capacity and an availability to so work. If you are assessed as not having the capacity make a difference for themselves and their families in life. They want to try to make a difference. They want to try to achieve their potential for not only themselves but also their families.

The opportunity to work will build self-esteem. Working builds confidence, it helps them achieve their potential. This leads into another key message or principle—that we must always focus on the ability, not the disability. We are talking about people with disabilities, yes, but we should be focusing on their abilities, not their disabilities. We need to be focusing on what they can do, not what they cannot do. We need to give them an opportunity to express themselves, to achieve their potential and do what they can.
you will not be forced to work. Senator Troeth made that point earlier in the debate.

I would like to address the NATSEM—the National Centre for Social and Economic Modelling—report that was released today. We appreciate the work and effort that has gone into that study, but I have received advice today that the study is flawed. I want to address the flaws in the study. The Minister for Employment and Workplace Relations, Kevin Andrews, made a statement today—it is a public document and the opposition are welcome to it—where he says that the study fails to recognise that people who go onto Newstart post July 2006 will do so on the basis that they are not entitled to receive the disability support pension. If they are already on the disability support pension then they will stay on it under the conditions for which it was granted. That is the key point I have just referred to.

Any comparison between a person with a disability on Newstart and DSP should properly acknowledge that only 10 per cent of DSP recipients engage in some form of paid work. So we have that sorted out. Then the minister said it was more appropriate to compare a person with a disability on Newstart who undertakes 15 hours of work per week to that of a person on DSP who earns no private income. This comparison shows that a person who works at the minimum wage is up to $92.20 a week better off than someone on the DSP who does not work at all. For those on the other side, the minister has included a table in his media release that you can look at and refer to. I do not know if opposition senators have read the table and considered it because, if you have, you have not referred to it in the debate today in this chamber. I am referring to it because it is a public document that has been released today. You have referred to the NATSEM report released today; I am referring to the government’s response that was released today. The minister makes it very clear that people are up to $92.20 better off under this proposal.

In the table it refers to the DSP where there is no paid work and the Newstart allowance for 15 hours paid work. There has been reference made in the debate to the pensioner concession card, the pharmaceutical allowance and the telephone allowance. Guess what? They are still there. They remain no matter which arrangement you might be under. The media release is there and I ask opposition senators to consider it. Please, consider the facts and then draw the public’s attention to it and voice your own views on it. That is the response from the government.

I want to quickly refer to the $555 million in new and expanded employment and rehabilitation services under the government’s $3.6 billion Welfare to Work reforms. I want to refer to Erick Pastoor, the former Tasmanian Liberal candidate for Denison, because he is a man who has stood up and said, ‘Yes, I will have a go.’ He has a disability and he says, ‘I want to make a difference.’ He is a good example of that and he should be commended. He is an example for the government and for the public. I congratulate him on making that stand, making a difference in his own life and being an excellent example for the people of Tasmania. (Time expired)

Senator SIEWERT (Western Australia) (4.58 pm)—I thank Senator Wong for raising this important issue, which is of grave concern to many of us. The National Foundation for Australian Women this morning described these Welfare to Work provisions as the government’s new poverty trap, calling the Newstart allowance: A Procrustean one size fits all poverty trap for people with disabilities.
Procrustes was an innkeeper in Greek mythology who made sure that his bed was the perfect size for his guests by lopping off their feet or stretching them on the rack to ensure they fitted precisely. This is the approach taken by this government to the provision of social services—forcing everyone to fit the Newstart model with no provision for the differing needs of a widow with young children versus someone suffering from intermittent bouts of mental illness, or the needs of a person with a disability who is willing and able to return to work but incurs substantial extra costs for equipment, transport and health needs. All of these are considered equal, in the Procrustean fashion, to the needs of an 18-year-old job seeker still living at home.

Women with Disabilities Australia spoke up this morning to draw attention to these Welfare to Work provisions, which they said are ‘riddled with disincentives which make trying to join the workforce a stressful and punishing experience’. Instead of providing incentives for those wanting and needing work, they said that these provisions offer ‘lower income supports, untimely withdrawal of disability supports, substantially lower disposable income and potentially onerous obligations to find nonexistent jobs’.

We have also heard this week that some changes are being floated by cabinet to soften the draconian impact of the Welfare to Work provisions on some single parents. While we welcome the very late recognition by senior ministers that these provisions are too harsh, the Australian Greens are concerned that the ultimate outcome of these softening measures will not be an improved quality of life for working mothers, foster carers or victims of domestic violence. We are concerned that the outcome of these changes is a series of again perverse incentives that will result in, among other things, an exodus of single mothers to rural areas, who will find that this is the easiest solution to overcoming overly onerous compulsions to look for nonexistent work, to escaping from violent ex-partners, and to affordable housing and their dreams and aspirations of home ownership. They will find that the easiest way to do this is to move to rural areas. While this may be a good way of encouraging decentralisation, problems are created by it. They will be put out of reach, particularly those with disabled children, from the kinds of social services and support they need for themselves and their families. There is some evidence that this is happening already, and there is also a precedent where provisions that make it easier to receive a disability support pension in lower employment areas have produced similar perverse incentives for people to move away from support services. I understand there are moves to try to fix this.

We recognise that, for some people in receipt of welfare payments, the best outcome for them and their families is for them to gain paid employment that takes into account their differing abilities and needs. What the government refuses to acknowledge is that that is entirely in line with the hopes and aspirations of most welfare recipients. They want to find gainful employment that improves their standard of living and enables them to make a valuable contribution to society. They are not bludging on welfare, and it is not a lack of will and determination on behalf of these welfare recipients that is holding them back; other much greater barriers are in place. They need incentives and support that help remove these barriers and enable them to find work.

Putting someone who previously had been eligible for a disability pension onto Newstart is not an incentive when it means that they will be worse off to the tune of $100 a week if they take on 15 hours work a week on the minimum wage. Newstart, with its
lower pay rates and tougher means tests, makes it harder for people currently receiving pensions to take on work, and together with the income tax regime it creates severe disincentives to part-time work. It means that net returns from earnings are shockingly low.

The NATSEM report released today lists a range of perverse incentives, and I will just talk about a few. For example, a single adult with a disability will lose up to $122 per week in 2006-07, and a person with a disability working 15 hours per week for the minimum wage of $191 a week will take home only $80 a week in earnings. These are not people with big incomes whom the government is talking about taking money away from here; these are not wage earners in the top tax bracket whom the government is offering a tax break to; these are not the almost 38.5 per cent of the nation’s wealthiest households that are also claiming family welfare payments. (Time expired)

Senator NASH (New South Wales) (5.04 pm)—Far from being incompetent, the government is making substantial investment in welfare changes in this nation with the $3.6 billion Welfare to Work reform package. This package is going to enable changes to income support arrangements, participation requirements and employment services. It will support people to become less dependent on welfare and to participate in the work force, and it will help and encourage parents of school-age children to return to paid work. It will enable more practical support to parents to help them prepare for employment, and it will assist with child care, including new child-care places. On this, there is provision for more than 84,000 additional child-care places in this package, which is more than the entire total provided by the Australian Labor Party, when they were last in government.

The result of the changes will be that people will be better off, not worse off, not only financially but, equally as important, socially. As my colleague Senator Barnett said a little earlier, this government believes that the best form of welfare is a job. It is important to make clear here that the government is not placing obligations upon people to work, unless they are assessed as having a capacity and availability to undertake work. This means that those people who are already on the disability support pension—and it is very important to note this—will remain so and be exempt from the new participation requirements. Sole parents who are clearly not available to work due to, for example, child-rearing responsibilities or a lack of appropriate child care will not be forced to enter the work force. Likewise, those with caring responsibilities for the disabled or the ill will be exempt from the new requirements. Certainly Minister Kay Patterson said yesterday that 4,000 parents of profoundly disabled children would be excluded from the requirement to look for work and would be eligible for the $476.30 a fortnight carer payment from 1 July 2006.

The Howard government is committed to maintaining a sustainable and adequate safety net for people who are in genuine need, including people who, for whatever reason, are genuinely unable to work, and this will not change. Parents will not be required to accept a job offer if they have a good reason for declining, such as suitable child care not being available—and often in rural areas we see that this is indeed the case—or if the cost of care would result in a very low or negative financial gain from working.

The best way to support families is to provide them with real choices and to encourage their participation in the work force and in the community. It is quite fair to expect, where reasonable, that parents with a child
aged six or over will be required to work part time or engage in suitable activities for 15 hours a week. I think that it is important to note here that that figure is 15 hours a week. We are talking three hours a day over a five-day week. Certainly, where it is reasonable that is not an undue expectation and it is certainly not unreasonable.

The responsibility of this government is to ensure the strongest possible fabric of society in the best interests of all Australians. In this regard there must be a balance between government support for those who need it—and of course we will continue to provide that—and an expectation that those who can contribute to society will. It would be irresponsible of this government not to address this issue of welfare dependency and it would be irresponsible not to put in place a package of measures that will address this welfare issue.

I would just like to reiterate my colleague Senator Bartlett’s comments earlier about the NATSEM study that we have heard so much about today. Indeed, my colleague in the other place Minister Dutton did say earlier that the NATSEM study is flawed. It compares the financial situation of people with disabilities on Newstart to those on the disability support pension. You can sit over there and tweak the figures any way you like but at the end of the day this package is going to be good for all Australians. We are moving people out of the mindset of welfare dependency so that they can have the best future possible.

Senator Carr—The National Party talking about welfare!

Senator NASH—You can say what you like on the other side over there but we are talking about giving people the opportunity to be over $90 a week better off. It is a plan that is going to be in place and it is going to provide real results for people across this nation. You can sit over there and bleat and carp about it but what we are doing is putting some real measures in place that will address this issue.

Senator Carr—We know about privatising losses though.

The Acting Deputy President (Senator Lightfoot)—Order, Senator Carr!

Senator NASH—Sadly, there are 700,000 children in this country who live in jobless households. As a mother I am pleased to stand here as part of this government, a government that is taking real steps to ensure as strong a future as possible for the children of this nation, to take them out of the cycle of welfare dependency and provide an environment that is the best possible for parents and children.

Senator Carr—At Geelong Grammar.

The Acting Deputy President—Order, Senator Carr!

Senator NASH—This government has a real commitment to ensuring a strong future for those parents and children in this nation. The government will of course continue to provide support where necessary. Where families need it and where parents and children need it that support will be provided. But at the same time this government will ensure that there is an opportunity for participation in the work force to the advantage of all Australians.

Senator Fielding (Victoria) (5.10 pm)—I rise to express my concerns with the government’s proposed welfare changes. Family First believes we have to find the right balance between personal responsibility—in this case parents’ responsibilities to raising their children—and community obligations. Family First strongly believes that people are parents first and workers second. In other words, parents’ first and most impor-
tant obligation is to their children and then to the community. It is important to state that Family First believes that people who can work should work. But I also want to stress that I believe parents’ most important job is raising their children and we all have to do what we can to support parents in this, the toughest job of all.

Instead of encouraging single parents to work, which I support, and ensuring they are financially rewarded for working, some of the government’s welfare changes will act as a disincentive to work and make some people workers first and parents second. It is important to give people the best opportunity to move from welfare to work. There are many benefits to working, and they are not just financial but include greater self-esteem and higher living standards. My concern is that the government’s changes do not recognise that parents have an obligation to be parents first and workers second.

Under the changes, single parents with a youngest child age six or more who go onto income support after 1 July 2006 will be placed on Newstart allowance rather than on parenting payment single. Immediately they will be worse off because the allowance is lower and there is a severe income test associated with Newstart. The National Centre for Social and Economic Modelling, NATSEM, at the University of Canberra recently released a report showing how these changes will affect single parents. According to NATSEM:

... the losses sustained by sole parents amount to almost $100 a week when earnings are between about $200 and $450 ... This effectively represents a 17 per cent cut in the living standards of these sole parents and their children. It should perhaps be mentioned again that cuts of this magnitude will be experienced almost overnight by sole parents when their youngest child turn six.

Where is the incentive to work if you will be financially worse off?

The government’s measures do not take into account the difficult circumstances for some single parent families, though I welcome media reports that the government might make changes in this regard. Most single parents are women and most are single parents because of a relationship breakdown. Many women and their children are in single parent families due to traumatic events. I mention this to highlight that these issues are often more complex than they might appear. For single parents in regional and rural areas, I wonder what work will be available within school hours to ensure they can still be parents first and workers second. What guarantees will there be that appropriate child care is available? What will happen on school holidays? Who looks after children then? Can parents find work which allows them to take their children to school in the morning and collect them in the afternoon?

The government must consider how some of its changes will prevent people from being parents first and workers second. It is our children who will be worse off. The test that Family First will apply when considering these changes is: are they good for families including single parent families and are they good for children? This policy must be family driven, not market driven.

The PRESIDENT—Order! The discussion on the matter of public importance is concluded.

FIRST SPEECH

The PRESIDENT—Before I call Senator Carol Brown, I remind honourable senators that this is her first speech. I therefore ask that the usual courtesies be extended to her.

Senator CAROL BROWN (Tasmania) (5.15 pm)—Thank you, Mr President. I am very proud to be standing here in this chamber today delivering my first speech as a representative of the Tasmanian people. It truly is a great honour to join the long line of fe-
male parliamentarians from Australia’s smallest and most beautiful state. I am immensely grateful for this opportunity. I would like to begin by thanking the Australian Labor Party for giving me this chance and the Tasmanian parliament for appointing me. I would also like to thank my colleagues in the Senate and the House of Representatives for the warm welcome afforded to me during my first two weeks.

I am here, of course, to replace my predecessor, Sue Mackay. I would like to pay tribute to Sue and thank her for the contribution she made during her term as senator. As some of you would be aware, Sue and I worked together for many years while she was state secretary of the Tasmanian branch of the ALP and then when she first entered this chamber. Her work, particularly in rebuilding the Tasmanian branch of the ALP, has been well recognised and is borne out in a strong, majority Labor government at the helm of the state. It is a privilege for me to fill her place in the Australian Senate.

I have spent my life being driven by the desire to see all people treated fairly and with equity, tolerance and respect. To me it is about delivering a fair go for all in a nation founded on respect for the rich diversity of our cultures, practices, dreams and ideals shared by the people who inhabit it. These views are as much about who I am as they are about my family and where I come from. I am the eighth child in a family of 13 children. I grew up in Warrane, a working class suburb on Hobart’s eastern shore. My siblings and I were raised in difficult economic circumstances, as were many of the families in the area. It was a life where open and direct people struggled to make ends meet, with a fierce determination to give their children every opportunity for a secure future.

It was this constant struggle and the sacrifices made by these people, who did not complain, that seemed to me to embody the inequality in our society. Equality and opportunity were not being spread throughout the whole community—people who deserved more were missing out. The overwhelming memories of my childhood were of large gatherings of family and friends, usually involving food, celebrations and lively discussions. They were discussions where it did not matter if your case was more persuasive—it was all decided by whoever had the numbers. It was a great lesson for me to learn, and one I suspect most politicians understand all too well!

I am the daughter of Julia and Rex Brown. I am the daughter and sibling of a wonderful, vibrant family rich with diverse opinions and views, full of life experiences, possessed of strong voices and, importantly, grounded by core values. My parents taught me many important things in life, but the most important lesson by far was to respect and care for others. This is a lesson I carry with me. It is a part of my core. It is the way I live and the senator I will be. I believe in showing tolerance, working with others to achieve results and allowing individuals the right to choose and the freedom to be themselves without fear or favour. To me it is about love, respect, acceptance and opportunity. I would not be here today without these lessons from my parents and the love and support of my family.

These values have come from a proud history, on both sides of my family, of union and Labor activism. My great grandmother, Mary Butler—a formidable and strong-willed woman—was a founding member of the local Hobart branch of the ALP in Tasmania. Both of my grandfathers were strong supporters of the trade union movement, as were my father and his siblings. All were committed to protecting workers’ rights to collectively bargain. All were committed to the Australian ideal of a fair go. My late un-
ch, Leo Brown, was an ALP life member and state president. He was also secretary and president of the Miscellaneous Workers Union in Tasmania. My niece, Allison Ritchie, is a member of the Legislative Council and, when elected, was the youngest woman ever to enter the upper house in the Tasmanian parliament.

In so many respects today, I am following in the footsteps of my family. My late father believed strongly in my work and involvement in the ALP. I am sure he would be proud to see me standing here as a senator representing the state and the party he loved and supported all of his life. My involvement with the Labor movement began at an early age. I joined the party when I was 20 years old. I was a young, naive and passionately committed person stepping out to stand up for those who were least able to fight back. Labor’s enduring policy objectives, in particular, fuelled me. The party stood for a fairer distribution of political and economic power; greater equality in the distribution of income, wealth and opportunity; and equal access and rights to employment, education, health and other community services and activities for all Australians.

My involvement with the ALP reinforced in me the fact that life is about values. It is about what is right, it is about what is fair and it is about what sort of place we want those who are yet to come to inherit. This has been the Labor way from the start. For over a century, Labor has stood as the party for social reform, with the Australian people at its heart and foremost in its mind. It is the party that holds the health, welfare and betterment of all Australians as its tenets. Labor has a proud record in this regard—a record I am particularly keen to see continued in a Beazley federal Labor government.

In stark contrast, particularly in recent times, we have seen the Howard government continue a conservative tradition of ignoring people and their concerns. It has been the latest unremarkable and unimaginative installment in a long history of conservative governments focusing on capital, numbers and bottom lines at the expense of human lives and livelihoods. And this installment has an upcoming sequel in the so-called industrial relations reforms, which we will soon be faced with. Let me say at the outset that the myth of these reforms is just that—a myth. ‘Reform’ implies positive structural improvement. But what is proposed here is simply dismantling, destroying and eroding the protections afforded to Australian workers and their families.

The government’s proposals should be named as such, reviled as such and, ultimately, denied as such by the Australian people. Contrary to the rhetoric, it is not about more jobs and higher wages. It is about dismantling a system that works, a system that is balanced and a system that is fair. Our current IR system strikes the delicate balance between the rights of businesses and the rights of the men and women working in them. It says that, while employees have a role in improving business productivity and profitability, they also have the right to expect holidays, sick leave and a fair day’s pay in return.

It is about delivering a fair go. Australians are hardworking. They work hard by any international comparison, they are working harder than ever before and they deserve more than this. They deserve more than a government that implies that workers are lazy; and they deserve more than a government that will remove from them their holidays, sick leave and the right to challenge the boss if they are unfairly sacked. They deserve a government that says, ‘Thanks for the enormous efforts you’ve made in helping the Australian nation grow; we could not
have done it without you,’ because that is the truth.

Behind almost all the statistics on the economy that we encounter in this parliament are Australian men and women, working away. Some have husbands and wives and partners and families, some have children, and many have mortgages, car loans and credit card debts—but all of them have aspirations and hopes for themselves and those they love. We would do well to remember that in this chamber as we develop the laws and frameworks that underpin our society. Our goal as senators should be to build up the broad mass of Australian people, not cut them down.

Many people have said to me over the last few weeks that I am entering the federal parliament at an interesting, even historic, time. Against recent political trends, we have seen the government of the day returned with a majority in this chamber. The government now has in its hands unfettered power. The Prime Minister assures us that he will not be abusing his new found position, and that he will continue to listen to the people and stay in touch with the public. But already, on industrial relations, in welfare reform and in the blind push for the full privatisation of Telstra, we have seen signs of a government out of touch with the people it is supposed to represent. Already we are seeing the adage ‘Power tends to corrupt, and absolute power corrupts absolutely,’ in action.

For this side of the chamber, our mission to fight for the rights of Australians is more important now than ever before. In this fight, we are fortunate to have the support of our Labor colleagues in the states and territories. Unlike the Howard government, in my home state the Tasmanian government is recognising the rights of workers and their families and standing up for fairness and equity. Premier Paul Lennon has committed to keeping the Tasmanian industrial relations system, and is encouraging workers to bring their awards home. His Labor government has also announced it will legislate to protect conditions such as the 38-hour week, annual leave, paid personal leave, parental leave, the right to meal breaks and the right to be protected against unfair dismissal. It is a shining example of the way to treat workers; it is the Labor way.

After engineering one of the great economic recoveries in this country, the Tasmanian government is rightly thanking and protecting the workers who have made it possible. As you would well know, Mr President, it has been a remarkable recovery. We have seen 500 new jobs created in Tasmania in August this year alone, pushing the unemployment rate down to 5.8 per cent and within reach of the national average. Beyond this, we have had 40 consecutive months of jobs growth, and the state Labor government has presided over the creation of more than 25,000 new jobs in the Tasmanian economy since the recovery began.

Private investment in the state has increased dramatically and there have been significant major infrastructure developments in the energy sector, through natural gas, Basslink and wind farm developments. Tourism, too, has been boosted by a Labor government that is willing to invest in the future. That investment can be seen in action every day as the three new Spirits of Tasmania ply Bass Strait and the route to Sydney. The results of this and other state government policies on tourism are quite astounding. Visitor numbers have broken through the 800,000-a-year barrier for the first time, and spending by tourists in Tasmania has reached a record $1.5 billion annually. Beyond this, there is at least $600 million worth of proposed new tourism development projects planned for Tasmania. The future for Tasma-
nia is bright, and the new Tasmania is vibrant, diverse and an exciting place to be.

Mr President, our home state is also socially progressive, with some of the most far-reaching laws in the world governing same-sex and significant relationships and a strong legal reform program. It has also returned Aboriginal land on Cape Barren and Clarke islands to Indigenous Tasmanians, and consultation has begun to develop new Aboriginal heritage legislation. Tasmania has a multitude of experiences and views to offer to the world, and a lifestyle which is envied everywhere. It is known and valued worldwide for its pristine environment, for its rich natural, cultural and historical heritage, and for its clean, green and quality produce.

I am very proud to be representing such a wonderful state and such wonderful people in the Australian Senate. I am also proud of Tasmania’s unique place in this chamber. Indeed, Tasmania helps to illustrate what the Senate is and what its role should be. The Senate is a states house and it is here to act as a check and balance on the excesses of executive government. It is a place where all states have an equal right to be heard in the decisions that affect our nation, regardless of their size. Despite the current make-up of this house, I believe that the principles on which the Senate was founded should not be lost. To this end, I will act as a determined, committed and focused representative of Tasmania and a champion of its causes in the national parliament.

I would like to conclude my first speech with a special thank you to some very special people. To start with, my partner, Kamall: you have provided me with love, support and undiluted advice. Without you I could not even begin to take on this role; and my young children, Scarlet and Conor, you give me so much pleasure and make me smile every day—something I think will be invaluable in this position. To my family and my in-laws, Joan and Ray Harrison, I owe you a great deal. Thank you sincerely.

To my friends and supporters, thank you. In particular, I would like to acknowledge the Tasmanian ALP State Secretary, David Price, Julie Collins, Lin Thorp MLC, and Mary Massina. My special thanks also go to Anne Urquhart from the Australian Manufacturing Workers Union, and Kevin Harkins and Nicole Wells from the Communications, Electrical and Plumbing Union, for their continued support. To my former boss, Bryan Green, Tasmanian Minister for Infrastructure, Energy and Resources, and my workmates: thank you. You are truly the best bunch of people I have ever had the pleasure of working with—so far. Peter Robinson, John Dowling, Matthew Sullivan, Maree Saward, Guy Nicholson, Anne Campbell, Martin Blake, Denise McIntyre, Rex Bramich and Phoebe Sharman: thank you.

Lastly, may I say that I look forward to the challenges ahead of me in this place. You will see me do it my way, with perseverance, focused determination and according to the principles that govern me and are the core of the party I represent. Thank you.

COMMITTEES
Rural and Regional Affairs and Transport Legislation Committee
Additional Information
Senator McGAUran (Victoria) (5.31 pm)—On behalf of the Chair of the Rural and Regional Affairs and Transport Legislation Committee, Senator Heffernan, I present additional information received by the committee on its inquiry into the regulatory framework under the Maritime Transport Security Amendment Act 2005.
BUDGET
Consideration by Legislation Committees
Additional Information
Senator McGauran (Victoria) (5.32 pm)—On behalf of the Chair of the Rural and Regional Affairs and Transport Legislation Committee, Senator Heffernan, I present additional information received by the committee relating to hearings on the 2004-05 additional estimates and the 2005-06 budget estimates.

COMMITTEES
Membership
The Acting Deputy President (Senator Lightfoot)—The President has received letters from party leaders seeking variations to the membership of certain committees.

Senator Vanstone (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.33 pm)—by leave—I move:

That senators be discharged from and appointed to committees as follows:

Employment, Workplace Relations and Education References Committee—
Appointed—Participating member: Senator Crossin

Finance and Public Administration Legislation Committee—
Discharged—Senator Stephens
Appointed—
Senator Carol Brown
Participating member: Senator Stephens

Finance and Public Administration References Committee—
Discharged—Senator Stephens
Appointed—
Senator Carol Brown
Participating member: Senator Stephens

Foreign Affairs, Defence and Trade Legislation Committee—
Discharged—Senator Joyce
Appointed—
Senator Johnston
Participating members: Senators Carol Brown and Joyce

Foreign Affairs, Defence and Trade References Committee—
Appointed—Participating member: Senator Carol Brown

Regulations and Ordinances—Standing Committee—
Discharged—Senator Sterle
Appointed—Senator Carol Brown.

Question agreed to.

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

First Reading
Bills received from the House of Representatives.

Senator Vanstone (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.34 pm)—I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.
Second Reading

Senator VANSTONE (South Australia—Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.34 pm)—I table a revised explanatory memorandum relating to the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

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

Today I am bringing forward for consideration, the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, which amends the Telecommunications (Consumer Protection and Service Standards) Act 1999 and the Telecommunications Act 1997. This bill gives effect to a number of important telecommunications future proofing arrangements for regional, rural and remote Australia including a commitment to funding for the Connect Australia initiatives that I announced on 17 August 2005.

The bill:

• provides for a dedicated and perpetual Communications Fund of $2 billion;
• establishes the framework for future, regular and independent reviews of the adequacy of regional telecommunications services;
• provides for an industry body or association to apply to the Australian Communications and Media authority for consideration of eligibility for reimbursement of the costs of developing consumer and related codes to be recovered from industry;
• clarifies that at least two of the Telstra board members have to have regional, rural and remote experience;
• includes amendments that facilitate appropriations in connection with a Telstra sale scheme; and
• makes a consequential amendment to the Telstra Corporation Act 1991.

The measures proposed in this bill are part of an integrated package of initiatives aimed at addressing what the Regional Telecommunications Inquiry or Esten’s called future proofing. The measures are provided in addition to the existing consumer regulatory safeguards such as the Universal Service Obligation, the Customer Service Guarantee, price controls, the Network Reliability Framework, and the Telecommunications Industry Ombudsman, which are essential safeguards that will be maintained into the future.

The measures in the bill are also in addition to the local presence obligation recently placed on Telstra by way of a licence condition. The Local Presence initiative requires Telstra to maintain a presence in rural, regional and remote Australia and to prepare a Local Presence Plan, which is to be submitted to the Minister for Communications for consideration and approval in December of this year.

The measures in this bill further demonstrate that this Government is fully committed to ensuring that all Australians can share in and benefit from the opportunities provided by affordable telecommunications now and into the future.

Communications Fund

The creation of a dedicated and perpetual Communications Fund of $2 billion from the proceeds of the final sale of Telstra will provide an ongoing income stream to fund the Government’s response to any recommendations proposed as a result of the regular reviews in to the adequacy of regional telecommunications. The bill establishes the Communications Fund as a special account and provides for the arrangements for managing the account. The bill establishes that the revenue generated from the fund will be spent on implementing the Government’s responses to future recommendations contained in the reports of the Re-
Regional Telecommunications Independent Review Committee.

**Regular Reviews**

The bill provides for establishment of a Regional Telecommunications Independent Review Committee to review the adequacy of telecommunications services in regional, rural and remote parts of Australia on a regular basis. The regular review provisions in this bill were previously introduced into this Parliament in the Telecommunications Legislation Amendment (Regular Reviews and Other Measures) Bill 2005. However, these provisions have now been included as part of this comprehensive package of measures.

These arrangements provide a high degree of certainty for regional, rural and remote communities that the review process will result in improved, equitable access to important telecommunications services and that the reviews are independent from the executive government of the day. The bill provides for the first review to be commenced before the end of 2008 and then subsequent reviews to occur at a minimum of three yearly intervals. The reviews will include public consultation and the government of the day must publicly respond to recommendations made by the Committee.

**Consumer Codes**

The bill amends Part 6 of the Telecommunications Act 1997, dealing with industry codes and standards, to provide for a scheme to enable industry bodies and associations that develop consumer-related industry codes to recover the costs of code development. Industry bodies and associations will be able to apply to the Australian Communications and Media Authority (ACMA) prior to commencing code development. ACMA will have a standing appropriation to reimburse costs from consolidated revenue, pending the recovery of costs from carrier licence charges made possible by amendment to the Telecommunications (Carrier Licence Charges) Act 1997.

This scheme will increase funding certainty for industry bodies or associations, such as the Australian Communications Industry Forum (ACIF), which generally rely on voluntary membership fees for funds and will enable increased consumer participation in the development of industry codes that benefit residential and small business consumers.

The bill will also make a consequential amendment to subsection 8BUA(1) of the Telstra Corporation Act 1991. This subsection requires Telstra to ensure that at least 2 of its directors have knowledge of, or experience in, the communications needs of regional, rural and remote areas of Australia. The bill replaces the reference in subsection 8BUA(1) to ‘regional’ areas with a reference to ‘regional, rural or remote’ areas for consistency with the independent reviews of telecommunications services in regional, rural and remote Australia.

The Telstra Corporation Act 1991 is also consequentially amended to provide appropriations for costs and expenses incurred by the Commonwealth in connection with the Telstra sale.

The bill acknowledges the Government’s intention to provide funding of $1.1 billion for the comprehensive communications package called Connect Australia announced on 17 August 2005 and that this funding is in addition to the perpetual Communications Fund. The Connect Australia package is the biggest regional telecommunications assistance program in Australia’s history. It is a targeted package aimed at providing all Australians access to first-class telecommunications now and in to the future through four components:

(a) the $878 million Broadband Connect program to assist residential customers, small business and not-for profit organisations in regional, rural and remote areas to access broadband at affordable prices;

(b) the $113 million Clever Networks program, supplemented by funding from State and Territory Governments and private investment, to provide for strategic investments in new broadband infrastructure and to enhance the delivery of government services;

(c) a further $30 million for the Mobile Connect program to expand the satellite phone handset subsidies scheme, and for terrestrial mobile coverage where oper-
ating costs can be recovered and investment is commercially viable; and
(d) the $90 million Backing Indigenous Ability package to deliver Community Phones, Internet and videoconferencing in remote Indigenous communities and to improve Indigenous radio and television services.

Conclusion
This comprehensive and forward looking package of legislative and related measures is a further significant demonstration of the Government’s ongoing and proactive commitment to ensuring that Australia’s telecommunications system combines the best elements of competition, access to first class telecommunications now and into the future and customer service.

It represents the biggest commitment by any Australian Government to telecommunications services—not only for regional, rural and remote Australia, but for all Australians.

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

The main purpose of the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 is to enable the recoupment from licensed telecommunications carriers of costs incurred by industry bodies or associations, such as the Australian Communications Industry Forum, in developing consumer-related industry codes of practice in the telecommunications sector.

Currently, industry bodies or associations rely almost entirely for funding on voluntary membership fees. It is becoming increasingly difficult to meet the costs of developing consumer-related codes from these fees, particularly as these costs have risen substantially over the last two years.

Schedule 3 to the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 provides for a scheme to enable industry bodies or associations to apply for reimbursement from the Australian Communications and Media Authority (ACMA) of the costs of developing consumer-related codes.

Through the amendments proposed in this bill, ACMA will be able to recoup these payments from telecommunications carriers. Under the existing arrangements, carrier licence charges are equitably based on each carrier’s share of total telecommunications revenue.

This scheme will mean more equitable funding of consumer-related codes. It will also increase funding certainty for industry bodies or associations, and enable increased consumer participation in, and more timely development of, industry codes that benefit residential and small business consumers.

The amendments will help to address the concerns of consumer bodies, who have sought increased opportunities to participate in code development, for example in the report ‘Consumer Driven Communications: Strategies for Better Representation’.

The bill also contains amendments that are consequential to the proposed amendments in Schedule 1 to the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005, which would remove the requirement for telecommunications carriers to have an industry development plan.

The bill also makes a retrospective amendment to the Telecommunications (Carrier Licence Charges) Amendment Act 1998 to correct a mis-described amendment in that Act.

APPROPRIATION (REGIONAL TELECOMMUNICATIONS SERVICES) BILL 2005-2006

It is with great pleasure that I introduce the Appropriation (Regional Telecommunications Services) Bill 2005-2006. This is the third Bill in the Government’s package of measures that will support a robust competitive telecommunications environment and advance communications services in regional, rural and remote Australia. These measures deliver on the Government’s commitments to give Australians access to first class telecommunications services now and into the future.
This bill proposes additional funding for the continuation of the Higher Bandwidth Incentive Scheme and for the implementation of the Connect Australia programmes. It seeks appropriations totalling $219.2 million.

The Higher Bandwidth Incentive Scheme provides registered Internet service providers with incentive payments to supply higher bandwidth services in regional, rural and remote areas at prices comparable to those available in metropolitan areas. This bill seeks appropriation for 2005-06 of $67 million to enable the continued operation of this scheme under higher levels of demand. That amount will be partly offset by a bringing forward $17 million from funding originally planned for 2006-07.

The Connect Australia programmes are part of the largest regional telecommunications assistance package in Australia’s history. It is a targeted package aimed at providing Australians living or working in regional, rural and remote areas with access to first class telecommunications now and in to the future. The Connect Australia programmes will involve funding totalling some $1.1 billion.

The Appropriation (Regional Telecommunication Services) Bill 2005-06 seeks appropriation of $148.8 million to enable two programme elements of Connect Australia to operate in 2005-06. The first element, Broadband Connect will be based on the Higher Bandwidth Incentive Scheme. It will continue to assist residential customers, small businesses and not-for-profit organisations in regional, rural and remote areas to access broadband at affordable prices. However, it will introduce refinements to encourage providers to expand their areas of service supply and limit the possibility of providers recovering more than the legitimate capital costs of installing broadband infrastructure. Other minor refinements are being made so that the scheme continues to reflect metropolitan pricing levels. They will increase broadband penetration rates in regional, rural and remote areas. Broadband Connect will be developed in consultation with key stakeholders.

The second element, called Mobile Connect, will build on the Mobile Phone Handset Subsidy Scheme to extend terrestrial mobile coverage to areas where operating costs can be recovered and investment is commercially viable. It will continue to subsidise satellite handsets for other areas, taking over from the Satellite Handset Subsidy Scheme. The various components of Mobile Connect will commence during 2005-06.

Lastly, this bill also requests appropriation of $3.5 million to cover the departmental costs arising from the increased programme activity during 2005-06.

The Connect Australia funding proposed in this bill will be made available from the date on which the later of the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 and the Telstra (Transition to Full Private Ownership) Bill 2005 receives Royal Assent. This arrangement will ensure that the Government’s Telecommunications Framework for the Future will be implemented as an integrated package.

The Appropriation (Regional Telecommunications Services) Bill 2005-2006, is part of a comprehensive and forward looking package. It is a significant demonstration of the Government’s ongoing and proactive commitment to ensuring that Australia’s telecommunications system combines the best elements of competition and access to first class telecommunications now and into the future.

I commend the bill to the Senate.

Ordered that the debate be adjourned to a later hour of the day.

Ordered that these bills will now be taken together with the Telstra (Transition to Full Private Ownership) Bill 2005 and the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005 for their remaining stages, pursuant to the order of the Senate of 12 September 2005.

COMMITTEES
Membership

Message received from the House of Representatives notifying the Senate of the appointment of:
Mr Hayes to the Parliamentary Joint Committee on the Australian Crime Commission in place of Mr Byrne; and
Mr Emerson to the Joint Committee of Public Accounts and Audit in place of Ms AE Burke.

TELSTRA (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

Second Reading
Debate resumed.

Senator MARSHALL (Victoria) (5.35 pm)—I rise to address the Telstra (Transition to Full Private Ownership) Bill 2005 and the four associated bills, the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005, the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 and the Appropriation (Regional Telecommunications Services) Bill 2005-2006. In doing so, I indicate that I remain absolutely opposed to any further sale of Telstra. Again, Labor will be opposing this bill, the associated bills and their intentions all the way through this parliament. Public ownership of Telstra is the only guarantee we have to ensure that all Australians, no matter where they live, are able to access essential, reliable and affordable telecommunications services. As I outlined last time I spoke about this issue here in the Senate, Labor recognise that in this, the digital age, Australians rely on telecommunications services as essential services. Unlike the Howard government, we do not view telecommunications services as luxury items that people can do without. Such a view is, in my opinion, ignorant and totally out of touch.

We recognise that 21st century Australians rely upon telephones and broader telecommunications services as fundamental tools used in everyday, ordinary life. People use them to keep in touch with loved ones, families, friends, colleagues and acquaintances. We organise our social lives with them. We consume and we conduct business via them. We use them to access emergency services, educational services, help and advice. We undertake household chores, such as paying bills and dealing with government agencies and companies, with them. To suggest that telecommunications services are not fundamental in every aspect of Australian society is simply misleading. Everyone knows that they are.

For many years now, the Howard government has been hell-bent on fulfilling its ideological dream of fully privatising Telstra. It has been fattening up Telstra for many years and has effectively allowed it to act as if it were already a company fully in private hands. Under the watch of the Howard government, Telstra’s performance in numerous areas of its operations has declined dramatically. Consumers have been hit with ever escalating Telstra line rental fees yet have not been adequately compensated with reductions in call prices. Telstra’s network has been deteriorating for some time, crippled by major investment reductions and mass staff cutbacks. Telstra’s investments in Asia have
backfired, resulting in enormous financial losses for the company and its shareholders. Telstra’s roll-out and Australia’s take-up of broadband technology, compared to that of equivalent countries, has been totally inadequate. Telstra has been operating in a market dogged by inadequate competition, and it has used and, some argue, abused its market dominance and control of the fixed line network.

In terms of Telstra’s capital expenditure, financing of this area has been falling dramatically over the past few years. From a peak of $4.7 billion in 1999-2000, Telstra’s financing of capital infrastructure fell to an estimated $3.25 billion in 2002-03, which represented a 30 per cent decline since 1999-2000 alone. Over the same period, more than 13,000 full-time staff were slashed from Telstra’s work force. A substantial proportion of those staff cuts occurred in areas such as direct customer service and network maintenance, particularly in regional Australia. Moreover, as has been widely reported throughout the media, a growing number of Australian full-time IT jobs are being exported by Telstra to India. Surely this is not in the national interest. But the Howard government, as the majority shareholder, gave Telstra the green light to send these jobs offshore. It is the Howard government, not only Telstra management, who are to blame for these poor business decisions.

As I have already stated, the Howard government has been fattening up Telstra for full privatisation for many years now. It does not mind if it guts Australia’s IT industry in the process. As a consequence of this and other staffing decisions, Telstra services and service standards around Australia, particularly in rural and regional areas, have severely suffered. Telstra data shows that 14 per cent of Australian phone lines are faulty—a whopping 14 per cent. Telstra’s urban fault rectification performance is languishing, with over 10 per cent of phone faults not fixed on time. According to the Telecommunications Industry Ombudsman, complaints about Telstra have skyrocketed, complaints about the telecommunications sector than about any other industry—even the banks. It is for this reason and others that the current Telstra CEO has recently said that it would cost $5.7 billion to bring Telstra’s network up to scratch.

On top of all of the problems, customers have experienced massive price increases, and all the facts suggest they will continue to do so into the future. In the financial year 2003-04, average prices paid by residential and small business customers have increased by 1.4 per cent and 3.1 per cent respectively. On the other hand, the average price paid by large business consumers fell by 5.6 per cent. Just 4½ years ago, residential line rental costs stood at $11.65 per month. Today that figure has reached between $27 and $30 a month. In the next year or two this charge is expected to rise to well over $30 per month. One can only conclude that within the space of four to five years the price for the ‘privilege’ of having a phone in your home, before you pay a single cent for a telephone call, is going to soar to well over $400 a year. It is little wonder Australia’s telecommunications prices are the fifth highest among developed countries. It is simply outrageous. In fact, in the last year, Telstra’s line rental revenue increased by $125 million to $2.725 billion, despite the number of Telstra rental lines having decreased by 160,000. With this coming on top of the $130 million Telstra made in extra revenue from line rental increases in 2002-03, and the $154 million from increases in 2003-04, it is little wonder many consumers are angry that service levels are far from adequate. Many are now complain-
ing that they are paying more in line rental charges than in call costs.

Australians have every right to be concerned about what a fully privatised Telstra might charge customers in the future and about the decisions it might make with respect to particular services offered today. As recent history has indicated, Telstra will continue to hike up line rental fees and have no problem doing so while winding back popular services. Telstra's decision to axe its 15c local neighbourhood call while continuing to raise line rental fees serves as a prime example of this practice. Australians recognise that programs such as discount concession schemes for pensioners will be immediately abolished or scaled back if and when Telstra is fully privatised. Australians also know that a fully privatised Telstra would put enormous and irresistible pressure on the government to introduce timed local calls. Australians demand that Telstra operates and acts in their interest—in the national interest—and that consumers' interests are not subservient to Telstra's corporate interests.

Under the transition to full private ownership bill, as its title would suggest and as is obvious, ministerial power of direction over Telstra will be removed once the Commonwealth's equity falls below 50 per cent. This is an important power for the government to hold and to use if Telstra acts in an inappropriate manner and refuses to remedy such actions. Such power should not be given up, and for The Nationals to give it up so lightly is nothing short of disgraceful and a betrayal of their constituents and all Australians.

The Nationals are racing around the country boasting about a supposed $3 billion deal that they have done to protect telecommunications services in the bush. However, when you consider the detail of the deal, The Nationals have nothing to be proud of and everything to be ashamed of. The package The Nationals have extracted from the Liberals in order to secure their vote for the T3 sale is a pittance and nowhere near the $3 billion they claim. The deal done is a package of $275 million a year for four years to be followed by $100 million a year. It will take around 20 years before anything like the $3.1 billion claimed by The Nationals will actually be spent. This figure falls desperately short of the $5 billion Mr Trujillo recently admitted was needed just to get the network back up to scratch following many years of neglect. Under the proposal, if it is in fact mirroring past legislation, Telstra will cease to be subject to the Freedom of Information Act and it will no longer be required to provide employees with Commonwealth standard long service leave, maternity leave and occupational health and safety provisions.

Telstra's reporting obligations will also cease once the Commonwealth's equity falls below 15 per cent. This means that Telstra will no longer have to provide the Commonwealth with financial statements or notifications of significant events. A privatised Telstra would no longer have to keep ministers informed on issues pertaining to the operation of the company. The government will lose all effective control over Telstra. As we know, for years now the Howard government has pretended that the full sale of Telstra has been contingent upon it being satisfied that services in regional Australia are up to scratch. In fact, it even went to the last election professing that services in rural and regional Australia were indeed up to scratch. But Australians know that this is not the case and that the Howard government has been intent on fully privatising Telstra regardless of service levels or, indeed, any other factor.

In light of the Telstra CEO's comments regarding the $5 billion needed to bring the network up to scratch—let alone to rectify other service related inadequacies in rural, regional and outer metropolitan Australia—
such a position from the government simply fails the laugh test. The Howard government has spent a lot of time and money conducting sham inquiries into service levels in rural and regional Australia in order to extract at least one view favourable to their theory. The findings of these sham investigations—of course in line with the Howard government policy—have come about despite hundreds of public submissions detailing actual poor experiences with Telstra.

Hundreds of submissions have outlined instances of poor mobile phone coverage, faulty telephone lines, poor broadband coverage, inadequate dial-up internet data speeds, constant internet line drop-outs and many other poor experiences. The 2002 Regional Telecommunications Inquiry, headed by Nationals’ member and John Anderson’s mate Dick Estens, was an absolute joke and everyone knew it. It certainly came as no surprise to me or, I would suggest, to anyone who takes an interest in these matters that the inquiry came up with exactly the report the government wanted. It was also no surprise that the very next day a similar bill to this one was introduced into the parliament for the first time.

Everyone knows that telecommunications services in the bush are not up to scratch. They are totally inadequate and continue to decline. There is also a widespread acceptance that, under a fully privatised Telstra, service levels in rural and regional Australia would at best remain stagnant but would more probably decline further. Either way, everyone knows that service levels in rural and regional Australia will certainly not improve in any way under Telstra’s full privatisation, not now and not into the future. Any provisions seeking to protect or enhance telecommunications services in rural and regional Australia cannot be taken seriously. They are inadequate, hopeless and nothing more than a laughable attempt by the government to pull the wool over the eyes of ordinary Australians.

Any so-called future-proofing arrangements for regional telecommunications services in this bill offer absolutely no guarantee of reasonable future levels of service for regional Australians. A huge, privately owned Telstra would dictate to the government what the licence conditions should be. Under full privatisation, the government will have no role in Telstra whatsoever. That is the whole point of this legislation. You simply cannot have it both ways. Labor believes a privately owned Telstra would be a giant, private monopoly too powerful for any government to effectively regulate. It would focus on the more lucrative markets in the bigger cities and neglect the interests of lower income and regional Australians, because that is business.

Under full privatisation there would be no impetus or pressure upon Telstra to invest in new technologies and their roll-out. Under the stewardship of the Howard government, Telstra’s investment in new technologies has been totally inadequate. Australia’s broadband take-up rate is languishing because of Telstra’s indifference to it and because of inadequate competition in this area of the sector. Over the past four years, Australia has fallen from 13th to 21st in the OECD table depicting broadband access rates. While Korea has a broadband take-up rate of 24.9 broadband connections per 100 residents, Australia’s rate stands at a dismal 7.7 connections per 100 residents. Australia’s position has in fact worsened since the same report was released at the end of 2002, when Australia ranked 19th out of the 30 OECD countries. According to the latest table, Korea has a per-capita broadband access rate more than three times higher than in Australia. Canada’s rate is more than twice the rate in Australia, the USA’s position is nearly
twice as good and the OECD average is a third higher than the rate in Australia.

Whereas Australians have generally been at the forefront of adopting new technologies, in broadband we are falling further and further behind the rest of the world and particularly the rest of the OECD countries. According to the most conservative estimate, some $7 billion is needed to improve broadband services in Australia and to deliver first-rate broadband access across the country. Telstra itself estimates that figure may even need to be as high as $30 billion. Again, The Nationals’ package of $3 billion over 20 years will do nothing to improve broadband access in Australia. We cannot allow this trend to continue if we expect to remain internationally competitive. As the telecommunications industry moves from a voice framework to a data framework, it is imperative that Telstra remains in public hands so as to ensure that all Australians have sound, practical and equitable access to future services such as broadband. Majority public ownership of Telstra is the only way to ensure that Telstra acts in the national interest as new services such as broadband are rolled out.

Telstra is a public asset and one that provides the Commonwealth with substantial annual share dividends. In 2004-05 alone, the Commonwealth derived around $2.5 billion in share dividends from Telstra. Once Telstra is sold the Commonwealth will receive one more lump sum, but once in receipt of that the taxpayer loses any further dividend payable to Telstra shareholders. Labor has consistently argued that the Telstra sale will have a negative longer term consequence for Commonwealth finances. The reduction in public debt interest will not offset the loss of dividends from Telstra into the medium term. By the sounds of it, though, the money received from a possible T3 sale, authorised under these bills, will not even be used to retire public debt. Telstra remains essentially a public utility with pervasive monopoly characteristics. On simple economic grounds there is no justification for its privatisation. A majority publicly owned Telstra is the only effective means of guaranteeing universal telecommunications access for all Australians, especially for those in less profitable markets and areas, such as in the regions.

Labor want to see Telstra act as a builder, not a speculator. We want Telstra to be a carrier, not a broadcaster. Labor want to ensure that consumers receive the highest quality services, the widest choice and the cheapest and fairest prices possible. We want to ensure that consumers in regional and rural Australia have full access to communications services and that businesses have access to globally competitive and innovative communications services. We want to maximise employment in the communications and IT sectors and maximise competition, investment and innovation in Australia’s communications networks.

Australia needs a telecommunications sector characterised by universal access, vigorous competition, rapid innovation and high-quality services delivered at the lowest possible prices. Labor has been the only party that has maintained a consistent, unambiguous and unequivocal opposition to any further sale of Telstra and is the only party with any real plan about how to get Telstra back on the job.

The Commonwealth’s equity in Telstra must not fall below 50 per cent. Like the telcos in Belgium, the Czech Republic, Finland, France, Iceland, India, Indonesia, Israel, Luxembourg, Norway, Pakistan, Singapore, Sweden, Switzerland and Turkey, Australia’s Telstra must remain in public hands for the future benefit of all Australians. I call on the Senate to again reject these bills, and I call
on Nationals senators in particular to stand up, act in the interests of their constituents and their regions and say no to the ideological zealots in the Liberal Party intent on destroying telecommunications services in the bush and, with them, the political prospects of their weak coalition partner. I thank the Senate.

Senator MASON (Queensland) (5.55 pm)—I will not repeat all the remarks made by my colleagues on this subject not only in this second reading debate on the Telstra bills but over the last several weeks. Rather, I will concentrate on a couple of issues that have been lacking in this debate: leadership and good public policy. A lot of my colleagues have commented about Labor privatising the Commonwealth Bank and Qantas during the Hawke and Keating years. There has been some implicit criticism sometimes from my colleagues about that. I want to congratulate the Labor Party. What they did was good public policy. What they did, I know, was difficult. What they did, I know, was against the perceived interests of many of their supporters. It was a very hard move. People said that the Labor Party were selling the farm. But it was the right public policy choice. The Labor Party knew that governments should not own airlines and banks. The Labor Party knew that and they got it right.

The difference was that the coalition supported the Labor Party in those sales. Many of our own constituents did not want the Commonwealth Bank or Qantas privatised, but, nevertheless, we supported the Australian Labor Party in so doing, and I congratulate them for that. The Labor Party did deserve some criticism for the sale of the Commonwealth Bank and Qantas, not because of the public policy but because of the process. There was a process of deception. You see, the Labor Party always privatise by stealth. So we had the embarrassing example that Senator Coonan has spoken about many times during the last few weeks of Mr Beazley, who was aviation minister, in 1991 saying that Qantas would never be privatised and of course four years later doing it. It was the right public policy but the wrong process. I agree with the outcome but not with the way it was done.

The difference is that our government, over four elections now, have said that we will privatise Telstra, that we will sell it. We have been quite open, accountable and transparent with the Australian people. No-one is surprised that we are selling Telstra. No-one is shocked. There has been no stealth; it has all been open and accountable—though I concede that perhaps a government majority in the Senate was beyond many people’s expectations. Nonetheless, the sale has always been our policy.

The other difference is what happened to the proceeds. The proceeds of the sale of Qantas and the Commonwealth Bank were blown by the Labor Party in government. They went to pay for the welfare bill resulting from record high unemployment and record Commonwealth debt. In other words, the money that was raised from the sale of those great institutions went on recurrent expenditure. That was the disgrace—not that they were sold, but what the Labor Party did with the money. That was an absolute disgrace.

What has the coalition done with the proceeds from the sale of Telstra? What did we do with the proceeds from the first tranche? We set up the Natural Heritage Trust, the greatest boost to the environment this country has ever known—not that we ever get much credit for it from those sitting opposite, particularly the Greens. I say again: when the coalition sold the first tranche of Telstra, the environment received from this government more money than it ever has in the course of
Australian history. And there has not been one word of thanks, I might add, from those sitting opposite.

When we sell the remaining 51 per cent of Telstra, will we blow it like the Labor Party did? Will we use it on recurrent expenditure? Will we blow it because unemployment is high and the welfare bill is high? We will not. We are setting up a Future Fund. That is to pay for an ageing population—pensions and the like. If we did not do that, it would come out of general revenue. That could lead to inflation. We certainly would not be preparing for it.

The sale of Telstra, as opposed to the performance of the Australian Labor Party, has meant (1) a great boost to the environment and (2)—perhaps even more importantly—will mean that we can pay for the ageing of the population. That is in great and distinct contrast to spending the money on recurrent expenditure, spending it on the welfare bill and spending it on government debt. That was a disgrace. The coalition will not be doing that.

I am a senator for Queensland. Of all the emails I get, 95 per cent are against the sale of Telstra. If anyone thinks this government is selling Telstra because they like the idea of it or it seemed like a good idea at the time or it is fun, they are wrong. Nearly everyone who comes into my office and nearly every email I get is against the sale of Telstra. We are doing it because although it is a tough call and a tough decision, it is good public policy. When is the last time the Australian Labor Party did that? When is the last time they supported the government on a tough call knowing that it was the right thing to do in the public interest? When was the last time the Labor Party met with good public policy? It has nearly become an oxymoron.

More than once in this chamber I have raised the GST in this context. When I first came to this place, I remember the really aggressive and highly strung debates about the introduction of the goods and services tax and how outraged the Australian Labor Party were. But I was never taken in by it. I knew they knew it was good public policy and they thought they would win an election on the back of it.

I do not mind if you honestly believe something is bad public policy. But I knew—we all knew—that Mr Keating, Senator Evans and Mr Beazley were all in favour of the GST in the 1980s and the 1990s. They could not get it through Mr Hawke and they could not get it through the union movement. They all used it. They used it back in 1993 to defeat Dr Hewson and they nearly defeated the Howard government in 1998. And they knew it was good public policy. That is the disgrace—not that they opposed it but that they opposed it knowing that it was in the good long-term interest of this country. And not even in the long term: in a few years it has worked well and I do not think there would be one Labor Premier who would be without it.

That is the sum of this debate: the Australian Labor Party knows that it is good public policy and they will not adopt it. With regard to Telstra, Senator Coonan has again spoken about Mr Beazley prior to the 1996 election proposing to sell Telstra to BHP and having his department draw up proposals to do it in five separate stages. Mr Beazley knows that it is the right public policy. Sure, it is tough; sure, most Australians do not want it sold. But it is the right call for this country.

That is the disgrace: that the Labor Party knows damn well that Telstra should be sold but they hope to win a vote or two from their opposition to it. That is the sickening part of this debate. They know that in 2005 governments should not be owning telecommunications companies, just as they knew in the
1980s and the 1990s that governments should not be owning banks or airlines. They knew it then and they know it now. That is why they do not deserve to be in office.

Senator SIEWERT (Western Australia) (6.04 pm)—The Australian Greens do not support the privatisation of Telstra. We believe that it should remain in public hands. Telstra is an important public institution that should play an increasingly vital role in the daily lives of many ordinary Australians. Just as we have relied on Telstra in the past, we are going to need it much more into the future as telecommunications become an even greater part of our lives. Telecommunications are now fundamental to the way in which we access other government services and information, which makes it even more essential that all Australians should have equal access to a reliable and accessible telecommunications system.

The Australian Greens believe that the government plays an important role in providing the foundation of an equitable, humane and diverse society. We believe privatisation can put at risk the equitable and sustainable provision of services. In this context, there are some services which should be undertaken by public sector agencies because of their community services obligations and the essential nature of the service.

When we talk about the role of Telstra in delivering services to those living in our rural and remote communities and to all Australians, we need to look at the bigger picture. The government has a responsibility to deliver a broad range of services to Australia that go well beyond the telecommunications infrastructure. It has a responsibility to provide services in areas such as health and the education of its citizens. It has a responsibility to look after their security and their safety.

I put it to you that, in the modern age, the delivery of these services relies increasingly heavily on access to telecommunications infrastructure, and without a reliable telecommunications network—without phone lines and mobile phone networks in rural areas, and without the provision of public phones in remote communities and metropolitan areas—the delivery of these services will become increasingly difficult, the cost of trying to deliver these services will become increasingly expensive and the cost and the consequences of not delivering these services could become horrendous.

Let us look at a few examples. From the point of view of a private company whose business is providing phones and phone lines, the provision of public call boxes within metropolitan areas—let alone to remote Aboriginal communities—is not an economic proposition. The amount of revenue coming in hardly makes the provision of a public phone worthwhile, let alone its replacement if it is damaged. From a similar point of view, providing mobile coverage to regional areas with low population densities is unlikely to be a money-spinner. As a business it makes sense to invest in areas where you can expect to get a reasonable rate of return, and mobile phone towers are expensive.

However, from the government’s point of view, we have to consider what it will cost when those services are no longer there to help it deliver much needed health, education and safety services. Let us take the case of a medical emergency. It could be a farmer who gets caught up in heavy machinery, an Aboriginal mother on a remote community whose child is suddenly running a high fever or a traffic accident on a lonely rural road with no mobile phone coverage. Let us take another example, a natural example. Let us look at Alice Springs, where there are 18 town camps. I was told last week that only
five of these town camps have public call boxes.

These phones are essential to deliver health services to these communities. They are essential, for example, for people needing dialysis who come in from outlying areas to the camps in Alice Springs in order to receive that dialysis. These phones are essential to deliver those sorts of services. In all of these cases, significant delays in the ability to access emergency medical services can result in much more severe consequences which dramatically impact on the health and well-being of those involved and lead to much greater costs to the community as preventable problems become serious disabilities requiring long-term care.

Let me remind the Senate that, in March this year, Telstra was ready to relinquish its commitment to the 24-hour Lifeline service and only reversed this decision after a heavy community lobbying campaign. If our telecommunications are put into private hands we will no longer have the ability to demand that Telstra provide these sorts of essential services, when such activities are clearly not in the interests of increasing shareholder profits.

In these and other cases the government relies heavily on existing telecommunications infrastructure to help it to deliver other government services—services which have nothing to do in an economic sense with the business of providing telecommunications infrastructure but which now rely heavily on that infrastructure and become increasingly expensive when that infrastructure is not available. Think of the extent to which the provision of educational services in our schools and technical colleges has become increasingly dependent on the provision and sharing of resources across the net. Let us look at distance education. Many children in rural and remote areas are learning over the air and should increasingly be relying on the wonderful services of the internet and the world it can open up. These services revolutionise education in rural and remote areas. With government departments increasingly relying on telecommunications to deliver information and provide access to their services, how much is it going to cost them to deliver these services when they can no longer rely on the telecommunications infrastructure?

There has been much talk of late of future proofing the bush, through putting aside $3 billion to pay to fix the existing gaps in services and provide for future upgrades. The Australian Greens do not believe that putting a bucket of money aside is the way to ensure that rural and regional areas get adequate services. It remains to be seen how and where that money will be allocated and to what extent it will simply be gobbled up by Telstra with little in the way of outcomes to show for it. The Australian Greens believe that there should be a legislated commitment to meet the telecommunications needs of Australians wherever they live. We believe that these commitments should be the responsibility of the provider and that they should be funded by Telstra and its shareholders and not subsidised from the public purse—if it is privatised.

This bucket of money is a clear signal and an admission on the part of the government that a privatised Telstra cannot and will not deliver adequate services to remote and rural clients. What happens if the money is not enough? What is there then that will provide a guarantee of services to rural Australians? How do we know it is going to be enough for future requirements, to meet the ever-evolving telecommunications market? I believe that, once the money has gone, there will be nothing in place to ensure services to the bush. Once the money is spent—once it has been allocated—there will be no way to
ensure that future advances in technology and services get rolled out beyond the profitable areas around our cities, our suburbs and along the coastal fringe.

The privatisation of Telstra will future proof the bush all right—once our telecommunications are wholly in private hands, there is no way that the future will get to the bush, there is no way that future services and technologies will get to rural areas, there is no way of guaranteeing in the future that the telco will maintain current services in unprofitable areas. The bush will have been future proofed all right, but not in the way that the future will ever get there.

We have already heard that the government has failed to deliver on its promise to provide a family impact statement on the sale of Telstra. I am concerned that not enough information has been provided on the full cost of privatisation. There has been no scrutiny of the claims that the private sector can provide these services more efficiently and effectively, and there is plenty of evidence that private ownership is unlikely to deliver a range of services and services to a range of areas where it is not likely to be profitable. We not only wish to see a family impact statement; we want to see proper triple bottom line accounting done on this proposal.

What are the social implications and costs of privatisation? Where have these implications and costs been taken into account? We believe that these social costs are substantial. We believe that a privatised Telstra will have massive unwanted and unwelcome social impacts that have not been taken into account. We believe that the cost to the taxpayer of trying to make up for the consequences of the loss of services will be huge, particularly in the areas of health and security. This is why 20 OECD countries have elected to maintain a mix of public and private ownership as the best way of striking a balance in the effective and efficient provision of essential services.

Senator EGGLESTON (Western Australia) (6.13 pm)—Like Senator Siewert, I want to speak about telecommunications in regional areas. Perhaps the area where most public concern has been expressed about the sale of Telstra is services in regional Australia. Quite rightly, those living and running businesses in regional areas have sought assurances that the communications services available to them would not only be effective but, more importantly, technologically up to date following the sale of Telstra. While good communications are important at a personal level for those living in regional areas, these days telecommunications are an essential tool of business, and without access to good communications modern businesses cannot expect to be competitive in either the domestic or the international marketplace.

Regional Australia makes an enormous contribution to our national economy, be it the mining industry, which is often placed in remote locations, such as the Pilbara and Kimberley regions in Western Australia or in western Queensland or in the Northern Territory; the pastoral industry, which is in similar areas; wheat and sheep farming across the country; irrigation farming in Kununurra or Griffith in New South Wales; tourist enterprises, which are found all over this country in regional areas; or fishing and aquaculture in their various forms. These are just a few of what are often very large businesses found in regional Australia. Needless to say, all of these businesses in their various forms depend on access to modern communications. Today I want to talk about how the Howard government, since it came to office, has been dedicated to improving telecommunications services to regional Australia and how it is determined to maintain this commitment after the privatisation of Telstra.
Few sensible people would argue against the proposition that Telstra’s service levels have dramatically improved since the days when Telecom, as it was, was a monopoly company servicing Australia. Telecom would connect and fix phones in its own time. The Labor Party seemed to be happy for this to continue. It was only when the Howard government came to office that it introduced the universal service obligation and the customer service guarantee to ensure that all people, no matter how remote their location might be, had access to a standard telephone service and that telephones were connected and repaired within specific time frames. Where they are not, under the USO and the customer service guarantee, customers are entitled to compensation. Under Labor, by contrast, customers in remote areas without infrastructure often had to wait up to 27 months for a new connection. Under the Howard government that period has been reduced to just 20 working days under the customer service guarantee.

When the ALP was in office little attention was paid to the telecommunications needs of regional Australia. The Hawke and Keating governments’ record over their 13 years in office is one of indifference to and neglect of the needs of regional Australia. The Senate will be interested to know that under Labor less than $40 million was spent over four years on telecommunications in regional Australia. The Howard government’s record is in stark contrast to that of the previous government’s. The Howard government’s support for telecommunications in regional Australia now stands at more than $4 billion when the recent new announcements are taken into consideration. In recent times, more than $1 billion has been invested in telecommunications services in regional and rural Australia alone.

I want to turn to the government’s record of achievement and commitment to meeting the telecommunications needs of regional, rural and remote Australians. The Labor Party was content to preside over a cosy duopoly of Telstra and Optus. It was the Howard government that delivered full and open telecommunications competition in 1997. As a result, there are now more than 100 telecommunications companies in Australia, about 40 per cent of which offer services in rural areas. The sale of the remainder of Telstra should be viewed as the next logical step in improving the competitive environment.

A number of companies operate specifically in regional Australia and have been established to meet the needs of people in these areas. One innovative example is Southern Phone. This is a community based company owned by 44 local councils whose goal is to provide low-cost, long-distance, fixed-to-mobile and international calls to consumers in the south-east of New South Wales. The company was established with the aid of federal government funding via the Networking the Nation program. This company has the added advantage that profits are retained in local communities in the form of returns to shareholders and local councils.

It is competition that provides consumers with choice, drives innovation and enhancements in services and products, encourages advancements in telecommunications infrastructure, provides incentives for better local service levels and drives down call costs. Since 1997 consumers have experienced real price decreases of more than 20 per cent for telecommunications services as a result of competition introduced by the Howard government. An Allen Consulting Group report estimates that competition has increased the size of the economy by $12 billion, created approximately 54,000 new jobs in telecommunications and delivered benefits to small businesses of $1.8 billion.
The Howard government has an outstanding record of funding improvements in rural telecommunications by way of a range of targeted programs. The government has invested record funding into ensuring that services such as broadband technology and mobile phone coverage are upgraded and improved. The people of Australia should bear this in mind and understand that Labor has largely opposed these programs, including the social bonus package and the Networking the Nation program.

In June 2003 the government announced a $181 million response to the regional telecommunications inquiry, which builds on previous government initiatives such as: the $250 million Networking the Nation program announced in 1997; the $650 million social bonus package announced in 1999; and the $163 million response to the telecommunications service inquiry announced in 2000. The $250 million Networking the Nation program helped to breach the telecommunications gap between urban and rural Australia in terms of the range, availability and cost of telecommunications, including by extending mobile phone coverage. Since 1997 Networking the Nation has approved 762 regional telecommunications projects all over Australia. The additional social bonus package was funded by the sale of the second tranche of Telstra and included funding for the Building Additional Rural Networks, or BARN, initiative, funding to stimulate internet services in regional areas, funding for local governments to provide online access to information, as well as extra funding to extend mobile phone coverage.

Under the Howard government, mobile phone coverage has been extended to 98 per cent of the population as a result of the more than $140 million the federal government has provided for this purpose. For those Australians in very remote areas without access to terrestrial mobile phone coverage there are satellite handset subsidies available. This means that even if you are in the most remote areas of this country, for example, a mine halfway between Alice Springs and Halls Creek on the Tanami Track, you can connect to the world via a government subsidised satellite telephone. In Western Australia the Howard government provided funding of $7 million to improve CDMA mobile phone coverage in the south-west of Western Australia by way of the Wireless West project. This project was jointly funded by the federal government, the state government and Telstra, with each contributing $7 million. As part of the project, 45 new base stations have been installed throughout the south-west land division of WA, from north of Geraldton to east of Esperance, including highway coverage to Kalgoorlie.

In 1999 the government provided $150 million in funding to ensure that the 40,000 people living in the extended zone, essentially the most remote areas of Australia, for the first time received access to untimed local calls and have been given modern telecommunications services to take up a subsidised two-way, high-speed satellite internet service. In 2001 the government responded to the telecommunications service inquiry with a $163 million package of measures which included extending mobile phone coverage to 131 towns with populations over 500 and to 55 towns with populations of less than 500, supporting additional mobile phone coverage of 62 sites on regional highways, providing a national communications fund for high-speed telecommunications networks to support the delivery of health and education services in regional Australia, and to improve payphone access for remote Indigenous communities.

In 2003 the government responded to the telecommunications services inquiry with a $181 million package of measures which included implementation of the $108 million.
Higher Bandwidth Incentive Scheme, or Hi-BIS, which provide subsidies to internet service providers to connect to fast, reliable and affordable broadband services homes, small businesses and not-for-profit organisations in regional areas. More than 500 regional communities have been connected to terrestrial broadband internet services as a result of the HiBIS program. The response program also accelerated the roll-out of broadband for health and education services, such as the video link services which Telstra Country Wide have established in rural WA, providing a video link service from the Perth teaching hospitals to some 56 country hospitals.

The future of regional telecommunications is a matter, as I have said, which has concerned many people in regional Australia. In the government’s programs there are a range of future proofing measures that the government has announced to comply with the recommendations of the regional telecommunications inquiry. The government has recently imposed a licence condition on Telstra to ensure that it retains a local presence in regional, rural and remote Australia and a local presence plan is currently being developed. The government will also establish a Regional Telecommunications Independent Review Committee, or RTIRC, to conduct regular reviews into the adequacy of telecommunications in regional, rural and remote areas. This will be accompanied by a $2 billion Communications Fund which will be tied to the regular reviews. Revenue generated from the fund will be used to fund the government’s response to the recommendations of the RTIRC. This will guarantee that there is a perpetual source of revenue available to ensure continued improvement in regional telecommunications.

Recently, in addition to the $2 billion Communications Fund, the government has announced the $1.1 billion Connect Australia initiative, which includes: $878 million for Broadband Connect to provide all Australians with affordable broadband services; $113 million for clever networks to roll out innovative broadband networks for new applications to improve delivery of health, education and other essential services; and $90 million for Backing Indigenous Ability to deliver a comprehensive package addressing phones, internet and videoconferencing needs in remote Indigenous communities and to improve Indigenous radio and television.

In conclusion, despite the ALP’s scare campaign, Australians living in regional, rural and remote areas have nothing to fear, in my opinion, from the full privatisation of Telstra. All of the existing consumer and regulatory safeguards will remain in place and the government will retain the ability to continue to regulate Telstra in the national interest after privatisation.

**Sitting suspended from 6.30 pm to 7.30 pm**

Senator EGGLESTON—As I said earlier, without doubt the area where there is the most public concern about the sale of Telstra is rural Australia. Those living and running businesses in remote, rural and regional Australia have every right to seek assurances that their telecommunications services will be maintained and kept up to date in a technological sense.

In conclusion, as someone who has very strong links to regional Australia, having grown up in Busselton in the south-west of WA and having lived for 22 years in Port Hedland in the Pilbara, I want to put on record my view that the people of regional Australia have nothing to fear from the full privatisation of Telstra. I am confident that with the measures the government has put in place and with the growing impact of competition from companies like Optus in regional Australia, telecommunications in rural, regional and remote parts of Australia will be
kept up to date, and the people in those areas will be guaranteed good telecommunications services after the sale of Telstra.

Senator McLUCAS (Queensland) (7.31 pm)—Before I go to the substance of this debate on the Telstra (Transition to Full Private Ownership) Bill 2005, the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005, the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 and the Appropriation (Regional Telecommunications Services) Bill 2005-2006, I need to record a strong protest on behalf of my constituents and particularly those in my home region of North Queensland. For us to be engaging in such a critical debate in these circumstances, in irresponsible haste and without regard to the norms of Senate behaviour, is a disgrace. The behaviour of the Liberal Party and their National Party cohorts is a low point in terms of participatory democracy. It is the behaviour of a government that is drunk on power, determined at any cost to have its way against the wishes of the Australian people.

Last Tuesday, the Labor Party moved to refer the Telstra sale bills to a legislation committee, in accordance with normal Senate practice, and that that committee would inquire and report by 10 October. That would have allowed for a one-month inquiry and proper debate on the legislation. Instead, the government insisted on a one-day inquiry—a one-day wonder—into one of the most important pieces of legislation this country has ever seen. Their inquiry was a fraud and a sham. Proper Senate inquiries allow full scrutiny of government bills, and in the past they have identified serious deficiencies in legislation. By curtailing the amount of time in which the Senate and the community can examine the Telstra legislation, the National and Liberal parties have exposed Australians to the very real risk of bad laws covering a sector in which we cannot afford to make a mistake.

We have before us today bills that strike at the heart of the national interest and especially the interests of rural and regional Australians. Telstra is not simply a telecommunications company; it is a crucial part of our economic and social infrastructure. The services it provides to non-metropolitan Australians, in particular, in the absence of any substantial or broad-based competition, are irreplaceable now and will be for the foreseeable future. The Liberal-National proposition that global market forces will serve rural and regional Australians is ludicrous. Their proposition that Senator Joyce’s 30 pieces of silver will ‘future proof’ the bush is even more fanciful. It is also deceitful in the extreme.

My constituents know that they have been duded by an arrogant, uncaring government that has no concept of rural and regional realities now and particularly in the future. North Queenslanders know that a privatised Telstra will jack up prices and axe services. We know that a privatised Telstra will back down on its duty to rural and regional communities faster than Senator Joyce did. North Queenslanders have been treated with contempt by the Liberal Party and its lackeys, and they will not forget that. Every day we will be reminded of this shameful sell-out when our phones fail; when we cannot access the internet; when storms cause satellite communications to drop out; when emergency services cannot be contacted and a life is lost; when health and education services are not delivered to remote communities, as they are to the cities and suburbs; and when farmers cannot access vital market information or cannot buy and sell their produce.

The Liberal-National government has done its calculations, and it has decided that
this is the price that we in the bush have to pay. North Queenslanders already have a second-rate telecommunications system, courtesy of a government that is focused—totally unsuccessfully, as we now know—on propping up Telstra’s share price. That truth is plain for all of us to see, thanks to the Labor Party’s uncovering of the secret Telstra report to the Prime Minister on 11 August. That report shows that 14 per cent of our telephones are faulty, essential equipment is obsolete, some systems cannot handle new technology or future volumes and that Telstra staff are not being trained properly.

These facts are what the government is desperately trying to hide from North Queenslanders. They are why the Prime Minister tried to keep the secret report secret. They are why the National Party, on the orders of the Prime Minister, voted to curtail the Telstra debate in this chamber. By doing so, the National Party has stabbed North Queenslanders in the back. By curtailing debate, the Howard government has defrauded rural and regional Australia. By opposing the Labor Party motion calling for a full debate and a full inquiry into the legislation, the Liberal Party and the National Party have silenced the voice of North Queenslanders. They have prevented us from having our say, from putting forward our legitimate questions, and from expressing our doubts and fears. But their grand deception has been found out, and there are more unpalatable truths out there that Telstra and the government do not want us to know.

Let us take, for example, Telstra’s CNI database of faults, formerly known as E17. I have been informed that at present there are almost 2½ million faults current on this database. They range from minor faults to very serious network-wide problems. Telstra and the Prime Minister must immediately make this database public, and I suggest that Senator Joyce should ask to see it as well so that at least he will know the true level of faults.

Despite all the posturing by the Prime Minister and the National Party cohorts, the government and Telstra have allowed network problems to fester. It is a dog’s breakfast and Telstra itself admits as much. These problems include the gel joints in the copper cable network. This failure is particularly serious in tropical North Queensland. Because of the Liberal-National government’s ideological obsession with a sale at almost any price, Telstra has not even attempted to fix the gel joints in a coherent way. It simply lets them fail and deals with them only when a fault is reported by a customer. In North Queensland centres such as my hometown of Cairns, Telstra’s ad hoc remedy means that, rather than just replacing a joint, whole sections of cable must be replaced. That is because the longer the gel joints remain in place the more water gets in and the more the cables themselves fail. The scale of the government’s dereliction of duty can be gauged by the fact that in Cairns alone there are probably 2,000 gel joints to be repaired and entire lengths of cable to be replaced. Cairns recently suffered a very extensive telecommunications failure that drew complaints even from the business community. Last weekend Townsville suffered two major breakdowns, one of which, Telstra warned, would have left a large number of residents without landline telephone services for two days.

The government’s failure is not confined to the copper network. Senators will be astonished to learn that high-speed broadband is not available to many residents and businesses in and around Cairns. Recently Telstra has not even been able to supply sufficient ports in the Cairns central business district itself or in parts of suburbs such as Clifton Beach, Edmonton, Freshwater and Park Ridge. In the past fortnight I have had com-
plaints from an internet cafe that cannot get internet access and is losing money hand over fist. I have had a complaint from an inner suburban school in Cairns that has been trying to get high-speed broadband for over 12 months. High-speed broadband is unavailable in parts of the suburbs of Westcourt, Manunda, Lake Placid, Centenary Heights, Forest Garden, Bentley Park and Palm Cove. There are high-speed internet black holes throughout North Queensland but Telstra will not provide me with a map of where these black holes are.

In Innisfail, for example, availability declines dramatically once you move outside the centre of town. Parts of Belvedere, Flying Fish Point and Mourilyan do not have access. The copper network on the tablelands is in an appalling condition. My constituents lucky enough to have access to the internet report so much noise on their lines that constant drop-outs occur or impossibly slow service results. In Townsville high-speed internet is by no means universal—parts of the inner areas of Townsville, including Pimlico, Annandale and Mundingburra, do not have access. More remote areas must rely on satellite services. Satellite broadband is expensive, slow and unreliable in bad weather or during periods of high sunspot activity. This is a big drawback for residents and businesses in areas such as the Gulf or Channel Country in Queensland.

There are also inherent problems in communicating via satellite. Most obvious is the time delay. The technology is not an acceptable alternative for schoolchildren on stations or for remote Indigenous communities. I am informed that the coming technology of voice over internet is basically unusable on satellite broadband. Rural and regional communities suffer similar low levels of mobile phone service. There are black holes along all our major highways—Cairns to Townsville, Townsville to Mt Isa, Rockhampton to Barcaldine and Longreach, Cairns to the cape, and so on. Black holes remain in and around all regional centres.

These facts show a telecommunications network falling apart at the seams. They send two clear messages to the government: fix Telstra; don’t sell it, and stop the deception and dishonesty and start doing your duty to rural and regional Australia. These facts are widely known and recognised in the bush. That is why 70 per cent of all Australians and 80 per cent of Queenslanders oppose this sale. I wonder when the message is going to sink into the Prime Minister and the National Party.

Maintenance and repair are very important issues for North Queensland. For example, in some remote areas Telstra’s own community service obligations require a fault to be fixed within five working days. The company is willing to spend $5,000 on a chopper to fly a technician in to repair a phone service on a remote station so that a cattle muster can proceed. Torres Strait home phone faults have a three-day repair deadline, likewise requiring the expenditure of large amounts of money for air travel.

We all know the long-term future of these obligations once Telstra is privatised. We all know that the writing is on the wall for the technicians presently based in rural centres such as Normanton, Weipa, Thursday Island, Cooktown, Mount Isa, Mareeba, Atherton, Mossman, Innisfail and Tully, and we have heard today that positions right across rural Australia will be jeopardised as a result of Telstra’s plan for its work force. Telstra has already expressed an interest in more fly-in, fly-out operations so we can expect a further deterioration in service under a privatised Telstra. North Queensland can also expect substantial job losses in Telstra and its contractors, and we all know what that means for them and their families and for struggling
rural and remote communities in terms of the economic and social impact.

Non-metropolitan Australia faces a very uncertain future in telecommunications. The pace of technological change is astounding and our fear of being left behind is entirely justifiable. The general technology cycle is now about seven years for telecommunications. Some say that it is much less—even three years—for specific technology such as data transfer. There has been a huge reduction in the cycle, and the rate of reduction is increasing.

The next international cycle is 4G mobile voice and data telecommunications—fully integrated, very fast and very powerful. In Australia, 3G mobile telecommunications is only now going to the capital cities. And guess what—2G telecommunications is still being rolled out in the bush. In parts of Europe and Asia, 20 megabyte per second broadband is available. When is that coming to North Queensland? What will the price be? Will that be made available through the slush fund that we have heard of? If so, where? Will it be in National Party electorates perhaps?

Rural and regional Australians will be outraged to learn about another revelation from the report to the government which the Prime Minister has desperately tried to hide from the public. While the Howard government forces North Queenslanders to accept a second-rate telecommunications service, Labor has discovered that Telstra investors, including the government, are reaping the benefits of our sacrifice. To pay for its dividends, a key element of the Prime Minister’s disastrous attempts to sustain Telstra’s share price, the company is siphoning money out of its reserves: $1.9 billion in the last two years and up to $4 billion in the near future. In all, including $1.75 billion in recent share buybacks, the Prime Minister will have sent $7.65 billion down the gurgler trying to tart up the sale prospects of Telstra. This is money that could have been well spent on improving services in North Queensland.

The Australian Labor Party will not back away from the fight to save Telstra. We will not resile from exposing the government’s arrogance and stupidity and its deceptions and dishonesty. We will stand up for the rights of North Queenslanders, who have been betrayed by the Liberal and National parties. On behalf of the Labor Party I foreshadow that we will move a further second reading amendment. It says:

At the end of the motion add:

“but the Senate:

(1) condemns the Government for failing to honour the Prime Minister’s Telstra election promise that “we won’t sell another share until we’re satisfied, completely satisfied that things in the bush are up to scratch,” and

(2) notes that:

(a) Telstra’s secret briefing to the government on 11 August 2005 confirms that one in seven lines are faulty;

(b) the Australian Communications and Media Authority has found that the worst performing exchanges in the country service rural, regional and remote communities;

(c) the Minister for Communications has admitted that rural, regional and remote telephone services are less reliable than metropolitan services;

(d) the government has overseen under-investment of $2-3 billion in the Telstra network over the past 3-5 years;

(e) the proposed Connect Australia program will not adequately address the existing service deficiencies in regional, rural and remote Australia;
(f) returns from the proposed Communications Fund will provide only a fraction of the existing ongoing Telstra dividend stream to government;

(g) necessary telecommunications infrastructure investment can be made from Telstra’s existing dividend stream to government; and

(h) the sale of Telstra will consign regional, rural and remote Australians to second rate telecommunications services in the future”.

Senator NASH (New South Wales) (7.48 pm)—I rise tonight to speak to the Telstra (Transition to Full Private Ownership) Bill 2005 and the four associated bills, the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005, the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 and the Appropriation (Regional Telecommunications Services) Bill 2005-2006, before this place regarding the further sale of Telstra. The Howard-Vaile government has put forward a $3.1 billion regional telecommunications package that I believe addresses the key issues of competition, service delivery and infrastructure funding for telecommunications in the bush. That is $3.1 billion on the table that was not there several weeks ago and would not have been there without The Nationals. I would also like to comment straight away on the National Farmers Federation coming out today overwhelmingly in support of this package, saying that it certainly meets all of the criteria they put forward to deliver telecommunications services in the bush.

Connect Australia, the $1.1 billion package to upgrade mobile and broadband internet services in regional Australia over the next four years, is the biggest regional telecommunications assistance program in Australia’s history. There is $878 million for Broadband Connect, which will assist residential customers, small businesses and not-for-profit organisations to access broadband at affordable prices. There is $113 million for Clever Networks, supplemented by funding from state and territory governments and private investment, to provide for strategic investments in new broadband infrastructure and to enhance delivery of government services. There is $30 million for Mobile Connect to expand the satellite phone handset subsidies scheme and for terrestrial mobile coverage where operating costs can be recovered and investment is commercially viable. There is $90 million for Backing Indigenous Ability to deliver community phones, internet and video conferencing in remote Indigenous communities and improve Indigenous radio and television services. Can I just point out before I move on that they are plans for the future. Nothing we have seen from the Labor Party gives any indication that they have a plan for the future.

We expect to see a great deal of private sector investment if past experience is anything to go by. An example is the Yorke Peninsula CCIF project in South Australia. Agile Communications installed infrastructure worth about $1.5 million for $630,000 of Australian government funding. It is very important that we talk about this because we are not only talking about the $3.1 billion that the government has put forward; we are talking about the funding that is going to be leveraged out of the private sector to deliver those services out into the regions that we need to see. The Yorke Peninsula project included a new microwave backbone network and a range of other things that are delivering services out into the regions. The CCIF also provided $2 million for a $10 million extension of Telstra’s 3G EVDO network in Victoria to allow for mobile breast
screens to be analysed immediately in 15 regional towns.

The Australian government funding of $8 million for the NCF project Network WA attracted $54.4 million in additional state government funding and a contribution of $12.3 million from Telstra, for a total infrastructure investment of $74.7 million. Last Friday, the Senate committee on the Telstra sale heard from Peter Stiffe of Vodafone, who said that his company had spent something like five times the amount of government subsidy it had received.

*Senator Conroy interjecting*—

*Senator NASH*—They are just some examples of how the leveraging will work to get funding out of the private sector. I am sure if Senator Conroy listens he may come up with some ideas one day. We have seen, in this package, $2 billion for a Communications Fund to future proof regional telecommunications in the long term, to help fund the roll-out of new technologies and to address areas of market failure. On this, I welcome the Treasurer’s announcement earlier today that that $2 billion will be credited to the regional telecommunications fund as soon as these bills are passed by the parliament.

The revenue generated from the fund will be spent on implementing the government’s response to future recommendations arising from the Regional Telecommunications Independent Review Committee. The Regional Telecommunications Independent Review Committee, as most of you would know, will review the adequacy of telecommunications services in regional, rural and remote parts of Australia on a regular basis. Again, future proofing; again, checks and balances to make sure that services and infrastructure are provided into the future.

The Howard-Vaile government, under this package, also plans to boost competition by ensuring operational separation of Telstra. This is a very important point and something we need to focus on as a key element of this package, because it is going to enable greater transparency through the separation of the wholesale and retail arms of Telstra. That is certainly a key issue for carriers right across the board in terms of transparency of Telstra as the major carrier at the moment. It will ensure a fair and level playing field for new players entering the regional telecommunications marketplace. Other telecommunications companies will be able to access the Telstra network under the same conditions as Telstra’s own retail arm.

Having said that, I certainly recognise that Telstra will undergo a huge cultural shift and structural changes with the implementation of the operational separation plan. I expect that Telstra will rise to the challenge and meet its obligations. I am confident that Telstra will not attempt to circumvent the laws and regulations this government puts in place, but I put Telstra on notice: any attempt to engage in anti-competitive practices or to undermine the integrity of the government’s legislation will result in swift regulatory action or change to strengthen the regulatory regime if necessary. We are serious about getting this right. We should not under any circumstances allow a monopoly telecommunications carrier to operate in rural and regional Australia. A monopoly carrier will not provide the level of telecommunications services and infrastructure necessary to grow our regions into the future.

As I have said before, and will continue to say, competition is the best mechanism to deliver services and infrastructure to our rural and regional communities. Under the current legislative framework, there is effectively little opportunity for competition to deliver anything other than basic telecommunications services into our regions. There is little incentive for Telstra as the existing
major provider to deliver services capable of carrying our regions into the future. The plan we are putting in place with the telecommunications package will take that into the future. Our rural and regional communities must be able to play on the same field as their city cousins and their cousins right across the world. Not only is it about getting this right for rural and regional Australia but it is also about getting it right in the national interest.

People in the cities take reliable mobile phone services and high internet download speeds for granted, and we need to ensure that people in our rural and regional towns have these services and infrastructure delivered. They deserve to have them delivered. I believe that the government’s $3.1 billion telecommunications package—can I just point out that that is $3.1 billion more than the Labor Party have on the table—will create a strong telecommunications platform that will encourage growth and deliver the services and infrastructure we need in our regions. While I am always far more content to talk about the positives in any debate, I think it is very important that we point out the difference between what we see the Labor Party putting forward in terms of a solution, which is nothing, and what the government is putting forward. Labor continually bleat on with ‘Don’t sell Telstra.’ I have said that previously in this place, and I will say it again. They do not care about the bush.

Senator Conroy—The gloves are off. And we thought you were nice!

Senator NASH—Senator Conroy will continue to try to make noise from the other side of the chamber, but he does not care about the regions. He is city based; he does not get out of the city and he does not know what is going on out there. The hypocrisy of Labor on this is breathtaking. Who sold Qantas? Labor. Who sold the Commonwealth Bank? Labor. Make no mistake: they would sell Telstra too without doing anything to make sure there is a way forward. They switched off the analog network and they left a huge mess in rural and regional Australia. As a person from the bush, I remember that only too well—and here they are, trying to tell us how to put a decent plan in place when they have nothing. They have no plan for improving service and infrastructure in the regions. They have nothing: niente. Not a thing. And they bleat on and they have no constructive ideas.

Who would be in charge if Labor were given half a chance to sell Telstra? Kim Beazley. The same Kim Beazley who has admitted that as finance minister he attended a meeting with BHP to discuss the sale of Telstra, and that his department consulted with investment banks and prepared a strategy paper for a five-stage sale of Telstra. But it gets better. Senator Conroy was very quick to rise to the defence of Mr Beazley on Channel 10’s Meet the Press last Sunday in response to a question from press gallery journalist Kerry-Anne Walsh. He said:

That is a furphy that the Government and then opposition ran around on. Let’s be clear—we have opposed the sale of Telstra, we have never put it up, it has never been Labor Party policy. Kim Beazley never advocated it, and we will be voting against the sale for the fifth time in 9.5 years. And if it is still in 51% public ownership—in other words the Government haven’t been able to flog it off—we will repeal this bill and make sure it stays majority public owned.

They are going to repeal this bill, but they still do not have a plan. But what about the West Australian article of Monday, 29 October 2001? It mentioned department of finance documents obtained under freedom of information that showed Kim Beazley considered a five-stage Telstra sell-off. He considered that as part of Labor’s 1995-96 budget deliberations and estimated the sale...
of Telstra could raise up to $20 billion for the Labor government. So I ask Senator Conroy: are documents obtained under FOI a furphy too?

Labor cannot seriously expect the Australian public to believe they would not sell Telstra. If their form is anything to go by Labor would be odds-on favourites with the bookies to sell Telstra within minutes, and they do not have a plan. Just saying, ‘Don’t sell Telstra,’ will not fix telecommunications services in the bush. It will not. What will fix services is the implementation of the government’s $3.1 billion telecommunications package. As I said, this package will address the three key areas that we need to see: competition, service delivery and an infrastructure platform for the future. This government is committed to delivering, and it will deliver, a telecommunications environment to take rural and regional Australia—indeed, all of Australia—into the future.

Senator NETTLE (New South Wales) (8.01 pm)—The Telstra (Transition to Full Private Ownership) Bill 2005, the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005, the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 and the Appropriation (Regional Telecommunications Services) Bill 2005-2006 are not aimed at delivering the best telecommunications services for all Australians. They are not about fairness, responsibility or progress. It is a move that is being driven by the simplistic dogma of economic rationalism, a desire for small government and the abolition of government debt. As I have said:

It is based on a fundamentalist faith in the capacity of the private motive to deliver an appropriate distribution of essential services. This is a dogma that has led to some of the most tragic wastes of public money and thefts of community assets seen anywhere in the OECD. I am talking about the sale of CSL Ltd, the loss of the Commonwealth Bank and the sale of GIO as just some of the most stupid privatisations undertaken in Australia—of course, not forgetting the forerunners to this bill, T1 and T2.

That is what I told the Senate two years ago, and it is just as true today. Indeed, it is arguably truer, given the state of service levels, as revealed in the past few days, making Telstra unsuitable for sale even from the point of view of the government economic fundamentalists. There have been acres of newsprint devoted to the proposed sale and there have been hours of news coverage about the squabbling over regulation, the share price, infrastructure investment and service levels, and still the public—who are, by the way, the owners of Telstra—are largely unaware of the rationale behind the sale.

Why sell Telstra? Why sell and risk a private company, which operates an effective monopoly in many parts of Australia, cutting services levels? It is all very well for city customers to switch to other carriers, but that simply is not an option for a massive proportion of rural and regional Australia. Why sell when service levels are already clearly not good enough? Mr Trujillo revealed to Prime Minister Howard what many customers already know—service levels are not up to scratch. Telstra has received over 14 million calls about faults. One in seven phone lines have faults—that is nearly 1.5 million phone lines. Why sell and lose the power as majority shareholder to get service levels improved when economic development in regional Australia is hamstrung by poor telecommunications services?

In Orange, a regional centre in New South Wales, which is hardly Woop Woop, there is a new 5,000-home subdivision which has no access to broadband. Just outside Orange there is a horse stud business which has had
a fault on its line for three months, and the owner has to drive for 40 minutes before she can pick up mobile coverage. If the government were really committed to boosting prosperity and building communities in regional Australia, surely they would not be leaving the telecommunication needs of important regional centres like Orange to the vagaries of the market. I ask again: why sell? This is what John Howard says:

... the main reason we want to sell Telstra is you cannot indefinitely have the largest company in Australia half-owned by the Government and crippled in a way that a company of that size if it were ordinarily owned would not be crippled.

There is not much more to it than that. The government are going to sell off Telstra because they do not believe that they should be in the telecommunications business. Let us put that into context. Telstra will bring around $2.5 billion in revenue for the government in this year. It has brought over $8 billion since the last sale. Telstra serves nearly 10 million customers, servicing nearly 100 per cent of regional and remote services, and Telstra employs 40,000 Australians. But this government will sell it off because they have an ideological opposition to being in the telecommunications business.

Being majority shareholders in Telstra costs us, the public, nothing. In fact, it makes the government a lot of money. What is more, majority ownership ensures that, should the government—or perhaps, more accurately, a future government—need to intervene in the direction of Telstra in the interests of the Australian public, they are able to do that. But still the government assure us that Telstra needs to be sold.

I am not alone in failing to see the public benefit in this decision, because there is no public benefit in this decision. The sale will result in the loss of unprofitable services to many Australians and will likely cost the jobs of thousands of Australians, as we hear today, as unprofitable services are cut. The sale will also result in a net loss of public revenue through lost dividends. In exchange, the government seeks to offer the community the hope that a fully privatised Telstra will become more profitable. Putting aside the fact that Telstra is already one of the most profitable corporations in the country, why should we care that Telstra could become even more profitable if it were sold? Those profits would not be shared for the benefit of the majority of Australians. It should be obvious that the net effect of the sale of Telstra will be a loss of benefits to the Australian people.

That was what we experienced in the first sale of Telstra shares. The loss of value to the public sector was massive. The Senate may remember that the shares of the first sale were put on the market at $3.40 per instalment receipt on 17 November 1997. By October 1998 the price had reached $5.87 and by June 1999 it had reached $8.66, thereby placing the value of the third of Telstra that had been sold at around $37 billion—that is, $23 billion more than the government had flogged it off for two years earlier. That represents one of the greatest transfers of public wealth into private hands in Australia’s history. But the government still thinks that we should sell more of Telstra.

In March this year, the Minister for Finance and Administration, Senator Minchin, told us that the sale is also about retiring government debt. He said:

... our policy is to continue to retire debt. We still have some debt and otherwise to look at acquiring other income producing assets ...

Indeed, if this sale does go through, the $30-plus billion in receipts could retire about half the government’s gross debt. But we must not be misled into believing that this is something to celebrate. Anyone with even a cursory understanding of economics would
know that government borrowing is far from the sin that Senator Minchin would have us believe it is. The bond market that government borrowing creates plays a vital role in the securities market, and the impact of withdrawing government bonds is not a universally popular move with investors and portfolio managers. An article in the Australian Financial Review prior to the last attempt to sell off Telstra and retire debt stated: ... most financial market participants support the maintenance of the government bond market.

The government, of course, know this. The reality is that there would not be a massive retirement of debt. In fact, a look at the Commonwealth government’s budget papers suggests that the government’s debt portfolio looks set to increase in coming years to over $60 billion. It is more likely that some of the proceeds will be used to buy assets to offset government debt. This means that the government will get out of the telecommunications business and expand their financial portfolio, keeping a large government debt portfolio and an expanded asset portfolio. That begs the question: why should we think that it is not the business of the government to own an essential service like Telstra but that it is their job to act like a major financial institution playing the stock market? This is especially confusing when we examine the budget further and discover how badly the Commonwealth is at investing, earning next to no income from over $50 billion in investments and loans. The simplistic rhetoric of debt reduction has been little more than a sales pitch to the Australian public, and to gullible media who are prepared to accept that debt must be bad, so debt reduction must be good.

But this story is unravelling. The Prime Minister told reporters last month that he would not commit himself concerning what to do with the proceeds of the sale; the Treasurer said that it will be invested in the Future Fund. This confusion reveals that the government do not know what the sale is about. They have no clear idea about what they will do with the proceeds, yet they are asking us to vote for the sale of one of the most profitable and essential utilities in the country. But at what cost? I have had two meetings recently with a number of representatives from the rural health and allied health professions in which they raised the issue of Telstra—and they raised it as a health issue. One woman, who had worked in Aboriginal communities around Katherine, spoke about the need for people in rural communities to have access to a telephone so that if they are sick they can tell someone or call for help. She described this as an issue of basic health care: to be able to have access to a reliable, working telephone to tell someone that you are sick and to seek help. The allied health professionals that I spoke with talked about the need for allied health professionals working in remote, rural and regional areas of Australia to have access to broadband so that they have access to professional development. Clearly, health and allied health professionals are going to be able to deliver much better health services if they have access to regular professional development.

The allied health professionals that I spoke to talked about the need for ongoing funding to support the roll-out of new technologies into rural areas, not simply a one-off payment at the time of the sale of Telstra. One allied health professional that I spoke with described access to email as an essential requirement when operating in a modern society. The National Rural Health Alliance, which I met with in December last year, also raised the issue of the privatisation of Telstra. They wrote to me after the meeting saying: The Alliance believes that good communications is one of the cornerstones of health care. They wrote about the need to guarantee access to broadband and for continual invest-
ment in infrastructure in accord with improved technologies. They also wrote about the need for broadband services in communities with a physical health facility in order to enable telehealth. The National Rural Health Alliance, in their position paper about telecommunications in rural and remote Australia, state:

Adequate telecommunications are becoming particularly crucial for health services and health workers in rural and remote areas; national and state government health initiatives increasingly assume sound telecommunications for delivery.

Equity in the delivery of rural health services relies on the provision of quality, reliable and modern telecommunications services. The sale of Telstra and a reduction in telecommunications services in regional areas of this country will lead to poor health outcomes for regional Australians. People living in regional Australia already have poorer health outcomes than those who live in the cities. The National Rural Health Alliance has said, and the Greens agree, that it is unacceptable that poorer people and those with less access to services are five times more likely to die of a preventable disease than wealthier Australians.

According to research published earlier this year in the *International Electronic Journal of Rural and Remote Health Research, Education, Practice and Policy*, Australians who live outside big cities have a shorter life expectancy and higher death rates and are more likely to have a disability than city people. The government should be taking steps to address this inequality in the delivery of health services and subsequent health outcomes rather than taking steps such as the privatisation of Telstra, which will lead to less telecommunications services and less access to essential health care services that rely on quality telecommunications in regional areas of this country.

The government reject these criticisms and assure us that the regulatory measures that they are bringing in will protect the interests of those with the most to lose from the sale. I for one doubt that. These doubts are based on the experience of previous privatisations. Despite government assurances to the contrary, service levels plummeted. I also note that the CEO of Telstra, Mr Trujillo, has been a strident critic of government regulation and will hardly be a willing participant in making sure that the government’s vision for the regulation of Telstra works.

The Greens reject this foolish privatisation, and we do so with the backing of the vast majority of the Australian public. A *Canberra Times* poll found that over 70 per cent of Australians oppose the full sale of Telstra. The Farmers Association in my home state of New South Wales polled their members and found that over 80 per cent of them opposed the sale. I remind the Senate that public ownership of national telecommunications carriers is not unusual. Germany, Japan, France, Austria, Belgium, Finland, Norway, Holland and Korea, to name a few, all have significant shares in their national telecommunications carriers. To argue that the sale of Telstra is somehow inevitable progress is absurd. To argue that the government has no business controlling an essential service is absurd. And to argue that Australians will be better off after this sale is perhaps the most implausible aspect of the government’s position.

The Greens oppose the full privatisation of Telstra and will vote accordingly. I want to foreshadow an Australian Greens amendment in the name of Senator Milne, which has been circulated in the chamber. I will read it out:

Omit all words after “That”, substitute “further consideration of the bills be postponed and made an order of the day for the next day of sitting after
the Minister for Communications, Information Technology and the Arts tables in the Senate the family impact statement on the sale of Telstra, specifying the likely impact on Australian families including costs and service availability resulting from the sale of Telstra”.

Senator Milne has spoken already about this issue in the chamber during the debate. As we know, much was made at the time of the election of the deal that Family First and the government struck in relation to family impact statements. But so far we have seen no family impact statements. I suggest to Senator Fielding that he does not try to enter into any more deals with this government following the so far resounding failure of his family impact statement deal.

Senator LUNDY (Australian Capital Territory) (8.17 pm)—Yesterday, Senator Joyce from the National Party had the opportunity to extend the time available to the Senate for the scrutiny and investigation of the five bills that are now before us in this debate regarding the full privatisation of Telstra and the competition, regulatory and slush fund environment it will operate in if fully privatised. However, Senator Joyce and his colleagues in the National Party did not do the one thing that every witness that managed to get before the Senate hearing last Friday asked them to, which was to allow more time to understand the detail and ramifications of these bills.

It was amazing, really, given that Senator Joyce’s first lesson in Senate inquiries was that they actually do throw up some useful information. In last Friday’s case, part of that information included the fact that the Howard government had tried to dupe him over the nature of the $2 billion Communications Fund. Senator Joyce had a legitimate and justifiable claim at that time that the Howard government had lied to him and deliberately treated him like an idiot by saying they were committed to a bargain—a deal that suddenly looked very different in black and white in the spotlight of an all too brief Senate committee. Senator Joyce would have been well advised to walk away from the deal for good at that point. I cannot go past the galling naivety of Senator Nash, who said in this debate, in her sternest voice, that Telstra ought to look out if they ever behave in an anti-competitive manner. Tsk, tsk! That is the National Party for you: a stern word from the chamber. What a joke. What a sell-out.

It has not been by accident that the Senate, after nine long years, has conducted four inquiries into the sale of various tranches of Telstra. I have participated in most of the 15 specific telecommunications bills inquiries. There have been seven reference committee inquiries. These inquiries have been fascinating, well attended and have attracted a great deal of interest from the public and the media—but no more. With control of the Senate, the coalition government will stifle any hope we have for this kind of political scrutiny flushing out the weaknesses in proposed laws.

How humiliating this situation is for the National Party. The Liberal Party strike blow after blow on the National Party credibility on Telstra, and Senator Joyce refuses to arc up and fight for his stated position. By voting to unreasonably truncate the debate, in light of having already seen what a little bit of Senate investigation can do, it is like having Senator Joyce say: ‘Uh-oh! If we have any more scrutiny like this it will be harder for me to defend my pathetic deal that I have talked up and strapped my political credibility to.’ That is the situation he finds himself in. It is quite disgraceful. It is now clear that the deal between the Queensland National Party and the Liberal Party serves only the purpose of creating the perception that a deal has been struck and concessions gained by the National Party.
What happened on Friday at the Senate hearing, and the National Party's conduct since, will ensure that, whatever the intent of that deal, Senator Joyce is unwilling to fight with any energy or credibility. What the smidgeon of time at last Friday's Senate hearing did allow was just a peek at the magnitude of the flaws in this legislation. If the bills are ineffectual in their stated aims, and I believe that they are, this means that the regulatory protections that the government says will be there to accompany Telstra into a fully privatised environment will not be there. They will not be there to ensure Telstra does not exploit its dominance in the market and their residual monopolies in a raft of telecommunications markets at the expense of service quality, affordability and choice for consumers. In turn, the result of these bills being supported by a majority in this place will mean that everyone's worst fears about a rampant, anticompetitive, exploitative, fully privatised Telstra will be unleashed in Australia.

I expect the National Party to toe the line, so I am going to focus my contribution to this debate on the proposal for operational separation and the associated impact on sections XIB and XIC of the Trade Practices Act, because this will be the reality when Telstra is sold. In doing so, I believe I will also establish a case for these bills to be rejected once and for all. First, allow me to congratulate the chairman of the ACCC on a carefully constructed opening statement in their evidence at the committee hearing last Friday. It is a lesson in how to lay criticism at the feet of the government without sounding like you are. Reread their evidence with the benefit of having heard other concerns and complaints about the impact of the existing anticompetitive and access regimes, and what they were really saying becomes clear. I have to say that it is lucky the opposition is on the ball, as the evidence could have easily slid through as some kind of endorsement of the bills, as Senator Brandis made a fool of himself in trying to establish later in the hearing.

The ACCC opened their presentation with a considered statement that outlined how it was impossible for them to express a view on whether or not the bills would achieve the government's stated aims. No less than two monumental 'ifs' were used by the ACCC to qualify their opening remarks. The first monumental 'if' was that the context of the bills does not actually outline the nature of the operational separation. The first big 'if' was to do with whether the operational separation plan would actually achieve the government's stated policy aims of transparency and pricing equivalence. We still do not know that. This is critical, and it is a very big 'if'. The bills do not say how operational separation will be achieved, only that it is to be agreed upon by the minister and Telstra. The ACCC are not able to be involved. This is truly bizarre and constitutes a limiting of ACCC involvement in the transparency and pricing equivalence that arguably underlines the stated aims of the legislation in the first place.

Arising from this are the strong points made by the ACCC on what would need to be addressed in the development of the Telstra drafted and ministerially approved operational separation plan. This is the second big 'if': only if five issues are addressed will it be possible for the ACCC to have any confidence at all that the stated aims of the bills are able to be met. The five issues include: the precise issues of the operational separation plan itself; the scope of services subject to the plan; the enforcement regime associated with compliance; the powers to investigate compliance; and the development of the internal wholesale pricing and pricing equivalence regime by a working party which, they say, should include the ACCC.
This last point exposes a circular inconsistency. The ACCC are saying that they ought to be involved in the development of that regime, and, as I will detail shortly, we know it to be essential to their ability to enforce part XIB of the Trade Practices Act. But the bills do not provide for the ACCC to be involved at all in the development of the plan. In fact, their involvement is later permitted only through the lengthy process that must culminate in a disagreement of sorts and the creation of second plan, or a rectification plan. Only then, under the legislation, can the ACCC even get involved. The ACCC tactfully refers to ‘some process issues that require further examination’. This is a pointer to a second critical issue: the model for the development of the operational separation plan has the potential to undermine the very function of the ACCC in its efforts to enforce part XIB of the Trade Practices Act, which relates to anticompetitive behaviour.

The other major inconsistency in these provisions is the fact that the current role of the ACCC is to determine internal and wholesale pricing, and pricing equivalence, under the existing provisions of part XIC. It is the outcome of this pricing access regime that builds the foundation for action to be taken under part XIB. So they coexist in a regime. If the new provisions are put in place they will undermine the full operation of those existing provisions of the Trade Practices Act.

The ACCC did not say it directly, but if you read their evidence carefully you will see that they make it known that the model for the development of the operational separation plan is likely to undermine or remove altogether the capability of the ACCC to mount a case under part XIB against alleged anticompetitive behaviour. Did you hear that, Senator Joyce? It fundamentally undermines the operation of the anticompetitive provisions of the Trade Practices Act. This means that, if the ACCC are not involved in the fundamental pricing equivalence issues in the operational separation plan, they will be denied the information and powers necessary to conduct an investigation into whether anticompetitive behaviour has been entered into in the first place. They will not have the tools available to them to do their job.

Just to make sure that the ACCC’s powers to investigate are really undermined, schedule 11, division 14, clauses 151CP and 152EP are inserted at the end of part XIB. They contain quite a bit of technical jargon. The clauses provide that, if Telstra has engaged in conduct in order to comply with an in-force operational separation plan, in performing a function or exercising a power under part XIB in relation to Telstra the ACCC must have regard to the conduct to the extent that the conduct is relevant. Do you think we could get a reasonable explanation from the department on that little piece of legislative jargon? In the absence of a comprehensive explanation—and I think one is still deserved and ought to be given in the chamber when the bills go to the committee stage—AAPT offered this interpretation:

It is unworkable because, at page 46 ... the inclusion of 151CP and 152EQ in the Trade Practices Act means that all the rest of the regulatory regime has to stop and pay heed to what occurs in the operational separation plan—a plan that itself is not subject to scrutiny and will result in endless appeals under judicial review about whether the ACCC has exercised its powers appropriately.

It is worth seeing what the other witnesses had to say on this issue. The Competitive Carriers Coalition described their concerns about the impact on XIB and XIC in this way:

We are also well versed in the gaming that goes on in this industry, and that is the kind of change we fear that Telstra and the team of 180 lawyers that were referred to earlier will drive a truck through to the extent that the XIB and XIC proc-
esses may be fundamentally and profoundly altered to the point where they are no longer functioning.

ATUG’s representative at the hearing expressed concern about the exclusion of the ACCC in the drafting of the operational separation plan—a related issue. Specifically, he said:

...this provision seems to override existing ACCC powers to determine any competitive conduct...

The witness went on to say that it seemed ludicrous that the plan, to be developed by Telstra alone, might be allowed to override ACCC access pricing principles and the price squeeze determinations. Matthew Nicholls, a telecommunications lawyer, was quoted in today’s *Financial Review* as saying that this legislation is likely to undermine existing safeguards by forcing the ACCC to consider operational separation in any decision it made on access to Telstra’s underlying network under existing measures in the Trade Practices Act.

So what is going on here? It appears that Telstra have been successful in lobbying the government to exclude the ACCC from any involvement in the development of the internal pricing regime and pricing equivalence that one would expect to be a critical element of any operational separation plan. Telstra’s evidence to the hearing was adamant along these lines: they have always disagreed with the ACCC’s conclusions on the cost of services Telstra provide for the purposes of providing access to competitors. In essence, the ACCC has always argued one view, based on a complicated formula, and Telstra are in constant dispute about it.

This gets to the heart of what operational separation is supposed to achieve. It is supposed to make it easier for the ACCC and everyone involved in the industry to agree on a transparent, accountable and meaningful pricing regime that allows all of these competitive and regulatory rules to work swiftly, efficiently and effectively. That is what it is supposed to achieve. And yet every provision in these bills relating to the Trade Practices Act and relating to the development of this plan is designed to prevent that from happening. They hand all the power back to Telstra and the minister. It is unbelievable.

AAPT’s representative focused on two issues: operational separation and changes to the long-term interests of end users test—the LTIE test. I mentioned the views of AAPT earlier in relation to the operation of part XIB, but other concerns were also raised in relation to operational separation. The witness noted that as the bills were currently worded it would be possible that there could be no operational separation plan created in the first place.

He based this on the fact that there is no licence condition on Telstra to draft that plan. There is in fact a licence condition for a rectification plan later on but any involvement by the minister—and ultimately any potential for some involvement by the ACCC—if that rectification plan was produced can only occur if Telstra actually submits a plan to the minister for consideration in the first place. Bizarre as it sounds, these are the sizes of the loopholes in these bills that at least some are expecting Telstra to drive a truck through.

The issue of the long-term interests of end users test fuels the suspicion that Telstra have been successful in creating new gaming opportunities in these bills. These so-called minor changes, as they were described by department officials, are claimed by Telstra’s competitors to open the doors to years of potential litigation and disputation by Telstra about all of the ACCC’s pricing decisions to date.

The final issue I want to mention in relation to the technical provisions of the bills is in regard to designated services and related
provisions. These also fundamentally interfere with the operation of parts XIB and XIC in that the minister has the power to deem a new class of service called ‘a designated service’. Only designated services can be the subject of pricing equivalence in the operational separation plan. The ACCC can declare services, but only after lengthy processes. That is different.

Telstra currently provide services to wholesale competitors that are not declared. It was this type of service that was the subject of the failed competition notice last year. But, if the minister chooses not to designate new or existing services that Telstra sell wholesale, not only will Telstra not be under any obligation to provide competitors with access on equivalent pricing to that they give Telstra retail but also the ACCC’s ability to bring any action under part XIB will be severely undermined. There will be less remedy than there has been in the past to anti-competitive behaviour on behalf of Telstra for services that are not designated. The real sting with the provisions is that Telstra have to agree to what the minister wants to designate. All Telstra will have to do to prevent new services, such as the touted ADSL2, from being provided at a fair price is to just say no. That is the end of it; end of story.

There are only two interests served by this greater opportunity for regulatory gaming and broad displacement of the ACCC: the Howard government, which is looking after Telstra’s bottom line, and Telstra itself. That begs the question: are these unintended consequences? Is this just a mistake? Are these flaws in the drafting? All that I have described runs absolutely counter to the stated aims of the bills, which everyone agrees with in this context. We want to have an accounting separation regime that is effective. Surely the government have indicated—by virtue of, for example, increased penalties under part XIB—that they want to strengthen its effectiveness? It is a reasonable proposition.

What is the truth? There are three scenarios. Is the minister so duped by Telstra that both the minister and the department are blind to the consequences of these bills? Is the minister acting consistently by saying one thing—paying lip service to competition and regulation—while doing another, effectively helping Telstra retain its market dominance by creating these gaming opportunities? Or are these truly unintended consequences? If they are unintended, we will know soon enough, because the government will take action and amend these bills accordingly so that they do match the stated aims and objectives. These problems are too serious to ignore. We are looking at a stupid and incompetent piece of legislation, which ought to be amended, or a stupid and incompetent minister or a dishonest minister who is seeking to dupe the public all over again. Take your pick.

I should conclude this point by saying that, if these flaws are in fact unintended consequences, they require close scrutiny and urgent rectification if experience is anything to go by. The ACCC, more than any other organisation, know the ramifications, because they are expected to enforce these laws—laws for which a chasm lies between their practical implementation and their original claimed intent in this place.

If they are not unintended consequences, and these bills are an extension of the great deception perpetrated by the Howard government with regard to telecommunications then the coalition government once again stands condemned for its privatisation per se and its broken promise that it would not sell another share until services in the bush were up to scratch. I have to say that it is not in my nature or experience to give the Howard government the benefit of the doubt on this
issue. There has never been a greater long-term deception managed by the federal cabinet of this government than that relating to telecommunications in this country for the last nine years.

By virtue of its ideological commitment to the selling of Telstra, the executive arm of the coalition government has deliberately misled, conned and manipulated the vast majority of Australians in relation to the fate of telecommunications in Australia, as well as its own backbench. What a disgrace. By virtue of the policy to privatise, the Howard government has the most to gain from ensuring that Telstra’s share price is the highest it can be, for without a healthy share price privatisation is not possible.  

(Time expired)

Senator SANTORO (Queensland) (8.37 pm)—Right from the outset let me put on the record that, as a member of the government backbench in this chamber, I do not regard myself as duped or deceived—and I am sure that I am speaking on behalf of all of my colleagues on the backbench. I therefore beg to be contrary to the claim made by Senator Lundy. I also go on the record as saying that the Minister for Communications, Information Technology and the Arts, who has principal responsibility for the carriage of this legislation, is, in our view, a person of great honesty and integrity and someone who is fulfilling her responsibilities to the government and, more importantly, to the people of Australia whom this government seeks to represent without fear or favour. She is certainly one of those people for whom we have the utmost respect and who discharges her responsibilities honourably.

One wonders, after not just the last 10 days but really the last 10 years of debate on the appropriateness of selling Telstra, whether there is anything genuinely new that can be said. But I would feel remiss, given the apparent levels of media and public interest in the views of Queensland senators on this issue, if I did not make my views known. From the outset—and I presume this will provide little surprise to those here—let me say that I am a supporter of selling Telstra. I am, in fact, consistently bemused that the question is asked as to why we should sell Telstra. I come from a school of thought that is more likely to ask why a government should own commercial assets in the first place. I am convinced that there is no greater justification for ownership or retention of this asset than there was for the government to own a print shop or any of the other businesses which were sensibly and profitably disposed of in the early years of the Howard government.

It is of course one of the great luxuries of government, compared to private enterprise, that—to edit a well-worn phrase—we can sell our cake and continue to eat it. The capacity of the government to regulate Telstra to deliver particular policy outcomes is in no way diminished by the disposal of the government’s shares. Telstra is an independent, publicly listed company in which the government is the majority shareholder. As anyone with even the most cursory understanding of corporations legislation is aware, the existence of even one shareholder outside the majority means it is illegal for the company to act in the interests of the majority shareholder where such action is contrary to the interests of the shareholders as a whole. So ownership does not confer any special regulatory benefit—which is not to say that I am blind to the political realities of the situation.

The government has a preference to retire a substantial portion of the national debt through the sale. At the same time, the sale of Telstra would have a number of attendant benefits for the stock and the stock exchange. I am indebted in my understanding of the benefits of selling Telstra to the excellent article by the Minister for Finance and
Administration which appeared last week in the leading journal of Australian political thought, *the conservative*. And yes, I am shamelessly plugging that outstanding new publication.

**Senator Barnett**—An excellent document.

**Senator SANTORO**—I take that interjection from Senator Barnett, and I appreciate his support for that initiative. To paraphrase that article, alongside the retirement of debt, the sale of Telstra will do three things: it will allow the company to act commercially for the benefit of shareholders, albeit within a continuing regime of public regulation; it will remove the fundamental conflict of interest wherein the government can stand accused of a biased attitude to regulation, where there is a conflict between community benefit and dividend returns; and it will allow the government to diversify its portfolio, like any other investor, to gain the risk management benefits which flow from diversification. I am confident, that after a decade of discussion, those arguments are broadly understood and accepted in this place, at least by those able to vote without the approval of the trade union movement.

I noted earlier that we are dealing here with political realities. One of those realities is that, while the sale of Telstra will deliver benefits to the government as a whole, and consequently to the Australian people at large, those benefits will inevitably be purchased at a cost. In this case, I must say that I am somewhat sympathetic to that cost. It seems in no way unreasonable to me that a company which has built its wealth in monopoly public ownership should be faced with a series of community service obligations such as the imperative to serve that part of the public which lives outside metropolitan Australia. As I say, this is a cost. An unfettered Telstra would inevitably reach a higher price on the market. But it has been our task across the coalition to ensure that the historical role of Telstra as a universal service provider is not compromised through the sale.

The level of media and public scrutiny around the sale process has been unprecedented. There is no question that the sale process and the service reform initiatives which complement it have been, over the past decade, the most inquired-into pieces of policy in the history of Federation. Expectations have been raised, and they must be met.

I am proudly a senator from Queensland, which is distinguished in Australia insofar as it is the only state where the larger part of the population lives outside its capital city. I live in Brisbane but, like my coalition colleagues, I take very seriously my representation of the entire state. That is why I am happy to say that the sale of Telstra is justified and that I support it. I agree with the people of my state and with my National Party colleagues that there is value in the community service obligations of Telstra. People, regardless of where they live, should expect fundamental access to communications, including good standard telephone services at a reasonable price. And it goes further than that. The business of the land, the coast and the regional cities is critical to the Queensland and Australian economies. Domestic and international competitiveness of farmers, fishermen, rural doctors and North Queensland builders is greatly enhanced by the same technology which has made business faster, simpler and cheaper in Brisbane and the other capitals.

I think those of us who have argued in years past that the time was right to harness the debt reduction and other economic flow-ons can take the opportunity in the current debate to dispassionately look at whether the delays of the past few years have delivered benefits—and there is no doubt that they
have. The universal service obligation, the customer service guarantee and the network reliability framework are comprehensive responses to the political challenges which the sale of Telstra has presented.

The two tranches of $250 million and $171 million allocated to Networking the Nation and the $150 million spent to provide untimed local calls to 40,000 of the most isolated Australians have gone a long way to addressing the reasonable expectations of non-metropolitan Australians. Similarly, the more recent announcements of the Connect Australia package—which provides $1.1 billion through Broadband Connect, Clever Networks and associated programs—is a testament to the Howard government’s commitment to ensure the broad benefits from the sale of Telstra are not to the detriment of regional and rural Australians.

But this is not an endless process. Nor is there a bottomless pot of cash from the sale available to satisfy special constituencies. I would argue that we have reached a unique equilibrium point on this issue. We are at the stage where passage of the enabling legislation for the sale will fund the most effective package of investment in networks and consumer access which is ever likely to be put on the table. The fact that the passage of the Telstra (Transition to Full Private Ownership) Bill 2005 and related bills, the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005, the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 and the Appropriation (Regional Telecommunications Services) Bill 2005-2006, despite several billion dollars in guarantees, is still no foregone conclusion merely evidences that some people make different judgments as to how far the government can be pushed on this issue. I would suggest that is a reasonable process within a strong and robust democracy such as ours.

One of the most often quoted moments in Julius Caesar is Brutus’s:

There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune.
This has perhaps never been more apposite than at the current moment. This legislation provides the largest bounty which will ever be made available to regional Australian telecommunications. We can take it at this flood and deliver the fortune or we can watch it ebb and rue the opportunity missed.

It would be a shame for our government if we were not to pass this legislation—not that we would still own a telco but that we were unable to fund the guarantees for which the legislation provides. I, for one, am not keen to explain to my constituents across Queensland why more than $878 million in Broadband Connect funding will not be forthcoming. And I say to those who sit opposite that it is your task, if and when this legislation does pass, to explain to the people of rural and regional Australia why you did not support the funding measures contained within it. I am sure an explanation of the sovereignty of the union movement in the Australian Labor Party will be most reassuring.

What the sale of Telstra means for public debt, what it means for the international competitiveness of the telco itself, and what it means for the people of regional Australia is staggering to comprehend. But, as with most things in life, the money is not everything. The last few years have seen the strengthening of competition regulators, including ACMA and the ACCC, to ensure the future telecommunications marketplace will be shaped by best practice with no prospect of reversion to the historic monopoly.

The operational separation of Telstra will be critical to this. The issue of price equiva-
ence, wherein retailers and other on-sellers of telecommunications services are guaranteed a level playing field, is the single most necessary condition of long-term competition. Competition is perhaps more significant in telecommunications than in any other policy area. For some years, I have despaired of those who believe that a monopoly in communications is okay as long as we keep the price low. On the contrary, the soul of effective telecommunications lies not with the price, although it is important, but with constant renewal of the technology. Given the significance of communications ease and speed, particularly with new media and modes, the goal of any competition policy should be to create a premium and race for the most up-to-date technology.

I am satisfied and confident that the combination of competition oversight, the caps on Telstra’s pricing and the incentives for new market participants will create this race. But it will require us to be creative. The next few months, during which the details of the Connect Australia program are finalised, are a great opportunity. We need to take the time to focus on the often cited goal of technology neutrality to ensure the safeguard driven government assistance programs are sufficiently flexible to allow for innovation and alternative economic models. In particular, I believe we will need to look at subsidy for capital investment in new markets to compete with the native advantage which Telstra has from so many years as a public monopoly. This will be particularly important for regional broadband. I am confident that we will make the right choices and that those who oppose the sale of Telstra today will be regarded in years hence as a curious breed who were willingly blind to the promise this opportunity holds.

Senator KIRK (South Australia) (8.49 pm)—I rise this evening to speak on the Telstra (Transition to Full Private Ownership) Bill 2005 and related bills, the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005, the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 and the Appropriation (Regional Telecommunications Services) Bill 2005-2006. Communications have always been vital to Australia. We are a nation whose very identity has been shaped by the tyranny of distance. Of all nations it is here perhaps that telecommunications came into its own because of its ability to bring people together from one side of the country to the other, from the remotest town in outback Australia to our major cities and from Australia to the rest of the world.

The continual uptake of new communication technologies is absolutely critical to the economic advancement of a nation. Telstra is a crucial part of delivering that technology to ensure that we all keep in touch, up to date and part of the public debate. It is a key element in keeping people in the loop that is the information economy. Without advanced telecommunications we cannot develop the strong economy we need for the wellbeing of all Australians.

For nine long years this government has neglected the real issues in the Australian telecommunications sector. Instead it has pursued an extreme agenda focused on selling off Telstra. This government will be remembered for its betrayal of the Australian people. It is a betrayal of people in the bush and in our cities—people who have placed their faith in this government to do what is in the best interests of a nation. We cannot pay our way in the world and fix a record foreign debt without strong infrastructure. By selling Telstra, this government—Liberal Party and National Party members alike—is selling out the national interest. This arrogant sell-out is
a blow to the long-term security of our economy. Australians already know that a privatised Telstra will increase prices and slash services and they have sent a very clear message to this government: do not sell Telstra.

We all know that on 11 August Telstra briefed the Prime Minister, the Treasurer, the Minister for Finance and Administration and the Minister for Communications, Information Technology and the Arts and said that Telstra had underinvested in its network and revealed that in order to prop up dividends it was borrowing from reserves. This government has been caught out. It has demanded those dividends for its budget in order to inflate the share price. It has misled the Australian people about the true state of the company. The 11 August briefing was a crucial one for the government as the major shareholder in Telstra but it was a briefing that was denied to 1.6 million other shareholders. Surely those other shareholders, the mums and dads who put their savings into Telstra, are entitled to make their investment decisions with access to the same information that the government enjoys.

Labor are listening to the voice of ordinary Australians and our position is clear—fix Telstra; don’t sell it. Labor believe in the public ownership of Telstra because telecommunications are essential services. They are essential tools for people to function in today’s society. Equitable access to telecommunications helps governments to ensure that no one group is left behind; that rural Australians and low-income earners alike are kept in the loop. Labor believe that an asset as important as Telstra should be kept in government majority ownership and control. We simply cannot risk selling off control of our telecommunications system to the highest bidder. It is not in our national interest.

If Telstra were fully privatised, it would effectively hold a monopoly too powerful for any government to regulate—despite the claims made by Senator Nash earlier this evening. In the search for returns for its shareholders, such a corporation would have no social responsibility to provide accessible levels of service to low-income earners and regional Australians. Australians understand this, and that is why they do not want Telstra to be sold. But by pushing through the sale, this government has demonstrated its arrogance, that it is out of touch with the Australian people and that it is purely ideologically driven. Poll after poll has shown that, overwhelmingly, Australians do not want Telstra to be sold, and it is easy to see why. Since the partial privatisation of Telstra, prices have increased, services have been slashed and Australia has fallen behind the rest of the world in infrastructure investment.

A recent McNair Research poll conducted for the Canberra Times, and a recent Newspoll, found that around 70 per cent of those polled disapproved of the government selling the remainder of Telstra. At the same time, almost a quarter of the population believed Telstra services were not up to scratch. Surprisingly, there was no significant difference nationally between urban and regional attitudes to the sale. A comparison of past polls shows that opposition to the sale of Telstra has been increasing. In 1998 about 62 per cent of people were opposed to the sale. This rose to 66 per cent in 2002 and is now at 71 per cent.

In my home state of South Australia I have been approached by a steady stream of people who have complained about the availability of telecommunications services, not only in the country but in the Adelaide metropolitan area as well. These people strongly oppose the sale of Telstra. They feel betrayed. They feel frustrated because the government is simply not listening to them.
If I am getting that message loud and clear, then I am sure that senators on the other side are also being delivered the same message. But the government seems to have its hands over its ears. It is refusing to listen. It is intent on its push to sell off Telstra. What the government is essentially saying is that no matter what the issue, no matter what the argument, nothing should be in the public sector.

The government has not made a case for selling Telstra, probably because there is no case for it, and it has completely ignored the message of the majority of Australians, which is: keep Telstra in public hands. Labor recognises that Telstra is not simply a business opportunity—it is a business enabler. It is not simply a profit opportunity—it is a profit enabler for other people, but only when it provides world-class communications. The most important infrastructure issue over the next 15 to 20 years is not going to be roads, bridges and ports, important as they are; it is going to be access to high-speed broadband. Businesses anywhere in Australia will succeed on the basis of how they can communicate. If they do not have access to high-speed broadband, they will find it very difficult to be competitive. They will find it difficult to grow and find it difficult to survive. But what does this government do? It hangs up on Australians, with the National Party rolling over for its Liberal masters and voting to sell Telstra.

Australians in the bush and in outer metropolitan areas know that Telstra is not up to scratch, and we all know that things are likely to get worse when Telstra is eventually privatised. In its current make-up, Telstra is already beginning to act like a fully privatised company. It exploits its competitive advantages yet ignores its responsibility to deliver services, and new and improved services, to all Australians. Australians are generally very keen to take up new technology, but years of cutbacks to Telstra’s staff and to investment have severely impaired Telstra’s ability to deliver these core services. Once Telstra is privatised, its motive will be profits, not people. That means that the bush and the outer suburbs will suffer, and they are likely to suffer even more than they do now. Australians are generally a pretty forgiving and tolerant lot, but I strongly suspect that they will not be so forgiving when reminded of the government’s betrayal every time a mobile phone drops out, every time they cannot access broadband and every time Telstra will not fix a fault. I also doubt that they will be forgiving of the government when they are reminded of its betrayal every time they get their phone bill. We have already seen the sign of things to come with line rentals having increased from $11.65 in 2000 to as high as $30 today.

People are genuinely concerned about the future of telecommunications services and their prices, and they have good reason to be. In my home state of South Australia, we have experienced privatisation and we have had first-hand experience of how all of us are going to suffer. We saw this as a result of the Liberal state government’s privatisation of electricity. We are constantly reminded of this every time we receive an electricity bill. Since the privatisation of the state’s electricity assets, electricity prices have increased by an average of a massive 30 per cent.

The government’s Telstra policy has gone from disaster to disaster and, by any measure, the performance of Telstra has been inadequate, particularly in how Australia’s broadband take-up is lagging badly and how the network is deteriorating due to major investment reductions and staff cutbacks. What is the solution to this? The government’s only solution to these problems is to privatise Telstra.
Broadband is an incredibly important advance in internet delivery and the basis for improving efficiency in business. It is a channel into the knowledge economy. It empowers individuals. Access to broadband for Australians does not just have a personal benefit; it has a huge social benefit as well. Communications networks are essential for allowing a wide range of social and business interactions. Broadband will be an important contributor to the delivery of health, education and government services in the future. Given this, it is crucial that work is done now to ensure that this technology can be taken up by all Australians.

But what do we see under this government? Australia has declined on the OECD ladder in terms of the ability of business to deliver on improved efficiency and productivity gains. It was not that long ago that we were ranked 13th on the OECD’s list of developed countries in respect of the roll-out of broadband. Now Australia’s broadband performance is the worst of any major industrialised country—we rank No. 21 in the developed world. I believe now is the time that we should be looking at ramping up innovation and productivity, not selling out Australia’s future just to make a quick dollar.

Broadband is an enabling technology. It is what is currently driving substantial productivity gains around the world. Sadly, Australia’s status as a broadband backwater is holding back our nation’s economy and limiting our prospects for the future. If we look at small business and households now, there is an ever increasing demand for data services. Unfortunately, Telstra has not been able to deliver the high standard of broadband connection which the community now so urgently needs. These days access to the internet is no longer a luxury; it is an essential part of modern life. Students need access to the internet as part of their education, and for many people it is an essential part of their working or business life. These days broadband gives consumers high-speed access to the internet, together with a much wider range of services in the digital world.

Historically, the threshold level for broadband could have been as low as 64 kilobits per second, or the equivalent of an ISDN service. But now rates ranging from 256 kilobits per second to eight megabits per second are commonly proposed as being the appropriate threshold for broadband in the mass market. In Australia broadband includes speeds of 256 kilobits per second. This is slower than what is regarded in other countries as broadband, and in a ranking of real broadband Australia would be very low. The rate of uptake in Australia is also considerably less than in other OECD countries. Although Australia is doing well in terms of the rate of uptake, it is because we started from a very low base. It is because not many people have broadband which makes it so easy to get the increases that we have seen.

I understand that one of the reasons for the existence of service gaps in the metropolitan areas is that the predominant technology being used is ADSL, which uses copper wire from the exchange to the home. The problem with this technology is that it only works within reasonably close proximity to an exchange, and the distance from the exchange varies depending on the age and quality of the copper wire. The usual distance is from two to four kilometres, but this is the overall distance of the copper wire, not as the crow flies. So, for places not near an exchange, ADSL will not be available.

Madam Acting Deputy President Troeth, I will give you an example of a constituent who recently contacted me. This constituent resides in Marino, which is a seaside suburb about half an hour’s drive from the centre of Adelaide. There people are suffering from a lack of telecommunications infrastructure
and resources. No broadband connections are available there—it is just half an hour from the city of Adelaide—and even the mobile phone connection is flaky and subject to drop-outs. This is a completely unacceptable situation in the 21st century. It seems that Telstra has made no provision in its exchanges to allow all Adelaide residents to access new technologies as they develop. This is just one example of many that I have heard of Telstra failing in its responsibilities to provide key services in the metropolitan areas. In other cities, for example, in Sydney, wireless broadband is made available to residents, but it is not available to many residents in my home state of South Australia. While we see the government pouring money into rural and regional Australia, after the claims made by The Nationals, it has done very little to force Telstra to improve telecommunications in suburban Australia. The government has simply failed to put any pressure whatsoever on Telstra to ensure that it is acting in the national interest. I believe that surely in the 21st century no metropolitan suburb should miss out.

Last week a report was released identifying the extent to which services are falling short in Telstra. We saw that Telstra received 14.3 million fault calls in the past year, that it is saddled with obsolete equipment, that it has an ageing work force and there is a lack of training for new workers, and that its outdated IT systems were simply not up to the job. It was identified that Telstra needed regulatory reform to roll out its broadband plan and guaranteed marketing parity to allow it to match its competitors. A recent Senate Environment, Communications, Information Technology and the Arts References Committee inquiry into the performance of the Australian telecommunications regulatory regime identified that the benefits of effective telecommunications services to the Australian economy and community are substantial. During this inquiry, many concerns were expressed about the sale of Telstra and how this would undermine many of these gains.

Many of the submissions raised concerns that a fully privatised Telstra would not only be more difficult to regulate but the public interest would also be diminished by Telstra’s drive to maximise its economic returns. It is clearly evident that after nine long years of neglect this government cannot fix Telstra. Instead it arrogantly pushes ahead with a sale of a public asset, which is totally contrary to what the majority of Australians want. This just shows how complacent, arrogant and out of touch this government has become. We all know that given half a chance a privatised Telstra would leave town quicker than the banks. The vast majority of Australians know, as Labor knows, that the best way to ensure quality of services and to future proof telecommunications is for us to keep Telstra in majority public ownership. Labor is absolutely opposed to the sale of Telstra. We would fix it and we would keep it in majority public ownership. We need to keep Telstra in government hands so that it invests in the infrastructure needed to strengthen our economy and ensure the wellbeing of all Australians.

Senator WEBBER (Western Australia) (9.08 pm)—I must admit that I have always been a bit puzzled by the Howard government’s approach to Telstra. On the one hand they tell us that the best way to ensure high-quality telecommunications services is to abandon Telstra to market forces. They put their faith in the invisible hand, some kind of economic intelligent designer, which will right all wrongs by fiddling with supply and demand. But on the other hand the government admits that the market fails on basic infrastructure and that there is a role for government. It is right. In a competitive market companies chase profit, not social needs. If it
is too expensive to provide basic services to regional Australia or to dozens of suburbs across Perth then they will cut their losses and abandon people to black spots. They will focus their attention on wealthy areas that provide high returns. That is why the government has agreed to throw a few dollars at rural and regional areas—but it is only doing this grudgingly. It does not want to admit that its blind ideological faith in the free market might leave ordinary Australians without access to decent telephone and internet services. It is the market that is driving this extreme privatisation agenda. Last week the Prime Minister said in the other place: I believe that the full sale of Telstra will usher in a new era of competitive provision of telecommunications services around Australia.

That may well be true but we have a fair idea what competition means in this context. Telstra’s CEO, Sol Trujillo, has told us exactly what competition means to him. It means cutting costs, cutting services and cutting jobs.

Indeed, stage 1 of the Trujillo strategy for Telstra is to slash billions of dollars worth of jobs and services. Telstra currently offers some 2,500 product lines for home phones, mobile phones and internet access, but stage 1 of its plan is to cut this down to just 500 product lines. That is a whopping 80 per cent reduction in services and 80 per cent reduction in choice for Australian customers that the government will be powerless to stop if it does not own a majority of Telstra. Significantly, part of Telstra’s cost-cutting plans will involve limiting the number of wholesale packages it offers to its retail competitors. This is exactly the kind of monopolistic behaviour that cannot be trusted to the free market. Telstra will decide what its competitors can and cannot on-sell to the public and it will do so with a view to cutting costs or propping up its own revenue.

The Prime Minister knows that the outcome of privatisation will be worse service levels and worse customer service. He talks about using regulations to guarantee services, and the new regulations will be drafted by—guess who?—Telstra. But he will not actually give a guarantee. Last week Mr Howard admitted: I am not going to defy commonsense by giving technically iron-clad guarantees when in reality nobody exercising commonsense can do that.

For once the Prime Minister has told the truth. It would defy commonsense to guarantee services that Telstra is already planning to cut.

We cannot really blame Telstra for these plans. The fundamental obligation of a corporation is to its shareholders, and its customers are important only to the extent that they can help deliver a profit and dividends to the shareholders. While the Australian people, through their government, maintain a majority stake in Telstra, its fundamental obligation is therefore to the Australian people. That is how public ownership of Telstra can ensure a decent standard of services to all Australians. Telstra’s first obligation is to its owners. But if the Howard government—or should I say, according to Senator Nash, the Howard-Vaile government—has its way, Telstra will not be owned by the Australian people. It will owe its allegiance not to the Australian people but to a small number of shareholders. It will seek profit ahead of the social good and it will line the pockets of its directors at the expense of ordinary Australians.

As I have mentioned, sometimes certain members of the coalition let slip that they do not accept the market fundamentalist approach. In particular the National Party in various states, including my home state of Western Australia but primarily in Queensland, has been vocal about its concerns. As
we all know last weekend Senator Joyce was again talking to the press gallery, saying he might not vote for the privatisation of Telstra. He talks to the press gallery all the time, and they like him because once or twice a week they get to write another ‘Barnaby changed his mind’ article. It saves them a lot of time and effort because it is the same old story every time. In fact, Senator Joyce changes his mind so often that it seems like he is doing the hokey pokey: he puts his Telstra vote in; he pulls his Telstra vote out; he puts his Telstra vote in and then he shakes it all about. It is about time Senator Joyce stopped shaking and took a stand for the ordinary Queenslanders he spends so much time talking about. Ordinary Queenslanders do not support the sale of Telstra and they do not believe the government will regulate to ensure they have access to decent telecommunications services. They will soon find out whether Senator Joyce is serious about his constituents or whether he gives in to the bullying of the member for O’Connor, of Senator Heffernan and of other self-styled hard men of the coalition.

If Senator Joyce votes for privatisation, they will know exactly what to do. Every time he threatens to stand up for Queensland they will call him something or other and embarrass him in the party room. Soon enough, he will forget about the people of Queensland. He will take his seat on the other side of the chamber and lick his wounds while the coalition bullies laugh at him for being such a pushover. We will soon see whether Senator Joyce will vote for the people of Queensland or has been pressured into voting to privatise Telstra. After all, this is the man who once said:

I’ve always never wanted to sell.

He also said,

You just don’t want to be railroaded into a decision in Canberra which you regret.

From over here it looks like that is exactly what has happened. The member for O’Connor and others were sent out to railroad Senator Joyce and that is exactly what they did.

Senator Joyce will pretend that he and his National Party colleagues cut some kind of deal to protect services in the bush. But what good is $3 billion when the network is already below scratch and a massive 14 per cent of all lines have faults? What good is $3 billion when Telstra will draft its own regulations—regulations that we will not see until months after Senator Joyce has sold out his constituents? What good is $3 billion to protect services for all time into the future when Sol Trujillo has announced his intention to cut 80 per cent of Telstra’s services in order to save billions of dollars? And that is just stage 1 of the Trujillo plan. Where will the people of Queensland be when he moves on to stage 2 or stage 3?

We have heard about the secret briefing that Telstra delivered to the government, without keeping the mum and dad investors in the loop—mum and dad investors like one of the carers from Western Australia who was in my office earlier. He asked me to inform the government that he bought Telstra shares at $5 and he is absolutely outraged at the Prime Minister’s advice that the executives of Telstra should ‘talk up’ the value. He feels betrayed in his investment decisions. That secret briefing included information about the failure to invest in the network over the past several years. The network is suffering from faulty lines, obsolete equipment and overloaded IT systems. And guess how much more Telstra says it should have invested in the last three years? Three billion dollars. So Senator Joyce’s slush fund will barely cover the last three years of neglect, let alone protect the network and services into the future. Even now, Telstra has set aside $2.2 billion worth of reserves, not to
invest in its poor network or to subsidise services in uneconomic regions but to pay dividends to a handful of shareholders. So Telstra has admitted it has not learned from its mistakes. It will continue to put profits and dividends ahead of investment and customer service, and Senator Joyce will vote for even more of the same.

It is perhaps unfair to single out Senator Joyce for attention. At least he has looked at the evidence and admitted that privatisation is not the best policy even if he has ultimately been brought into submission. We should remember that any single coalition senator could stand up for ordinary Australians instead of for the extreme policies of this government. There are others in this chamber who should think about the people of their state and consider crossing the floor to vote against these bills. I am referring to Senators Adams, Ian Campbell, Eggleston, Ellison, Johnston and Lightfoot, because the consequences of privatising Telstra will be devastating in Western Australia. As I mentioned last week, Telstra’s investment in Western Australia has been so bad over the last nine long years that a leading telecommunications analyst has described the entire metropolitan area of Perth as a black spot. He said:

To be honest, the situation in Perth is worse than regional Australia—there are more suburbs in Perth that have greater problems with getting good quality broadband.

I would say that perhaps even as much as half of Perth does not have a network that can be upgraded to good quality services, and an enormous amount of investment is needed to make that happen.

I mention this again because I am concerned about it. It is quite outrageous that as much as half of Perth still does not have a network that is capable of delivering good quality telecommunications services, but those of us who actually listen to our constituents have no trouble believing it. Those of us who pay attention to the concerns of ordinary Western Australians instead of leaving our policy decisions to free-market think tanks know that Telstra and the Howard government have failed to deliver acceptable phone and internet services in Western Australia.

We are not talking about remote country stations here. We are talking about suburbs in Perth like Canning Vale, Maylands, Wanneroo, Hamersley, Beechboro, Doubleview and Fremantle. We are talking about suburbs that are only 10, 20 or 30 minutes from the city centre. We are talking about old and established suburbs, new and developing suburbs and everything in between. We are talking about wealthy suburbs and working-class suburbs. Unfortunately, Telstra’s failure does not discriminate.

The consequence of this failure to invest in the network is that Western Australia is not reaching its full potential, either socially or economically. The WA Technology and Industry Advisory Council found that:

... household penetration of broadband services in metropolitan Western Australia is lower than the Australian capital city average and is poor when compared to the overall Australian average—and that—

Business take-up of broadband in metropolitan Western Australia is also below the Australian average and has the lowest take-up of any Australian capital city or metropolitan areas.

That may well be because, as I am advised by the state member for Riverton, if a constituent who lives 10.6 kilometres outside Perth’s CBD wants broadband access, he is advised by Telstra to purchase a satellite.

Telstra and its current owner, the Howard government, have a lot to answer for. They have deliberately abandoned Western Australia over the last nine years, refusing to make an acceptable investment in our infrastructure and allowing our telecommunications
systems to fall further and further behind. This has been a long-term, cost-cutting strategy. It is less commercial for Telstra to make a serious investment in Perth’s infrastructure than to cater to the high-population cities of the Eastern States. It has been a deliberate commercial decision to leave the people of Western Australia behind, to allow them to fall on the wrong side of the digital divide, because of short-sighted penny pinching and a desire to chase profits.

The full sale of Telstra will only exacerbate this problem. If Telstra can neglect Western Australia while the government owns a majority stake—while the Australian people own a majority stake—then how bad will it be when Telstra has no obligations except to make a profit, pay dividends and line the pockets of its directors? Western Australians know the answer. They know that privatisation will deliver worse services and outcomes for them and their families.

We have heard some government members and senators spreading this silly idea that it is a conflict of interest for the government to be both the regulator of and a shareholder in a company. This really is a bit silly. If it were true, then there would be no role for the government in running any sort of enterprise or offering any sort of service. And indeed, perhaps that is what the government really means by this. Perhaps Australia Post is next on the list. After all, we heard from Senator Minchin recently that he believes that Australian hospitals ought to be privatised. So we can see that Telstra is just part of this government’s extreme privatisation agenda. They believe that there is no role for government to provide basic services like telecommunications, or even health care. It is not a conflict to expect the government to provide services and to set minimum standards for those services. That is not a conflict; it is exactly what Australians expect.

The idea that telecommunications is somehow unsuited to part ownership by the government is absurd. The fact is that 37 telecommunications companies in the OECD are wholly or partly in public ownership. That is not an insignificant number. In 16 of those companies, like Telstra, governments retain a partial but majority ownership of the enterprise. Indeed, many of those companies are highly successful. In an excellent article in *Dissent* magazine, Kevin Morgan explained that:

Hybrid ownership in Europe, where the giants Telecom France and Deutsche Telekom are still partly government-owned, shows that public ownership is no obstacle to growth and innovation. Both have ... become powerhouses, not just within Europe but on the global scene. Their success ... proves that part public ownership need not hold a telecommunications company back.

So this idea that Telstra is ‘half pregnant’, to use a popular term, is nonsensical. What is missing is a commitment to deliver excellent services. This government has abandoned its obligations, and it blames a structure that has produced excellent outcomes elsewhere in the world. The government’s approach to the privatisation of Telstra has revealed its arrogance and its disdain for the parliament and the Senate. Last week, in the other place, the Leader of the Opposition, Kim Beazley, sought to speak about some of these important matters, especially the revelation that Telstra has been secretly briefing the government about its underinvestment in infrastructure without sharing that information with mum and dad investors. But did the government allow the Leader of the Opposition to speak about these important matters? No, of course not. It gagged Mr Beazley because it does not want people to hear the truth about Telstra.

Again, we have The Nationals, like Senator Joyce, saying that they will not vote for it without first putting the legislation before the
committee. But they do not expect much; we have heard about that before. The government bought them off again with a token one-day hearing. One day! There are five complex pieces of legislation, and the government expects that a one-day committee hearing will be sufficient to tease out all the issues. That is the arrogance of this government and the weakness of the National Party senators who acquiesce.

The Australian people do not support the sale of Telstra, and as time goes on their opposition grows stronger. Public opposition to the privatisation of Telstra has risen from two-thirds to 70 per cent of people over the past three years. This is why the government wants to hastily push the legislation through the parliament. It is so arrogant that it thinks people will not notice. I can assure you that they will notice, and they will know who to blame. Every time they cannot make a mobile phone call because they cannot get reception, they will blame the Howard government. Every time a call on their home phone drops out, they will blame the Howard government. Every time they are frustrated by their slow Internet connection speeds, they will blame the Howard government.

(Time expired)

Senator MOORE (Queensland) (9.28 pm)—I think it is quite clear to everybody in this chamber that the Labor Party is opposing the Telstra (Transition to Full Private Ownership) Bill 2005, the Telecommunications Legislation Amendment (Competition and Consumer Issues) Bill 2005, the Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005, the Telecommunications (Carrier Licence Charges) Amendment (Industry Plans and Consumer Codes) Bill 2005 and the Appropriation (Regional Telecommunications Services) Bill 2005-2006. I just thought I would put that out there really quickly. But, as I said before when I spoke on this issue in this place, it is not really anyone in this chamber who is particularly important in this debate, although we have heard much about at least one member of this chamber.

The arguments and the debate that are going on in this place and, up until yesterday, were going on in the other place, have really been focused on a clear promise that this government made at the time it was first seeking election over eight years ago, and that was that it was going to sell Telstra. There is no surprise and there is no actual particular worry about the fact that that is what the government said that they were going to do. That has been said many times in this place. The Liberal government has said it is going to sell Telstra. The people who need to be convinced about whether this is going to be the right thing for the country, for our telecommunications services and for themselves are the people in Australia. Consistently, over those same eight to nine years, whenever they have been asked what they thought about this issue—‘Do you want Telstra to be sold?’—the answer has come back preponderantly ‘no’.

I heard Senator Mason this afternoon make the point that he knows that it is an issue that the people of Australia do not want. What we are concerned about is that, no matter what arguments are raised, no matter what statistics are put forward, this decision is going to roll forward. We need to have on record why we are concerned about it and why the people of Australia need to know exactly what is going on.

We have heard many senators in this place talk about the historical context of the decision, and certainly what we are going through now is only the third stage of an ongoing program. Those stages have been laughingly called T1, T2 and T3. However, the process that we have consistently followed is: a proposition is put out that says,
'We are going to sell Telstra,' people are concerned about it and then all kinds of promises and commitments are made by the government to say: ‘Trust us. This is going to be okay. We’re just going to sell this little bit now—T1—and we’ll be able to provide you with all kinds of extra money and services. It will be all okay, and then we will go to the next step.’

That is in fact what happened, and the government then put in place a review to see how it went. That is when we heard those interesting terms ‘universal service obligation’ and ‘service agreements’ for the first time. Up until that first round of the Telstra sale, those things were not in common parlance. As concepts, they are very strong. There is no problem with having an understanding that all people using communications services in our country can have a universal expectation of strong delivery. Then there is the idea of a customer guarantee. Again, that is a very strong concept. But we have to remember that the government set up the bar. They put the expectation into the Australian community that, if Telstra was going to be sold in the stages that they promised, the people of Australia would then be able to expect that their telecommunications would be of an adequate level—we heard that term ‘adequate’—of a satisfactory level—we heard that term ‘satisfactory’—and, probably my personal favourite, up to scratch.

Ever since that first promise was made I have been seeking for my own telephone services to be up to scratch, because—and I want to make this point one more time in this place in this debate—I come from rural Australia. The arrogant presumption from people on the other side of this place that only they have any understanding of regional issues becomes quite nauseating as the day goes on, and it is getting a bit late now. I want to put on record one more time that people around this chamber have concerns for rural and regional Australia. It is not peculiar to one party or another, and, more particularly, we share concerns for all people who have expectations of service delivery—which is another point. The issue of universal service delivery is not just for particular areas. We have heard a lot about rural service delivery and regional service delivery. I think that the real argument is that all people can expect strong telecommunications services.

However, allowing for that, we had the sale of T1, we had the process and the review, and then the T2 sale was proposed. Once again, promises and commitments were made to everybody in Australia. Despite the evidence that had come out that there were not overwhelmingly efficient services in telecommunications, that there were problems and that there were, as we heard from Senator Lundy, quite serious concerns about the way funding had been distributed in that first round of processes, we had, yet again, this deal made with the community that once again we were going to go down this track of selling off part of something that people had come to expect as a public company. The government said: ‘We have sold T1, and that has been an overwhelming success despite all the things that we have indicated have gone wrong. But we are going to fix all those things, don’t you worry about that’—which is an old Queensland expression. The government continued: ‘Don’t you worry about that. With the T2 process we are going to fix all those things that we have established have faults. Once again, we are going to sell another hunk of Telstra.’

That time they actually did promise through the whole process that there would still be majority government ownership. That was the law that was put into the second round of the Telstra sale—we are going to try this second round and see how it goes, but do not worry, because there still will be a major-
ity public ownership. One of the key things that continued to occur throughout this whole three-to-four year period and process was that those issues of concern raised by the community continued. There has never been, and will never be—no matter how many Ts there are—a system that is without fault.

That is one thing that we need to be absolutely clear about: no matter what process is put in place, there will need to be ongoing maintenance of the telecommunications system. No matter what promises and commitments are made by anyone—the government or the board of whatever the new company is going to be called, because I feel sure that it will not be Telstra; I think there will be a new company name coming along really soon, though I am not sure what that will be—and no matter what regulation is introduced, there will be times when there will be faults, problems and concerns. The process of going through the complaints mechanism—of actually identifying what the faults are and what will be done to fix them—is going to be one of the critical factors. But, regardless of what promises are made now that we are going into T3—strike 1, strike 2, strike 3—there will continue to be problems, and we are going to have to work with that. However, the one clear difference between Telstras 1 and 2 and Telstra 3 is that this is the last chance.

In the first sale there was the expectation that things would be done. There were the reviews, the community consultations and the heart-rending promises of universal service delivery, but there was still an understanding that some element of the telecommunications process would be in public ownership—a linkage between the people of Australia and their company. After T1 there was still that expectation. We went through that whole charade of the government saying, ‘Trust us—it is going to be okay.’ After T2, there was still in law the assurance that there was going to be some ongoing relationship. But come T3—when the final decision is made and this bulk of legislation is passed—Telstra will be totally in private ownership. There will be no public ownership of it. There will not be that link between the community and the government involvement in telecommunications. The government says that that has been their intent all along, and I accept that. There has never been any confusion about that. From the day that the then would-be government went out and said that they were going to sell Telstra they did not pretend that they were not going to. They just sliced it up bit by bit—three slices and it is gone.

But, as I said, the people who need to understand the arguments are not us; it is the people out there in the community. It is the people that have been willing and lining up to tell the government how they feel about this process. Every time there has been a public exercise in talking to people about what they feel about telecommunications, there has been an overwhelming response, not only from competitive companies who want a slice of the market, although there is a very strong list of those contributors to the telecommunications inquiries that there have been, but also—and I promised myself that I would not use this term, but I cannot help myself—the mums and dads who have come out to give evidence at these telecommunications inquiries.

Senator Abetz—What have you got against mums and dads?

Senator MOORE—I like the mums and dads, Senator Abetz. But in terms of the people who wanted to give evidence and talk about their concerns about the future of telecommunications, ordinary Australians felt that they had the right to have their say, and they wanted to. They are the ones who have raised the issues about the core element of
this whole process, which is trust: whether or not people can trust that the processes that are to be put in place will give them some kind of guarantee of ongoing, equitable service delivery. If that element of trust were won, I think there would be understanding that the government had been able to get their arguments out there. But it has been a long, slow process, and through T1 and T2 we have seen that that trust has not been there, because the same concerns, worries and agonies have been expressed to us at every step along the way.

It is not just the politicians who are saying they have worries about this process, although I know that we have heard in detail from various senators who have pointed out their concerns about how the sale is done, what is going to be done with the money and the various processes that we have gone through. It is also the people who are going to be most affected who are saying that—the people in the community. When we talk about, say, the people in regional Queensland, they are the ones who actually rely on broadband access for their businesses’ survival and for education processes. In a number of the inquiries on which I was privileged to sit, we heard from a range of people who were concerned that if they lived in certain parts of the country they were actively disadvantaged in their education and business opportunities. Where those people were located they could not access the high-quality broadband that was an expectation under the universal service obligation. They had the expectation that they would have adequate, up to scratch, competent and available telecommunications, or whatever term you want to use. They had the expectation of being able to get the services that, as Australian community members, they should have. We have records in our offices about people in inner-city Brisbane, Rockhampton and Townsville—Senator McLucas talked about a range of the regional areas in north Queensland—where these services are not available. I would expect that service availability would be a natural plank of any kind of national telecommunications delivery.

Moving on to the issue of mobile phones, which came up consistently in our telecommunications inquiries, we necessarily heard stories coming through from people about reception black spots. Senator Hogg talked about inner-city Brisbane areas where people cannot get mobile phone service. One of my favourite stories was of the people who took the Telstra workers with them to prove their phone did not work: ‘Look, I told you so; the phone doesn’t work.’ I think that is a highly professional way of getting your service delivered—take the Telstra person with you and show them that the phone does not work. When we get down to actually life-critical areas, a particular example that will always stay in my mind is one from regional Western Australia that I heard when I was sitting on one of the telecommunications inquiries. People told us about areas of a highway where, at different points along it, mobile phone service dropped out—it would be perfectly fine for a while and then drop out. They had documented evidence of accidents occurring where people were harmed and were not able to make phone calls.

I want to say something more about the issues around Aboriginal communities which I know Senator Crossin is particularly interested in, and this did come up earlier. If we were talking about the most remote parts of Australia perhaps it would be understandable that more technological advances are needed to have these links put in, but it has been identified that a number of Aboriginal communities which are not that remote need access just to basic public phones so that they have the communication link that I think we all expect.
In terms of getting the argument across, the people of Australia will listen to the arguments that are put forward by the government. They have proven that in the past. The question is: will they believe the government? I am not convinced that when people get a bad telephone service, when something goes wrong, they automatically link that straightaway to the government. But perhaps they will if they realise that for the third time—third time lucky—they have been promised some kind of guarantee and they have been given absolute assurances that are not met. In this place I have heard senator after senator from the government ranks tell the people of Australia that they are personally confident that the regulations and legislation that are before us today in the Senate will provide the commitment and the surety that telecommunications will be protected into the future by this round of promises that the government has given, by this round of dedicated funding that will be put aside to be exclusively used to protect telecommunications. One of my personal favourites of all the words that have come out of this whole process is the verb ‘future proof’. Now I have worked that one through I think it means that what will be put in place now will work with certainty into the future.

Senator after senator from the government and various members of the government parties in the House of Representatives have publicly said that they are certain that the future-proofing arrangements that are in this legislation will work. They have said that they trust the legislation before us and they encourage all of us to do so as well. I do not share that trust.

Senator Abetz—you’re in the Labor Party.

Senator MOORE—I stand before you as someone who does not understand that process. Senator Abetz, I would like to have that confidence of trust and to say that telecommunications will be protected once and forever in T3, because this is the last one. There will be no more processes in place to try, with one more slice, to get it right and go through this whole activity again. Once this legislation is passed, Telstra is sold. For many people, that could be a very fine result. They will not have to listen to us talking about this issue any longer—the signage, the letters and the emails might go away. But, Senators, when and if—I am being generous; I am saying if—these processes are not rock solid, are not enshrined as so many people on your side have said they will be, I hope that this time the government will be able to go back to the people of Australia and tell them what went wrong.

Currently, in this place, when we ask questions about why information was not shared about our service deliverer we are told that, by law, it is the board of Telstra that is responsible for giving this information and not the government. That is the level of trust that we are working on. Once there is no government involvement any longer, we will see that all the responsibility is with whatever company is taking the place of Telstra. So, for the people who are concerned about these issues, once this particular process is done, there will no longer be the chance to go through a process within government. We will be going through whatever regulations, whatever processes, are put out there. Once again, I want to say I do not trust this legislation. I cannot say to the people who are emailing, writing and visiting me that I can certainly give that commitment. I hope, when we go into the next stage, that some of these answers will be clearer, but I still do not think it will give the commitment that we as Australians deserve.
2005 is to remove the current legislative restrictions on the government to divest its holdings in Telstra to below 50.1 per cent to provide a framework for the government to sell its remaining shares. This bill gives the government the ability to divest its holdings in Telstra in a variety of ways. It allows the sale of shares through single or multiple tranches. It also allows other divestiture methods, such as placements to, potentially, the Future Fund or the Communications Fund, which we have heard so much about. It also allows Telstra shares to be offered for sale in hybrid, derivative vehicles. The bill allows the Minister for Finance and Administration to determine the appropriate methods for divesting the Commonwealth’s holding and the rules for the conduct of these divestments through ministerial determination.

One of the interesting things about this bill is that it removes the obligations of a government entity, so the bill also includes numerous amendments providing for the transition of Telstra from a government business entity to a private company. To this end, the bill removes obligations on Telstra under the Archives Act, the Freedom of Information Act, the Administrative Decisions (Judicial Review) Act, the Ombudsman Act and, of course, the Telstra Corporation Act. The bill is structured so that the majority of these obligations are repealed on the day that the government’s holding in Telstra falls below the 50.1 per cent. However, a series of these obligations will only fall away once the government’s ownership in Telstra falls below 15 per cent. That is an interesting aspect of this bill that I do not think most people will have realised that goes with the obligations under this act. The bill also imposes a new obligation on Telstra prohibiting it from engaging in activities that may dilute the government shareholding. The effect of these obligations would be to prevent Telstra from issuing new share capital—for example, a new offering or the issue of share bonuses without the approval of the minister for finance.

Labor have opposed the sale of Telstra repeatedly. In fact we have been opposed to the sale of Telstra for over 10 years. We have opposed the sale on every single occasion that this government has tried to force the legislation through the parliament. If you want to know about any alternative policy, ours is it. We have opposed the sale from the beginning, and this forms a key plank of our party platform. Over the last week, the federal government’s ideological fixation on selling Telstra at all costs, at any cost, has been exposed. There was the government’s backdown over loading up the fund for bush telecommunications with dodgy Telstra shares. We have seen that the value of Telstra shares can fall at any moment with the latest revelation from inside the Telstra bunker. It illustrated that this is a mean, tricky and out-of-control government at its very worst.

A recent Newspoll survey, on 17 August, found that 70 per cent of Australians are opposed to the full sale of Telstra, and the reasons are clear. Since the partial privatisation of Telstra, prices have in fact increased. The facts are there. Line rentals have increased from $11.65 to as high as $30 today, hurting those who are least able to afford it. The average prices paid by residential and small business customers have increased by 1.4 per cent and 3.1 per cent respectively. On the other hand, the average price paid by large business consumers fell by 5.6 per cent. Australia’s telecommunications prices are in fact the fifth highest amongst developed countries.

At the same time, though, services have been slashed. Complaints have skyrocketed, with 26,794 complaints being made to the Telecommunications Industry Ombudsman about Telstra in the last year alone. The
ACCC has commented that it receives more complaints about the telecommunications sector than about any other industry, even banking. The National Farmers Federation recently produced survey results showing that Telstra’s line repair performance has been plummeting for the last five years. Australia is falling behind the rest of the world in infrastructure investment. Australia currently ranks 21st out of 30 in the OECD for its use of broadband. We are going backwards.

The Telstra report, revealed on 11 August by Telstra’s boss, Sol Trujillo, to the federal government but not to the mum and dad investors, showed that, nationally, 14 per cent of Telstra’s phone lines are faulty. It showed that Telstra has underinvested in its network to the tune of $3 billion in recent years, robbing its customers of a reliable service basically so that it can do one thing only—that is, prop up its share price, fatten up the pig and get it ready for shareholders to take advantage of it when the government divests its interest in the company.

The report has shown that in the Northern Territory Telstra’s poor service is worse than ever. The underinvestment in services and infrastructure is highlighted in the Northern Territory, where we have per capita the worst exchanges in the country, as was revealed last week. Six of the 97 worst Telstra telephone exchanges Australia-wide listed over the last 12 months are in the Northern Territory. Those exchanges are at Berry Springs, Daly, Galiwinku and Nhulunbuy in the seat of Lingiari and at Casuarina and Nightcliff in Darwin, in the seat of Solomon. The Northern Territory has more dodgy exchanges on the 97 worst exchanges list than anywhere except Victoria and New South Wales. It has twice as many as Tasmania or Western Australia. Only two exchanges in South Australia made the worst exchanges list. Three in Tasmania, three in Western Australia, five in Queensland and eight in Victoria are on the worst exchanges list. We in the Northern Territory have six. Two of the exchanges are in Darwin, in the CLP-held seat of Solomon. They are in Casuarina and Nightcliff, as I have mentioned.

Telstra would have made itself more popular if, instead of angling to please the government and shareholders over the last few years, it had worried about things like keeping payphones working in towns like Borroloola or Wadeye and even in suburban Darwin. A recent report from the Northern Territory government, which they revealed in the latest Northern Territory Legislative Assembly sittings, shows that $100 million is needed now, today, for services in the Northern Territory. Yet it seems we stand to get only $14 million for remote communities, according to Senator Scullion. Remember, if all of Telstra is sold, the Northern Territory will still be trying to play catch-up to get turn-of-the-century technology while the east coast capitals leap ahead, as they always do.

Let us talk about ADSL and broadband. There are still enormous problems with accessing ADSL and broadband in Darwin, in suburbs such as The Narrows, Winnellie, Malak and Karama, at Bayview Haven in the rural area and in large swathes of regional areas in the Northern Territory. I have printed out an email which is one of many that I have received on this topic in the last month. It is actually addressed to Senator Joyce, with a copy to me. It says:

I have heard your (and Senator Scullion’s) comments about looking after Rural and Regional Australia in the sell-off of Telstra.

I live in Fannie Bay, a suburb of our Capital City Darwin, Northern Territory, about 7 kilometres out from the GPO. I cannot get Broadband where I live. Until 3 months ago, I didn’t have Mobile phone reception here.

I have a friend in Milner NT—about 8 kilometres out from the GPO of our Capital City, and she
can’t get Broadband. Another friend at Nightcliff (nearby) can’t get Broadband.

We all are trying to study at University level— which is increasingly offered on-line at our expense. With no Broadband or any offer from Telstra or other carriers to speed up our Internet access in the short, medium or long-term, lack of access continues to be an expensive problem.

It goes on to say:

I have another friend at Darwin River (about 30 kilometres from the CBD) and she can’t get Mobile coverage at home or at most places along the way to her home from work in the city ...

Standards in the Northern Territory are appalling. This person goes on to say:

Senator Scullion seems oblivious to his Northern Territory constituents who, even in his Capital City, can’t get decent telecommunication services.

On 17 August, on ABC 8AL radio in Alice Springs, the member for Solomon, Mr Tollner, was asked about mobile phone coverage on the Stuart Highway. He had this to say:

Certainly, when I was first elected Barry, it was something that Nigel—he means Senator Scullion—and I both said that we were going to work extremely hard to get, that was mobile coverage all along the Stuart Highway.

If I remember correctly, Mr Tollner, you said, ‘We will never support the sale of Telstra until there is mobile phone coverage up and down the Stuart Highway.’ But wait—there is a trick in the fine print. Mr Tollner continued:

But I suppose it’s an indication of how quickly telecommunication services move in this country. At the time, mobile satellite phones were pretty well out of the price range for the average person, these days, you know, you can buy a satellite phone off the shelf for around $500 ... and if you live in a remote area, the government will pay half of the cost of that. Now, an additional $30 million ... has been allocated under Connect Australia to improve mobile terrestrial coverage around the Northern Territory and remote parts of Australia.

These two boys have backed down on the commitment they made prior to the last election. There will not be mobile phone coverage up and down the Stuart Highway. If you want to communicate with anybody in your family or do any business transactions, according to these two guys you now have to buy a satellite phone—for which you can fork out $500 and the government will give you half back. So if you are in the business of travelling up and down the Stuart Highway, you need not only a mobile phone but a satellite phone. That is an admission of failure to deliver on the CLP’s promises.

On Monday of this week, Senator Scullion, on Territory Radio, walked away from the promise saying:

We can’t have it everywhere down the Stuart Highway but I think we can have it a lot further than what it is.

This is a very basic lifesaving emergency measure. Repeatedly—time and time again—people have asked for mobile phone service up and down the Stuart Highway in the Northern Territory. It is not a matter of technological impediments these days; it is a matter of cost. These guys promised at the last federal election that they would not agree to the sale of Telstra until there was mobile phone coverage up and down the Stuart Highway. Instead, we are told to buy satellite phones. Other parts of the highway just get CDMA coverage. Neither of those is very relevant to the average family, caravanner or tourist travelling that highway.

Let us look at a report that was commissioned by the Communications Law Centre for the Central Land Council. It was produced by that council in conjunction with the Isolated Children and Parents Association. It was called The last 100 kilometres. It focused on the three per cent of the Australian...
population who do not receive a universal service yet who are within 100 kilometres of the telecommunications network.

The report calls for a needs based prioritising of new services, clearer coverage of people in remote communities by the universal service obligation and better data collection on the needs of these forgotten people—after all, they cannot be phone surveyed. Extending services to these people in small communities and in regional Australia is a lifeline issue that has been overlooked by the government and by Telstra time and again. Selling Telstra gives no comfort to these people that this issue is going to be addressed.

The Indian Ocean territories are an area of our electorate, and I was appalled at the comments by Senator Scullion in an interview with Daryl Manzie on Monday. I was absolutely appalled by his lack of understanding of the detail of this legislation. The Indian Ocean territories—Christmas Island and the Cocos Islands—have been deliberately excluded from this legislation. The government has excluded those territories from its new future-proofing legislation—and Senator Moore referred to this—and from the associated Regional Telecommunications Independent Review Committee review of the adequacy of telecommunications in rural, regional and remote Australia every three years.

The review committee was put in place to buy the vote of the National Party, who, it seems, was not concerned about Christmas Island or the Cocos Islands. In fact, I do not think that many people from that area vote for the National Party. Currently, under the Telecommunications Act 1997, Australian telecommunications laws cover certain ‘eligible territories’, and these include Christmas Island and the Cocos Islands. The Telecommunications Legislation Amendment (Future Proofing and Other Measures) Bill 2005 says that ‘for the purposes of this review committee’—and Senator Scullion should listen very closely to this—‘Australia does not include the eligible territories’. They have been deliberately excluded from this legislation.

People on Christmas Island and the Cocos Islands got mobile phone coverage and a payment for that only about 12 months or so ago. But that is because they had an analog service there and because every time you arrived on those islands you actually had to hire a mobile phone, which you could only use to communicate with other people on that island. There was no mobile phone service between the islands and the mainland. If Senator Scullion was doing anything to look after his electorate he would be certainly lobbying to make sure that the IOTs were included in this legislation.

Let me finish my remarks tonight by looking at the position of the CLP and the two jokers who represent the Northern Territory in this federal parliament on behalf of the government. When I did a search on ParlInfo, I did not find one time when Mr Tollen has ever talked about Telstra. Never in his four or so years here has he mentioned the word ‘Telstra’ or spoken about it. On 26 March 2003, when talking about an ISP company in the Northern Territory, he said that they probably offer services comparable to Telstra BigPond. That is the only mention of that word in federal parliament by Mr Tollen.

If I do a ParlInfo search of Senator Scullion, he has never in this chamber mentioned the word ‘Telstra’. As I look at the long list of 20-minute contributions from senators this week to this second reading debate, I do not see Senator Scullion’s name there. Over 40 senators from this chamber have decided to put their views on paper and in Hansard.
Senator Scullion’s name is missing. It is an appalling record of representation for people in the Northern Territory.

But then the CLP does not have any policy about this. The CLP opposition leader, Jodeen Carney, said after the central council meeting only three weeks ago:

As a result of this weekend spending a great deal of time talking about Shane Stone’s review—

in other words, navel gazing to find out why they lost so badly on 18 June—

we didn’t talk about Telstra at length. So the party will need to be more fully briefed and it would be very inappropriate for me at this stage to say the party has a position whereas really it doesn’t.

So Senator Scullion and Mr Tollner, I ask this of you: if the CLP does not have a policy on the sale of Telstra and as many hundreds of people have emailed you—as I know they have emailed you, because I have been included in the addressee list—pleading with you not to sell Telstra, what is your position on these bills and the sale of Telstra? I noticed that the bills went through the House last night. There was no contribution from Mr Tollner and he supported the bills.

Senator Scullion, from his appalling interview with Daryl Manzie, has absolutely no idea what the Territory is going to get out of this sale. Any idea he has, he has made it up. There is $90 million over four years for all Indigenous communities across Australia. Who knows where he came up with the idea that 118 communities have been identified—none of us in this house can find that today. What Senator Scullion seems to forget is that he has been sold a pup. At the end of the day, his role in the chamber has proved that he is absolutely Canberra’s puppet in the Northern Territory. He has not been game enough to publicly say on radio that he will oppose these bills. He has not got one extra cracker out of this deal for the Northern Territory. His performance has been absolutely disgraceful, and worse than Barnaby Joyce’s. The Territory stands to get nothing from the sale of Telstra.

Senator MURRAY (Western Australia) (10.07 pm)—Before I speak to these telecommunications bills, I foreshadow that I have a speech from Senator Allison that I want to incorporate at the end of my remarks.

There are many good arguments against the sale of Telstra. None of these sway the Liberal and National parties who believe that Telstra is not core government business. The coalition believes that, politically speaking, the sale of Telstra will end up a non-event. They think that, by the time of the next election in 2007, voters will have moved on, as they did with the sale of the Commonwealth Bank and Qantas. They also believe that the sale is not a vote changer. Why do I say that?

Firstly, although it is reported that up to one in six Telstra customers are unhappy with their service, most Australians get a satisfactory service and do not expect that to change. In other words, the government expect that most Australians, as customers, do not feel that their interests are threatened by the sale.

Secondly, although three-quarters of Australians are supposedly against the sale, half of Australians support the coalition—in other words, it has not been a vote changing issue. It is not a question of voter ignorance either. At four elections the sale of Telstra has been loud coalition policy and over the last nine-plus years the Liberal Party and the National Party have voted four times for big parts of Telstra to be sold. If you gave your primary or preference vote to the coalition, you voted to sell Telstra—end of story. Thirdly, the government calculates that the extra investment promised in the $3.1 billion package will positively sway a number of regional voters. Against those three points, there is always the political danger of Telstra being
an electoral liability by 2007 or of the coalition being blamed by large numbers of mums and dads for a low Telstra share price in 2007.

There has periodically been mild interest in my stance on Telstra because of my speech in October 2003 on the Telstra (Transition to Full Private Ownership) Bill 2003. Despite that, the real attention has instead, rightly, been on The Nationals. In recent months, the media thought that Senator Joyce would be a key negotiator with Mr Howard on Telstra. He was not—that was always the job of the leader of The Nationals. Then the media was sucked in by a belief that Senator Joyce might cross the floor on this issue. If it had not hurt The Nationals to vote four times for the sale and to sell off half of Telstra, it was not going to hurt them to sell the rest. They were just haggling about the price of their vote—about how much they could wring out of Mr Howard. What they got—more money for telecommunications infrastructure—is important. Of course, we would not be in such a tragic situation of underinvestment in telecommunications infrastructure if the major shareholder had not ripped so much in dividends out of the company—reserves which should have been a part source of much needed capital expenditure.

I have been determined to play no part in what has just been good political theatre. I have made no statements and have sought no interviews. The government knew my position—it was on the public record—and they knew where I was if ever they needed to talk to me. But I was pretty sure that they would not need to. A few members of the print media tried to set me up against Senator Joyce, but I am not into hypotheticals. My standard response to the inquiring jouno was to ask just one question: ‘Have you read my speeches stating my position?’ The answer was always no. Then I asked: ‘Do you want me to send you what I have said?’ Sometimes the answer was yes. I then said: ‘Well, my position has not changed. You can call me back when you’ve read it.’ Very few did. Lastly, I said, ‘Anyway, I am irrelevant to this debate; the Nats decided to sell it long ago and that is the end of the matter,’ and then I put down the phone.

That did not prevent my name being offered around in some quarters. Senator Joyce has been quoted as saying: ‘If we in the National Party had turned this down, we would have been left with nothing and they would have sold it anyway.’ Who ‘they’ are beats me. The Liberals in the Senate do not have the numbers to sell Telstra—they need five more votes. Then Senator Joyce was quoted in the Australian as saying:

Treasurer Costello has said that they can find somebody else, probably either (Australian Democrat) Andrew Murray or the Family First Senator (Steve Fielding) and then we have the worst of both worlds.

Even if that were true, we two only have two votes.

For the record, Senator Joyce has never spoken to me on the Telstra sale and the government did not approach me to negotiate this sale in the bills before the Senate today—although it does appear that they did approach Senator Fielding. If ever I had been asked to negotiate, my starting point would be the $3.1 billion package negotiated by Mark Vaile, leader of The Nationals. In other words, I would have kept the $3.1 billion and negotiated for more. So why would that have been the worst of both worlds?

Given that I have voted four times not to sell Telstra and given that my party policy is not to sell Telstra, some have been puzzled by my willingness to consider a sale under certain conditions. As I say, I spelt that out in detail as long ago as 2003, and there is not the time here to go through it all again, but it
is all on the record. Suffice to say that there are two declarations now required of me. The first is that, like every one of the other 75 senators, I am required to declare whether I or any relative or close connection or any entity or organisation connected with me or my spouse is beneficially affected by or can profit in any way from shares, contracts, sale services, fees and so on arising from the bills before me. My declaration is in the negative.

The second declaration is whether I will vote with my party. Senators know my record, but the public often will not, and the media seldom fill in the dots. In my nine-plus years in the Senate, in several thousands of votes and decisions on bills, amendments, motions and issues in the party room and in the Senate, the Democrats parliamentary party has split its votes on just a handful of occasions, in which I was invariably with the majority. The Democrats constitution specifically requires approval of and respect for a conscience vote. I recall that founder Don Chipp has continually emphasised this principle as the most important of all for the Democrats. I concur.

Section 11.3 of the Democrats’ constitution confirms my right to vote on conscience and requires me to advise the party of a decision—in this case it was a possible decision—to vote on conscience and my reasons therefore. I did that early in July 2003, two years ago, and have regularly reaffirmed that to the requisite party and parliamentary officials.

So, might I have voted for a sale of Telstra? The answer is yes, if certain conditions had been met. Will I vote for the sale conditions before us now? The answer is no. The Nationals have got too little and the regulatory protection is too weak. They had a golden opportunity to defeat the Liberal big business alliance dedicated to keeping our Trade Practices Act weak. As I have said before in a speech on the Trade Practices Act:

The flip side of easing the market for mergers, takeovers and acquisitions is a need to ensure that the overmighty and abusive are properly constrained. I have said before that big business roars approval at the dynamism of the American market but fiercely condemns a major contributor to that dynamism—that is, the effects of antitrust or divestiture laws. We need those regulatory tools in Australia. Balanced divestiture laws are the corollary of balanced merger laws. We do not have effective divestiture laws. It is a strange and illogical policy that can prevent mergers to maintain effective competition but cannot require divestiture also to maintain effective competition.

There are great dangers in contemplating media ownership reform, the sale of Telstra or an end to the four pillars banking policy without a divestiture power as a necessary safeguard. Current divestiture provisions in the Trade Practices Act are very limited and should be expanded. We must look to the success of divestiture laws in other dynamic and productive markets such as the United States. Without them, changing current policy in key market areas such as telecommunications, media and banking raises immense difficulties.

In June 2005 I had this to say in the Senate appropriations debate:

If the Nationals are going to sell Telstra they should get something big in return, just for a change, something really meaningful.

When the Telstra (Transition to Full Private Ownership) Bill 2003 was debated I said a number of things.

I said that economists will tell you that land and labour are two factors of production. They will tell you that continual targeted investment in these factors is essential to long-term sustainable productivity and growth.

A nationalist will tell you that land and labour, our country and our people, are the essential determinants of the nation state.
Investment that starts with a preschool child takes a couple of decades to get a full social and economic return.

Investment in turning around land degradation and material environmental damage similarly take a couple of decades to get a full social and economic return. A failure to invest condemns generations to come.

That of course is what the economic rationalists are guilty of: a failure to invest adequately in our land and labour, a failure that we will be paying for over generations.

In many places our land is in large-scale crisis. As a West Australian, I am particularly conscious of that. Among others, the National Farmers Federation and the Australian Conservation Foundation have spelt out just how much money they think is needed, and it is a huge sum.

It runs into the multibillions. It is in the national interest, if Telstra were to be sold, for some of the proceeds to be used for the long-term good of Australia and its peoples.

So the first job of the Nationals is to get a few billions to help reverse the disaster that is salinity, secure better water supplies and to restore the health of our water and land systems.

In various speeches I have said there are great dangers in contemplating media ownership reform, the sale of Telstra or an end to the four pillars banking policy without a divestiture power as a necessary safeguard.

We know from experience that market forces will not guarantee competition in highly concentrated industry sectors. Regulatory powers are necessary safeguards for efficient, effective and diverse competition.

Current divestiture provisions in the Trade Practices Act are very limited and should be expanded. We must look to the success of divestiture laws in other dynamic and productive markets such as the United States. Without them, changing current policy in key market areas such as telecommunications, media and banking raises immense difficulties.

I said that the Telstra structure argument is difficult. The necessity and practicality of vertical or horizontal separation is an issue. Certainly, divestiture provisions in the Trade Practices Act would give the ACCC power to order divestiture post sale if it thought it necessary.

There is the possibility that some of Telstra’s money could be used, for instance, in areas such as increased investment in rail—another infrastructural area badly in need of investment. The states of South Australia, Victoria, NSW and Queensland badly need fast modernised freight train services.

Speaking personally, if I was negotiating I would leave issues like the structure of Telstra, CSO’s and other obligations to whatever the Coalition thrash out.

So, what is the negotiations checklist that I will tell the Nationals to get with the sale of Telstra? In three simple points: strengthen the Trade Practices Act, get money for rail, water and land degradation, and splash out on an essential bit of social restoration.

Top of the list are all the excellent recommendations of the March 2004 Senate Economics Committee’s report into the Trade Practices Act. I’ve watched the Nationals closely on trade practices reform. They have talked the talk but never yet walked the walk.

This is their chance to show what they are made of.

The Telstra sale will be worth tens of billions. Take a few of those billions for rail, for water and for the land. There will be more than enough left for the Liberals.

If it was me I’d also take anywhere up to half a billion to meet the needs of the Forgotten Australians. Reparations alone in that report needs a sizeable sum.

That is what I said in June. Those would be my views in opening a negotiation. As a seasoned negotiator who has negotiated tens of billions of outcomes with and on behalf of my colleagues in the Senate, I know that any negotiation must result in a mutual compromise between parties. If it does not it means that there can be no agreement. There are things that either side would not give up in negotiation, so who knows whether, if the government had ever spoken to me, agree-
ment could have been reached. Because the board and management of Telstra bear watching, in negotiation I might also have raised the need to review Telstra’s constitution and, among other things, to have Telstra put the corporate governance board concept to a shareholder vote.

Fundamental to Democrat philosophy is a belief that many of the political principles that apply to popular democracies can transfer across to shareholder democracies. Corporate democracy is the key to corporate governance. At the heart of democracy is the restraint of power, the notion of checks and balances and regular testing of popular support. So, in discussing corporate governance, our political and constitutional language is a helpful tool—best practice regular elections, compulsory voting, representative bodies, independent institutions and people, appointments on merit, the separation of powers, transparency, accountability and full disclosure.

One solution to the abuse, or potential abuse, of corporate power is for a separation of powers; to split board responsibilities between a main board and a governance board. The main board would continue to be elected by shareholding and concentrate on strategic, business and operational issues. It would contain executive and non-executive directors and because of its election method would continue to have a bias towards the dominant or large shareholders. A small corporate governance board would be composed of non-executive independent directors—perhaps three of them. It would have a limited remit and would call and chair shareholders meetings, propose changes to the company constitution, resolve conflicts of interest, determine the remuneration of directors and executive management, appoint auditors and other advisors, such as valuers, and manage the process of electing directors. To protect the interests of all shareholders, not just the dominant shareholders, voting rights would be determined democratically by numbers of shareholders rather than by the shareholding power of a few shareholders. It would be determined by shareholders not shareholding. Because of its election method, it would have a bias towards all shareholders rather than just the large shareholders.

This separation of powers seems a difficult concept for the traditional business community to fully appreciate. Instead of this self-regulatory device, they foolishly vacate the field on regulation, and then complain about the extent and detail of black-letter corporate law. Improved corporate governance should be an essential safeguard in this sale. I can assure you that, if I had been asked to negotiate, the three amigos would not have had an easy ride. I seek leave to incorporate Senator Allison’s speech.

Senator Ian Campbell—There is a stark contrast between what Senator Allison says in her submitted speech and what Senator Murray said in his speech in terms of our mandate, but students of history will read that. I refer to paragraph 4 which is in total contrast to what you have said, Senator Murray. It was a most eloquent speech—well done.

Leave granted.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (10.24 pm)—The incorporated speech read as follows—

We have come to a moment in Australians telecommunications history I never thought would really come.

The Coalition Government commenced the privatisation process in 1996, shortly after coming to power, determining that the proceeds would be used to retire debt. This rationale no longer has currency with Australia’s public debt levels in the OECD.
The Senate Committee inquiry into the 1996 dilution of public ownership Bill found that there was no substantial empirical evidence to back the government’s claim that the Australian economy and Australian consumers would benefit from the (then) partial sale of Telstra (one-third) and it was concluded that the decision to sell Telstra was driven by ideology, as were subsequent attempts to sell the remainder.

Fast forward to 2005 and the Government claims a mandate to sell Telstra by virtue of its re-election, yet the sale of the remainder of Telstra was not a feature in the Coalition election campaigns of either the 2004 or 2001 elections.

The full privatisation of Telstra continues to be opposed by between 60% and 80% of Australians. Yet with a notional majority in the Senate, the Government has now moved 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.

As we did in 1996 and 1998, we will again be opposing the sale bill because the Government has again failed to make out a case that this bill is in the public interest. On all key criteria, the Government needs to abandon ideology and step back and reassess what’s in the national interest.

The Democrats argue that because Telstra provides a range of services that are absolutely vital to the national security and economic and social development of Australia, that it should remain in public hands.

Australians are increasingly relying on e-commerce, e-health, and banking. For many businesses, especially small business, efficient and effective communication systems are critical. So for example high speed Internet is essential for successful engagement with the modern economy and society. A cost effective, reliable communications system is especially critical for Australians living in regional, rural and remote areas, where tyranny of distance, isolation and lack of services can be overcome. Indeed the National Farmers federation president recently said that “farmers in the 21st Century need access to more than just basic telephone service—they also need affordable, quality mobile and internet services to remain competitive.

A privatised Telstra will be more likely to demand a commercial rate of return from all their assets—and so more willing to close down low return assets—as we have seen with many services (eg. banking, air services) withdrawing their presence in regional Australia.

This is already evident with Telstra’s investment in infrastructure declining since it was privatised. At the same time Australia’s performance on broadband access compared with other OECD countries has declined. Investment in infrastructure is in Australia’s long-term interest.

The Democrats argue that Telecommunications is as essential as decent roads and power, it should be treated as a critical part of our nation’s infrastructure and that at a minimum Government should own key telecommunications infrastructure to ensure equitable access to affordable modern telecommunications if Australia is to remain international competitive and socially progressive.

While there is evidence to suggest that telecommunications in rural and remote areas have improved significantly in recent years, which advances in technology and a number of government initiatives have contributed to, there is further evidence that services still remain inadequate.

We agree with SETEL’s assertions that the focus on ‘Standard Telephone Service’ is no longer sufficient to meet the needs of Australians. Broadband is the future of communication transmission for the delivery of voice, data and video based service.

The latest OECD figures for December 2004 show that Australia is now ranked 21st in broadband subscribers per 100 inhabitants, down from 18th in 2001. We do have a relatively high take up rate but this is because we started at a low base, years behind other countries. Australia also accepts internet access and下载 speed of 256 kps is low compared with international standards.

Despite its economic and social importance, Australian broadband penetration continuous to lag behind the rest of the world. In counties such as
Sweden, Netherlands and Japan, governments are encouraging companies to use fibre rather than copper. The Korean Government approached the broadband need with funding of $US25 billion. In March 2004 President Bush called for strategies to ensure that every US home had access to high speed Internet within three years. After Premier Tony Blair made a similar announcement, broadband penetration in the UK tripled.

On infrastructure development, with ownership of both the copper wire and the HFC network, lack of competition and a strategy to maximise shareholder value, there is no incentive for Telstra to invest in its infrastructure. The Environment, Communications, Information Technology and the Arts References Committee report on The performance of the Australian Telecommunications Regulatory Regime reported that during the 1980s under full Government ownership of Telstra, 70 to 80 percent of the annual surplus was reinvested in the network. Telstra’s capital expenditure as a percentage of revenue has declined from 23.4% in 1999 to 14.1% in 2004.

In the “secret” Telstra publication The Digital Compact and National Broadband Plan presented to the Government in August 2005, Telstra reveals that 14% of all lines have faults and states that what is required is “significant investment in the network for proactive maintenance. The document goes on to reveal that $2-3 billion in additional investment (Opex and Capex) should have been spent over the past 3-5 years.

The Democrats argue that the reduced investment in infrastructure has and will continue to impact on innovation, new service development, and implementation and maintenance of infrastructure—especially to regional and rural Australia.

At the Senate inquiry, Telstra indicated that it would be reluctant to increase its investment in infrastructure under the conditions imposed in the Telstra sale package. Telstra managing Director of Regulatory, Ms McKenzie told the committee:

“The bill appears to require us to give away to our competitors, whenever they ask, value added services in which we have invested. Why would anyone invest in these circumstances? The regulations we face here increase our costs and hamper our ability to expand revenues. In fact, our ability to deliver the next generation of products and services for Australia is severely constrained by regulations that prevent us from earning a commercial return for our 1.6 million shareholders.

Telstra is a commercial operation. We have to act in the best interests of our customers and our shareholders. If there is no money and we are not making any money, then it will not be there to invest.”

Telstra gave evidence at the Senate hearing that:

The funds that have traditionally subsidised rural and regional services are fast running out.

A submitter to the inquiry into these Bills, Mr Morgan, argued that competition cannot be sustained in parts of regional and rural Australia:

The issue for Telstra, as for any dominant (former monopoly) phone company, is whether the investments needed to offer new services on its own behalf are justifiable when competitors have legal rights to access the Telstra network at marginal cost i.e. at a cost which may fail to cover Telstra’s ‘commercial’ cost of capital. The problem for Telstra is heightened by the fact that competitors using Telstra’s network then divert revenues from Telstra which are needed for network upgrades and most significantly cross subsidies to rural and remote areas.

Mr Morgan also argued that market forces on their own can never provide rural Australia with the telecommunications services it needs and that competition cannot be sustained in parts of regional and rural Australia:

Telstra, like its predecessor Telecom, has to support high cost and consequently loss making rural and remote customers through a web of cross subsidies which have kept telecommunications costs uniform across Australia. Despite the arcane economic theory about contestability and tendering out loss making rural areas, these customers are of absolutely no interest to competitors and will remain Telstra’s sole responsibility.

Since the network monopoly ended in 1991 no competitor has made or even attempted to make major inroads into the bush. Although
there have been several short lived attempts to build alternative infrastructure in major provincial cities the major competitors to Telstra have stayed out of the country. With full liberalisation of the market in 1996 competitors have been free to use any technology they might chose but none have built a business case for market entry in the bush.

The behaviour of Telstra’s competitors is completely rational. Why would they build infrastructure to enter loss making markets. The companies such as OPTUS, Primus and AAPT only really offer resale of the Telstra fixed network outside the capital cities although both Optus and Vodafone have built digital mobile networks that cover about 8% of the Australian land mass. These networks replicate the digital network built by Telstra but fail to match the coverage of the Telstra analogue network which was closed as a condition for Vodafone’s entry to the market.

Clearly if competition is the answer in the bush then rural customers will have to await the arrival of the Mother Therese telephone company—someone willing to lose hundreds of millions of dollars a year competing with Telstra. Sadly losing money isn’t popular with shareholders and there’s the rub for the National Party. Shareholders in a fully privatised Telstra will expect the board to maximise profits on their behalf and faced with intense, contrived competition in and between the capital cities, a rational Telstra board would have to turn to loss making rural services for cost savings and consequently sustained profits.

A simple commercial truth must be acknowledged. Regulation cannot protect rural consumers if Telstra does not have the money for loss making rural services

In February 2005, the ACCC noted that:

To date, neither Telstra nor any other party has indicated to the ACCC that it has firm intentions in relation to investment in technologies such as fibre-to the home. Indeed, Telstra admits it actually has no current plans for any significant investment in fibre-to-the-home and claims the existing copper network has another 15-20 years of useful life in front of it.

Dealing with fears that less commercially profitable services will decline has been one of the key impediments in the Government’s ability to sell its majority interest in Telstra. The Government’s key response in this package to the issue of ‘future proofing’ had been to establish a regional review committee which will undertake reviews every 3 years, establish 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 if the funding will be targeted only to regional and rural Australians.

Mr Moore in his submission argued that the $2 billion Future Fund should at least be doubled or quadrupled to $8 billion to cater for this apparent oversimplification of the core backhaul network necessary for true broadband internet.

The Nationals commissioned report by the Page Research Centre Limited identified several options of how to future proof the bush. Options A and B argued to use a large portion of the estimated $33.8 billion revenue raised from the sale of Telstra to roll out either fibre optic cable or wireless to the majority of consumers in non-metropolitan areas. The report cited a minimum $7 billion to roll out the required infrastructure over 5 years.

However, Telstra have previously argued it would cost $30 billion over 20 years to provide fibre to the home.

The reality is that the true costs is likely to be somewhere in between, what is clear is that the Governments package is inadequate to future proof the bush.

Ms Eason from the CEPU at the recent hearing into these Bills, offered these comments:

I think it is important that, when you listen to the statement that there is a large amount of money here and if it is used in a concentrated fashion over very few projects—as Optus said, a few projects might give you bang for your buck—it should give you and the other representatives of rural Australia food for
thought, because that is not what is being proposed here. There is $1.1 billion, which has already been allocated in terms of where it is going to go—the HiBIS fund and other kinds of allocations; that has all been specified. Then there is $2 billion, which is supposed to last forever, to fund rural and regional needs. That is not a large sum if it is spread in perpetuity. It is a relatively small revenue stream, which is already tied under the mechanisms of this legislation.

I am still saying that it is a relatively small revenue stream. It is tied to regular reviews. It is not at the discretion of the department or the parliament in a simple way to say how it is going to be spent. The expenditure of that will be tied to the regional telecommunications infrastructure and services review fund—RTIC or whatever. The kind of image that Optus is inviting you to think about is perhaps where there is a very significant amount of investment—and the nature of telecommunications, if you want infrastructure, is lumpy and not small amounts of money dribbled out; it is big sums of money, which take a lot of time to recoup in terms of investment. That image is not what this fund is going to provide.

Given that Telstra is the major supplier of services to regional and rural Australia, and that many of these areas are subject to market failure, the Democrats are concerned that a privatized Telstra will focus on competitive areas and will abandon country people. The Government’s package clearly ignores these issues and is clearly inadequate to ensure equitable access to modern telecommunications services in regional and rural areas.

An alternative solution offered by the Democrats to future proof the bush and metropolitan areas lacking access to broadband, is to keep Telstra in public hands, sell off non-core activities and use the proceeds to invest in fibre and wireless technologies. As the majority shareholder and with Ministerial discretion, the Government could require Telstra to focus on core activities that are in the national interest, and divest its shareholdings in non-core offshoots such as Foxtel, Sensis, Telstra Clear and CSL and use the proceeds, around $12 billion, to fund a national roll-out of fibre and wireless.

In addition to a future proofing solution the Democrats also advocate for structural separation (or at a minimum operational separation in combination with divestiture powers); more funding and a telecommunications specific commissioner for the ACCC; strengthening of the Trade Practices Act; regular reviews of telecommunications in all areas of Australia not just the bush, and a requirement for ongoing investment in core infrastructure.

At a minimum the Government should undertake a mapping exercise of optic fibre networks in Australia and in consultation with the Department of Communication, Information Technology, and the Arts; industry; and consumer groups; develop a national plan to roll out fibre and satellite to ensure high speed broadband to ALL Australians. The Democrats believe that Government leadership, as we have seen in Korea, Sweden, and the UK, in facilitating and supporting all Australians to access affordable, fast, reliable, broadband is crucial if Australia is to flourish in the 21st century.

The Democrats will not be supporting the Telstra (Transition to Full private Ownership) Bill 2005, the reality however is that it will go through, and we will move a raft of amendments to the associated Bills in this package to address issues raised in this inquiry and previous telecommunications inquiries.

Senator STERLE (Western Australia) (10.25 pm)—This is a sad day for democracy in Australia. Today we are debating the Telstra used share fire sale bills.

Senator Ellison—This is democracy!

Senator STERLE—It is good to see you are listening on the other side, I hope it is all sinking in. We all know that if those of us who are opposed to the fire sale take longer than the government tolerates, they will wheel out the guillotine to shut us up. The government have prevented this Senate from having a proper inquiry into this sale. They do not want any scrutiny. What this cohort seems to forget is that not everyone voted for
them at the last election. What they have done is deny those Australians their inalienable right to have their representatives in this Senate act in their interests. They know that the more people look into what the government is doing the more people will get angry. Of course, underlying this, they do not want Senator Joyce to wake up to the fact that he has been conned. But unless Senator Joyce comes to his senses some time soon, this is how democracy is going to be in Australia for the next few years.

Labor is absolutely opposed to the sale of Telstra. Labor has already voted against the sale of Telstra five times. I am just getting this through so it sinks in. I know it is getting late but just in case it has not sunk in for the senators on the other side: Labor is absolutely opposed to the sale of Telstra. But Telstra is not the only thing that is up for sale. The Howard government is selling out the bush. I will repeat that—this government is selling out the bush. The National Party are selling out their constituents. Unless Senator Barnaby Joyce comes to his senses some time soon, he will be selling out the state of Queensland. While Labor is taking up the fight to the government to represent the 70 per cent of Australians who oppose the sale of Telstra, The Nationals are auctioning off their constituents to support the government.

Since 2003 Telstra has spent $1.75 billion on buying back its own shares. These buybacks are a short-sighted attempt to prop up Telstra’s sale price and fatten Telstra for sale. It is now clear that while the government has been focused on fattening Telstra for sale, Telstra has not been investing in the new infrastructure that is so urgently needed. The privatisation of Telstra has been a financial disaster for Australians. The first stage sale of one-third of Telstra in 1998 yielded an average of about $3.40 a share or $14 billion. Most of this money was used to repay government debt. The resulting interest savings, compounded over time, amount to about $2 a share or $8 billion. But over the same period the government has forgone dividends with a compounded and grossed-up value of $3 a share. The Telstra 2 sale in October 1999 involved the second sell down of the government’s shareholding in Telstra. The Telstra 2 share offer comprised 2.13 billion shares representing some 16.6 per cent of the company. People who bought the shares at $7.40 would be feeling a bit stiff. We all know what the share price is today. It is well below the $5.25 mark used in budget calculations for a $30 billion sale.

At a personal level, mum and dad shareholders from Mukinbudin who bought 2000 T2 shares at the float—

**Senator Ellison**—Have you been there?
That is not how you pronounce it.

**Senator STERLE**—Do you know where it is? Have you been there? It would be a long time since you have been there. I would suggest it is a long time since the minister has been to Mukinbudin.

**Senator Ellison**—At least I know how to pronounce the name of the town.

**Senator STERLE**—Have you been there? What an absolutely wonderful comment. I will restate that, at a personal level, mum and dad shareholders from Mukinbudin who bought 2000 T2 shares at the float would have lost around $3,500, even after taking into account the dividends they have received.

The Prime Minister, the 51 per cent shareholding—or, more realistically, the trustee on behalf of the Australian people of 51 per cent of the shares—in an environment in which he wishes to sell his shareholding, came out and said that Mr Trujillo’s job is to talk up the value of his stock. They want Telstra to be talked up: they want Mr Trujillo to say everything is perfect out there in regional Australia, so they can sell Telstra. I would
have thought that Mr Trujillo’s job was to

tell the truth. To say everything is perfect out

there is an absolute fib, particularly in cir-

cumstances in which an issue of sale is in-

volved. Telstra’s CEO, Sol Trujillo, has

blown the whistle on the government by ad-

mitting that Telstra has underinvested in its

network and it has been fattened up for pri-

vatisation by the Howard government. So

much for this government’s reputation of

being good economic managers. Whenever

they have to directly manage something like

Telstra, they muck it up, and to deliberately

mislead the people in order to cover up their

inexpertitude is tantamount to fraud.

Australia is falling behind the rest of the

world in telecommunications infrastructure

investment. Out of 30 countries in the

OECD, Australia currently rank 21st in the

use of broadband, and we are going back-

wards. All this comes about because of this

so-called leaked document. I do not buy the

‘leaked document’ label. I think that a re-

sponsible citizen who has had access to the

truth has put it out in the hope that something

can be done before it is too late. The docu-

ment points out that Telstra currently re-

ceives 14.3 million fault calls per year, that

over 14 per cent of all lines have faults and

that Telstra’s workforce is ageing. Telstra is

effectively telling the government, ‘Before

you think about privatising us, you might

think about providing a decent service and

that may mean taking the T3 proposal off the

table while we get a decent service.’

The government are telling the Australian

people that Telstra’s services are up to

scratch. They are the ones who are telling the

Australian people that there is a strategy in

place for rolling out decent communications

around the country. Australians know that the

services are not up to scratch in the bush.

Why is the Prime Minister trying to force

through the sale? If we accept that the reve-

lations are from a leak, I wonder where the

leak came from. We can only speculate. I

would not be surprised if someone suggested

one day that it came from the Treasurer’s

office. You have to admit the timing of its

leaking and the Treasurer’s absence is quite a

coincidence. If Senator Joyce did care about

the state of Queensland, he would be out-

raged that the money has not been spent on

the vital infrastructure that rural and regional

people need. I ask the senator to examine his

conscience in the light of the information

that is now public.

Telstra has been borrowing to pay divi-

dends and says this is unsustainable, is un-

dermining the value of the company and is

leading to underinvestment in the network.

The real question here is: what did the Prime

Minister and the Treasurer know about this

and how long did they know it? Since the T2

sale of shares, the Commonwealth govern-

ment has taken $8 billion in dividends from

Telstra. This document says that Telstra has

been borrowing funds to pay its dividends.

That is unsustainable and has led to underin-

vestment in the network. The Treasurer and

the Prime Minister would have known about

this for some time and they ought to come

clean in the parliament. They have a moral

responsibility to this nation; they have a

moral responsibility to the investors; and

they have a moral responsibility to own up to

the failures of telecommunications in this

country. This is extremely serious.

Telstra itself has been borrowing funds to

pay dividends, which have been used to prop

up Peter Costello’s budget. What role has

Peter Costello played in this? It worries me

that Telstra has been dipping into its reserves

to pay its dividends—borrowing to pay divi-

dends. It is forecast that this borrowing will

rise to $2.2 billion in 2006. It is a totally un-

sustainable practice designed to prop up the

share price—convenient for a government

desperate to secure a respectable share price

for the upcoming sale. To pay the dividends
Telstra will be borrowing from reserves more than $550 million in 2005 and that will rise to $2.2 billion in 2006. Telstra is borrowing from its reserves, from its profits, to pay the dividends. Let us go through some facts. Before the last election, John Howard said that Telstra’s services were up to scratch. I suspect that, with the benefit of hindsight, we can clarify that this claim is non-core. We know that 26,794 complaints about Telstra were lodged with the telecommunications industry ombudsman in the last year alone. Before the last election, Senator Joyce promised not to sell Telstra. Now we know that he has cut a deal and rolled over. Shall we say that this is a non-core promise? Public opposition to the Telstra sale has risen from two-thirds to 70 per cent. Since 2000 the Howard government has permitted line rentals to increase from $11.65 to around $30. Perhaps this is a non-core increase. In fact, everything that presents an impediment to the Howard government’s sale plans could conveniently be wavered under the non-core clause.

Privatisation is a net loss for the nation’s finances. The Treasury’s own analysis of the dividend stream that the government receives for its share of Telstra compared to selling Telstra shows up a loss for the public coffers of $140 million per year, which cannot be spent anywhere else. This parliament must act responsibly. Telstra is not for sale. Pull down the billboard, Mr Howard; your people have spoken. Telstra is not for sale. The Australian people do not want Telstra to be sold. A Newspoll conducted in August this year found that 70 per cent of Australians are opposed to the full sale of Telstra. Apparently, more Queenslander are opposed to the full sale of Telstra than the national average. How do I know this? Senator Joyce told me. In an article in the Financial Review on 15 March 2005, then Senator elect Barnaby Joyce wrote that 76 per cent of Queenslanders were against the sale of Telstra. Hasn’t he done them proud?

A New South Wales Farmers Association survey of 1,100 farmers conducted in July this year showed that 80 per cent of New South Wales farmers are opposed to the sale. Why would this be so? The reasons are clear. Since the partial privatisation of Telstra, line rentals have increased, as I said before, from $11.65 to around $30, and while call costs for large businesses have fallen by around five per cent, the average prices paid by residential and small business customers have increased by 1.4 per cent and 3.1 per cent respectively.

If you look around at other countries to see how we compare, Australia’s telecommunications prices are the fifth highest amongst developed countries. On top of that—this wonderful figure again—26,794 complaints were lodged with the Telecommunications Industry Ombudsman about Telstra in the last year alone. Australians know that Telstra needs to be fixed, not sold. But when this is pointed out to Senator Joyce his only comeback is to say that Labor would sell Telstra if given the chance. That is a pretty desperate guess and hardly grounds for him to cave in, surely. The Labor Party has voted to oppose the sale of Telstra five times. How many times has Senator Joyce voted to oppose the sale of Telstra? Not once. But it is not too late.

Senator Wong—He talks about it a lot!

Senator STERLE—A hell of a lot. He can still make a hero of himself. All he has to do is come and stand with us when the bells ring on the vote. We will see what happens. History will record the role that Senator Joyce played. He will be remembered as either a responsible or an irresponsible representative of the people. It is your call, Senator Joyce. We in the Labor Party know that we need to keep Telstra in government hands
so that it invests in the infrastructure needed for the Australian economy. Instead of pursuing its obsession with privatising Telstra, the government must improve the level of access to quality telecommunications services in Australia. Telstra should not be sold. Australians know this to be true. I suspect that the Prime Minister knows this to be true too. We can only ponder the reason why he is pig-headedly pursuing the sale of Telstra.

Senator STEPHENS (New South Wales) (10.40 pm)—I rise tonight to speak to legislation that has been forced upon a parliament and, through it, a country and its residents that are overwhelmingly opposed to its content. It is legislation that will see Australia’s greatest national asset sold, an asset that has been in public hands since the beginning of Federation and whose origins are very much written into our Constitution. I also rise tonight in disgust at how this contemptuous government is treating the debate to sell an asset that should never be sold.

Last night in the House of Representatives the government demonstrated absolute contempt for democratic process by forcing the Telstra bills through by 10.20 pm. Last night the government, through 14 separate divisions, forced the bills through the House by guillotining debate so that the bills could not be debated any later than 10.20 pm and gagging a number of Labor members speaking in opposition to the bills. Tony Abbott, as Leader of the House, could have won an Oscar for the pure, unadulterated smugness on show last night as he used government numbers to ram through the bills forcing the sale of our greatest asset.

I also noted as I watched this debacle unfold in the House that two of the most vocal critics of Telstra’s privatisation amongst the coalition did not make an appearance. I am referring to the member for Hume, Alby Schultz, and the member for Riverina, Kay Hull, who were conveniently absent for all of the 14 divisions last night on Telstra. Where were they? Perhaps they thought that, by abstaining, no-one would notice that after talking the talk out in their electorates they would come into the House on the hill and fail to walk the walk. Their absence showed last night that, no matter what spin they put on it, they act like lions in the bush and sheep in the House. Well, maybe sheep is not the correct animal—perhaps they are more like ostriches. What do ostriches do when they are scared? They bury their heads deep in the sand. They stick their heads right in there and hope that everything just goes away. Surely that is what they were doing last night.

Although I do believe that by abstaining they have effectively voted for the sale of Telstra and that by doing so they have sold out the very constituents who put them there, I do have some limited words of praise for Mrs Hull when compared with Alby Schultz. At least Kay Hull went into the chamber last week and put her opposition to these bills on the public record. She said:

I have outlined my views and I have advised my party, the Prime Minister and Deputy Prime Minister of the fact that I do not support the government’s Telstra (Transition to Full Private Ownership) Bill 2005.

Although I am very much disappointed by her absence last night, I do nevertheless give her credit for these comments.

This is much, much more than I can say for Alby Schultz, who has acted as a ‘telecommunications girly man’. Alby Schultz has spoken on numerous occasions outside Canberra on his opposition to the full privatisation of Telstra, yet he has been effectively mute here in the parliament. I have done a search on what Alby Schultz has had to say in the chamber and I have discovered, to my absolute astonishment, that he has not spoken in any of the debates on previous Telstra
privatisation bills—not one! In fact, since 2000, Alby Schultz has not even spoken once on the issue of Telstra. Earlier this year, the Labor Party in the House tried to get him to speak about Telstra when Mr Adams asked him a question without notice, to which he replied:

My stand on this issue is a matter of public record and is not subject to cheap political actions like this.

That is it! That is all the comment I could find from Mr Schultz on Telstra in the last five years. All he could say in the parliament for the last five years is that his issue is on the public record. What record is this, I wonder. What is his definition of a public record? It certainly does not include Hansard.

Believe it or not, Alby used to have some teeth. On 26 August 1999 during a member’s statement on Telstra’s rural and regional services, Alby Schultz commented that ever since the partial privatisation of Telstra, services have declined: He stated:

The part sale of Telstra has raised increasing questions from the rural media about the level of service that Telstra provides to its customers. As a member in a rural seat, I can tell you that at times the service from Telstra is appalling. Mistakes happen in every occupation, and jobs fall through in every enterprise. That is the reality of business. But constituents with telephone problems, some of which have been going on for a year, come to me for help and suddenly the problem is fixed. In Telstra’s case, increasing numbers of complaints about its performance result in appeals persisting through my office.

How times have certainly changed. What has happened since 2002 and where have Mr Schultz’ teeth and convictions gone since then? Perhaps Mr Schultz was muscled at the beginning of the millennium by Mr Howard. There are still some Telstra bills to be sent to the chamber. I urge Alby Schultz to show some spine, get out there and stand up for constituents and for his convictions, cross the floor and win some respect.

As a further reminder to Mr Schultz, let me read a letter to the editor from a recent edition of the Goulburn Post. It says:

Yes, Alby Schultz is correct, Labor does not tell him how to vote. But from the days of his fawning over America and the WMD issues for the Iraq War, to the Telstra debate, we all know that Alby toes the Liberal Party line, And Alby hasn’t been right yet on these issues.

It would be wonderful to have a politician that votes for what the electorate wants, and Alby needs to realise that.

He works for us, not the Liberal Party.

From poor internet connection, to no mobile coverage at Taralga, the only agenda Alby pushes is his own.

Hopefully we will see a politician with intestinal fortitude at the next election, mate.

If what happened last night showed the government’s contempt of the House then surely the farcical Senate Telstra privatisation inquiry was the equivalent in this chamber. Every Australian who opened the Australian newspaper on 8 September deserved to feel cheated by a pathetic inquiry advertisement hidden away on page 5 calling for submissions on the Telstra privatisation bills. Those readers hardly had 24 hours to write a submission dealing with the sale of our most important national asset. And in the submissions they could not even address the core issue of privatisation. It is beyond comprehension that this government could be so extreme and out of touch that they could have got away with having a one-day inquiry into the privatisation of Telstra without even addressing privatisation. Those in rural and regional Australia would have wanted to hope that they had the Australian newspaper delivered to them on that day and that they had either an internet connection or Express Post services in order to make a submission. How pathetic!
And what did the inquiry find? It found, much to the shock and horror of those members on the committee, that the government tried to get away with passing the bills without committing themselves to the $2 billion they promised for the farcical future fund. It was ‘up to $2 billion’. What happens when you go into a store and find that everything is ‘up to 50 per cent off’? How many items do you expect to find at half price then? I wonder what would have happened if these words were not discovered. I wonder if the Prime Minister was hoping that they would not be found at all. Maybe the government hoped that, due to the speed of the inquiry, it could sneak through those little misleading words. Thankfully, now we will never know.

But unfortunately what we do know is what has happened so far under the partial privatisation of Telstra. The Prime Minister said on 18 November 1997:

Telstra has been a huge triumph. It is a good news story for the Australian economy. It is a good news story for the employees of Telstra. It is a good news story for the people of Australia.

How wrong have those words turned out to be! Since the partial privatisation of Telstra, it has been revealed that monthly line rentals have increased to almost $30 from $11 in 2000 and they may go up even further; at least 21,000 jobs have been axed from Telstra’s 1991 work force of around 75,000, a further 19,000 have been made contractors or casual employees and today we heard reports of another 16,000 jobs in the gun; and hundreds of IT jobs have been outsourced. And so it goes on.

Now it has been revealed in a recently leaked Telstra document given to the government on 11 August that Telstra deliberately underinvested in telecommunications infrastructure to the tune of $2 billion to $3 billion; 14 per cent of all Telstra phone lines have faults; Telstra has not adequately dealt with the ageing of its work force by training new workers; Telstra’s retail sales and profitability continued to decline; Telstra’s IT systems were not capable of handling the volumes and new services being offered; Telstra was borrowing from reserves to pay its dividends; and regulations to be imposed after the government’s sale of its stake in Telstra would stunt its growth. So, Mr Howard, just how much of a triumph has the partial privatisation been?

Just while I am on the leaked Telstra document, can I say that I do not buy for one minute that the Prime Minister was prevented from releasing this information to the market. Even if he was prevented himself from disclosing this information to the market under section 8AW of the Telstra Corporation Act, he could easily have directed an authorised person as defined under the act, such as an ASIC official, to instruct the market.

In fact, leaving aside that the Prime Minister could have directed an official to notify the market, another legal interpretation of section 8AW may actually have allowed the Prime Minister to tell the market himself. This is because the purpose of section 8AW of the Telstra Corporation Act is to provide the government with protection from liability for disclosing certain information related to Telstra. If Mr Howard were to disclose information in contravention of this section, he would simply not be given its protection. As such, this section at no stage expressly prohibits the government from disclosing any information; it just protects the Prime Minister from liability for disclosing such information in certain circumstances.

There is a plausible legal argument that, by not releasing this information or directing an authorised person to release it, this government acted in a way that is misleading or deceptive as outlined in section 1041H of the
Corporations Act and shareholders might be entitled to compensation. I do wonder how many mum and dad investors who did buy shares on or after 11 August for $4.85—today they closed at $4.34—would not have bought those shares if they knew the information that the government had.

Going back a little further, I am sure those investors who bought shares during the Telstra 2 float for $7.40 would like to also dispute Mr Howard’s words on the success of the float. The average mum and dad investor who bought 700 shares at $7.40 is today carrying a loss of $2,142. Going back further, those who still hold shares bought from the Telstra 1 float at $3.30 have only increased their value by about 31½ per cent, compared with the All Ordinaries rise of over 80 per cent since 1997—a fantastic investment for mum and dad investors! In fact, leaving share investors aside, the Telstra sale has been a calamity for the public purse. In a recent paper written by Professor John Quiggin, he argues:

In financial terms, the privatisation of Telstra has been a disaster for the public. The first stage sale of one-third of Telstra in 1998 yielded an average of about $3.40 a share, or $14 billion. Most, but not all, of this money was used to repay government debt. The resulting interest savings, compounded over time, amount to about $2 a share, or $8 billion. But over the same period, the government has forgone dividends with a compounded and grossed-up value of $3 a share (this assumes proceeds are allocated to debt reduction).

And that’s not all. Much of Telstra’s profit has been reinvested, contributing to growing earnings, and reflected in a capital gain of about $2 a share. So the public is worse off by about $3 a share, or $12 billion.

Professor Quiggin believes that the fiscal impact of T3, if it goes ahead, will be even worse than that of T1.

Leaving this particular fiscal argument aside, surely those who will be worse off under a fully privatised Telstra are those in rural and regional Australia. The government believes that it can future proof Telstra with a $3.1 billion bribe. Quite simply, how can you possibly put a price on the future when you do not know what the future will hold?

We are talking about keeping connected what is surely the world’s most geographically demanding market. We are talking about connecting some two million people spread over an area larger than Europe, with 80 per cent of our continent only having around 40,000 customers. Surely it does not take a master’s degree in economic theory to work out that a fully privatised, market driven Telstra would not be too keen on trying to service the minute customer base that takes up the majority of the country. Surely it will focus on the 80 per cent of its customer base, which equates to around 10 million people who live in or near capital cities. This is what other private telcos are doing at the moment, and as the former chief of Telstra Ziggy Switkowski said, quite remarkably, ‘If you see another competitor’s van in the bush, it’s lost’.

The current rural and regional telecommunications infrastructure is very much the result of Telecom’s investments in the 1970s and 1980s, when a fully publicly owned Telecom developed low-cost radio systems for rural service, installed digital exchanges and replaced with copper cable unseemly open wire systems strung off telegraph poles. The thing is, this infrastructure is now ageing at a significant rate and cannot handle the challenges of the information age, such as broadband internet access. This will require significant capital expenditure with a price tag that could conceivably hit $20 billion—for example, if fibre optics become essential for effective communication.

What this government’s future proofing con really means is providing a means of
funding to try to maintain the current network. Look just how far telecommunications have come even in the last decade. Ten years ago, mobile phones were just cracking the mainstream market. They were still bulky and cumbersome and were really only capable of basic voice. Fast-forward to the present and what do you have? Mobile phones that are capable of sending pictures and live video images, surfing the internet, watching television, streaming MP3s—and the list goes on.

Much of this is now available due to the 3G network. Both GSM and CDMA can be defined as 2G networks. 3G basically means third-generation protocols that support much higher data rates and are intended for applications other than voice; all this in the last decade. In fact, the 3G network has only been available in Australia since early 2003. What will the next 10 years hold? Mr President, I am sure you are starting to see that the idea that you can future proof the future is almost, by its very nature, impossible.

As has been made abundantly clear throughout the debate, Labor is absolutely opposed to the sale of Telstra. We are taking the fight to the government and representing the 70 per cent of Australians who are also against the full privatisation of Telstra. We believe that you have to fix Telstra, not sell it. You cannot unleash Telstra to the market and expect that a handful of regulations and a $3 billion bribe will be the solution to keeping one of the most geographically demanding markets in the world wired and up to date. Rural and regional Australia will surely be eventually left behind and hung up on. The way the government has treated the parliamentary process in debating Telstra both in the House of Representatives and here in the Senate is surely a microcosm of how those left outside major urban areas will eventually be treated by a fully privatised Telstra.

Debate interrupted.

**ADJOURNMENT**

The PRESIDENT—Order! It being 11.00 pm, I propose the question:
To that the Senate do now adjourn.

**Foreign Affairs**

Senator MASON (Queensland) (11.00 pm)—A few months ago, the Minister for Foreign Affairs, Mr Downer, delivered a speech at the University of New England in honour of a former Leader of the Country Party—and briefly, for 19 days, Prime Minister—Sir Earle Page. The speech gave a concise history of the Labor Party’s rather appalling record in facing up to totalitarian regimes, from Mao to Saddam Hussein. But, as interesting as Mr Downer’s speech was, even more interesting was the reaction to it from the Labor Party and their left-wing cheerleaders in the media and academia. Some of it bordered on hysterical, a lot of it was personal—but all of it indicated that Alexander Downer touched a very raw nerve.

In the *Fawlty Towers* of the Australian Left, the ruling attitude is ‘don’t mention the 20th century’. Yet the foreign minister had the temerity to pick the scab off this badly healed wound and expose to inquiry one of the greatest mysteries of the 20th century and the last piece of the most important political puzzle of modern times: how did the Labor Party—and the Left, more broadly—manage to stay largely silent while communist governments murdered or starved to death in excess of 100 million people? That is five times the population of Australia wiped off the face of the earth in what the American historian RJ Rummel calls ‘the red plague’.

But silence was not always the worst of reactions. Let us not forget that far too many actually idealised and lionised the butchers. On 30 April 1945, upon the news that Adolf
Hitler had committed suicide in his Berlin bunker, Prime Minister John Curtin delivered this speech: ‘Hitler’s courage, his sagacity, his gifts as a writer and interpreter of German psyche and civilisation, and his extraordinary stature as national leader have ensured that his influence will outlast his death. No-one who visited his country could be in any doubt of the veneration in which he was held by his people.’ Of course, John Curtin did not actually say that about Adolf Hitler, but imagine if he had. But more than 30 years later Gough Whitlam eulogised in this parliament perhaps the greatest mass murderer in the history of humanity, Chairman Mao. He said that Mao’s:

... courage, his sagacity, his gifts as a writer and interpreter of Chinese philosophy and civilisation, and his extraordinary stature as national leader have ensured that his influence will outlast his death ... No one who visited his country could be in any doubt of the veneration in which he was held by his people.

Mr Whitlam went on to say:

It says much for the changing attitudes of Australian politicians as it does for the greatness of Mao himself that we are paying tribute in this place to a man and thus to a nation and a people who until a short time ago were the object of widespread hostility and suspicion in this country ... This progression from hostility to recognition, from recognition to respect, and from respect to admiration has been slow, belated and welcome. I am gratified that my colleagues and my Party have been in the forefront of this movement.

Imagine a leader of one of the two major political parties in Australia, a former Prime Minister of this country, singing the praises of a monster. And barely a word was uttered between 1949 and 1976, or afterwards, about the 70 million dead—barely a word. The silence of our left wing intelligentsia in response to communist mass murder was shameful then. The failure of our left wing intelligentsia to face up to their past and acknowledge their gross moral failing is equally shameful today.

When I was younger, I remember that the doctrine of moral equivalence was the most fashionable intellectual statement of the time—a badge of intellectual sophistication. Both the Soviet Union and the United States, it was said, were essentially the same. Soviet communism and Western democracy were thought to be equally valid expressions of political diversity. Who, according the sophisticates, were we to judge? This position was absurd then and is even more absurd from the vantage point of today, with the communist world’s mass graves, killing fields and awful legacy of untold human misery plain for all to see. To hold that the West and the communist world were somehow the same or equal was the worst example of the moral vanity that sadly seemed to afflict even the most intelligent of people. No wonder there is hardly anyone left who will openly admit to having ever held this position. You just cannot find them.

However, the tactics of the left wing intelligentsia have now shifted from denial to equivocation. They now seek intellectual redemption by loudly proclaiming that we are all sinners, that we are all as bad as each other, and therefore no-one can cast the first stone. The argument has now shifted from moral equivalence to immoral equivalence. The Left will now say: ‘Yes, sure, communism was bad and we supported it—or at least failed to adequately condemn it—but the Right appeased Hitler and other so-called right wing dictators. So we’ve all sinned in the past; we’re all equally guilty of lapses of judgment, so you on the Right don’t have any right to criticise us for what we did. Let’s just forget all about it and move on.’ That is the argument: ‘Let’s all collectively forget about the 20th century. It’s just all too uncomfortable. Let’s just move on.’ Or, as the Melbourne Age reported the sentiments
of eminent historian and biographer of Prime Ministers Curtin and Chifley, David Day:

Dr Day said both sides of politics had “cuddled up” to authoritarian regimes in the past if it suited the national interest or their own partisan interest.

In Australia, all those shameful decades of the appeasement of communism by the Left are largely answered with one, somewhat ambiguous letter written by Prime Minister Menzies to Stanley Melbourne Bruce, the then High Commissioner in London, on 11 September 1939. It is absolutely pathetic to base it all on that. These excuses will not do. There is simply no equivalence between the Left’s attitude towards communist regimes and the Right’s attitude to right wing regimes. My side of politics did not eulogise Hitler, did not hope that Franco was the way of the future and did not adorn our bedrooms with posters of Pinochet or Marcos.

As Czech writer Milan Kundera wrote:
The struggle of man against power is the struggle of memory against forgetting.

The Left would rather we all forgot about its shameful past, for it now realises that its past has indeed been shameful. It strives for general amnesty through general amnesia. But we will not let the Left, or the world, forget—not as long as the Left fails to fully come to terms with their moral vanity and moral failings. We will not forget for as long as the self-styled moral giants and superiors, who got the biggest moral question of the 20th century wrong, continue to lecture my side of politics about morality or compassion.

Adult Learners Week

Senator STEPHENS (New South Wales) (11.07 pm)—Last week I was able to speak briefly about International Literacy Day and made a very brief mention of the fact that last week was Adult Learners Week. I did not do justice to that very important event, so this evening I want to speak about the importance of the commitment in Australia to lifelong learning.

In July, Adult Learning Australia released a very important document called Achieving Australia as an inclusive learning society. This report on future directions for lifelong learning in Australia was prepared by Peter Kearns, an ALA visiting fellow, as a contribution to the public policy debate on lifelong learning. The project it details involved a discussion paper released in December 2004, consultations in all states during March and April this year and an innovative national conversation on lifelong learning conducted through the ALA web site. The key findings from the consultation and research are:

Lifelong learning is poorly understood in Australia, and that this acts as a barrier to concerted partnership action by all stakeholders in progressing opportunities for learning throughout life for all Australians, in many contexts. This results in deleterious social, cultural, and economic effects, and will be a barrier to Australia’s development under 21st century conditions as an inclusive and successful society unless addressed in a strategic and collaborative way.

Leading OECD countries adopt a concept of lifelong learning that involves all forms of learning and occurs in many contexts. It includes formal and informal learning at home, at play and in the workplace. Technology is increasing the influence of informal and self-directed learning, and providing new ways to extend learning opportunities. So ‘learning to learn’ is the key 21st century competence, and how to connect the various forms of learning in coherent strategies becomes a central challenge.

The ALA research identified key drivers that are impacting on Australian society and which make lifelong learning more important than ever. These are globalisation, the knowledge economy, demography, technology, changes in work and labour markets and
sustaining communities. The report provides an overview of action taken by the United Kingdom, Germany, Canada, the Nordic countries and the European Union, and states:

It is EU policy that all Member countries should have coherent and comprehensive lifelong learning strategies by 2006. These initiatives are setting evolving international benchmarks for good practice that Australia cannot afford to lag.

Canada and Germany provide interesting examples of action taken in federal systems, while the Nordic countries provide the most advanced portraits of learning societies.

But why is lifelong learning important for Australia? The answer the report provides is that an inclusive learning society provides opportunities for learning throughout life for all by:

1. empowering individuals as motivated and capable lifelong learners;
2. sustaining and transforming communities through learning;
3. using technology to extend learning environments and transform the way we learn;
4. developing the workplace as a key learning environment to underpin economic objectives;
5. extending and connecting partnerships and networks important for service delivery, innovation and community sustainability.

The notion of empowering our citizens as lifelong learners cannot be undersold. It reaps great rewards for individuals, for communities and for society as a whole. Learning throughout life maintains employability. It adds to quality of life and personal fulfillment. The report states:

Learning as a way of being is a building block of a successful 21st century society.

And literacy is a critical part of this learning—not just the traditional concepts of literacy and numeracy as I described last week, but also essential life and employability skills and attributes which contribute to a successful life and a well functioning society.

So how do we translate this ideal into good policy action? There are many lessons to be learnt from what is happening overseas. The report states:

These included the phases of life approach adopted for the German Strategy for Lifelong Learning, the personalised learning concept being tested in the UK, and various aspects of school reform in Australia and overseas. These developments move in the direction of the learner-centred foundation for lifelong learning.

It goes on:

Building community learning partnerships of various kinds is a key strategy for achieving Australia as an inclusive learning society. A spectrum of models for progressing this objective have been developed in Australia and overseas which now need to be extended to communities across Australia. How best to do this lies at the heart of the lifelong learning challenge for Australian society.

Certainly, local government organisations are key stakeholders in collaborative community learning and will increasingly be key players in learning community initiatives. Wonderful examples already exist. The report notes:

Existing examples, such as the Hume Global Learning Village, Yarra Ranges Learning Communities, and initiatives in Marion and Salisbury demonstrate what can be achieved with vision and leadership.

And that furthermore:

Information and communication technology is opening new ways to build social capital and community, and should be harnessed with community learning strategies. It is likely that schools, universities, VET, ACE, and civil society overall will become increasingly active in progressing community learning partnerships, but concerted strategies will be needed to harness these resources for community learning.

The report concludes that although technology will transform the way we learn, the full potential of technology to progress learning...
throughout the community has not yet been achieved’. Importantly, here in Australia the debate has been primarily on ‘access objectives in addressing the digital divide’, but, as we all ‘achieve digital literacy, a new stage of development will focus on harnessing the full potential of technology for learning’.

The report says:

The impact of the global knowledge economy has also enhanced the significance of the workplace as a key learning environment with an enhanced significance for industry in adapting to change, generating new knowledge, maintaining skill levels and building a capacity for continuous innovation. At the same time, technology and innovative approaches to e-learning provide new ways of strengthening workplace learning in strategic ways, with closer links to overall business strategy and objectives.

Demographic change and the ageing of the workforce, shifts in community values and lifestyle, the growth of casual and part-time work all require new approaches to developing the human resources of industry and for maintaining the skill levels and motivation of the workforce. In this context, industry is a key stakeholder and beneficiary in building a learning culture in Australia and should be an active partner, not just focused on short-term issues such as skill shortages.

Twenty-first century conditions raise the question of how best to integrate learning and skill strategies in a context of constant change. Some governments have made structural changes to foster an enhanced interface—for example, the UK’s Learning and Skills Council, the Tasmanian Learning and Skills Authority and the Victorian Learning and Employment Skills Commission.

A learning society may be seen as a society comprising a rich web of overlapping and interacting networks and partnerships. The impact of ICT is creating new ways to build those networks across Australia.

A key issue, then, is how best to extend community learning partnerships and networks to all communities in ways that make this process creative and value added. This will involve strengthening the learning brokerage role.

And linking to international networks:

The progress of lifelong learning in Australia has been hampered by the absence of a developed and coordinated knowledge base. Lifelong learning has not been a research priority for Australia and existing knowledge is fragmented...

We have many good stories to tell about learning initiatives in Australia that need to be supported by comprehensive and coherent policies for lifelong learning in many contexts. We need a national framework for lifelong learning. This is a priority for Adult Learning Australia, promoting an agenda for lifelong learning that will contribute to Australia in the future. It is a worthy goal and I congratulate all involved in Adult Learning Australia for their enthusiasm and commitment to adult learners across the country.

Environment: Aircraft Emissions

Australian Film

Australian Book Industry Awards

Senator BARTLETT (Queensland) (11.17 pm)—I would like to speak on a couple of different matters. Firstly, I draw attention to an item that was in the UK newspaper the Times yesterday, 12 September, about an action that British Airways is taking that I think is worth noting. As from yesterday, when passengers of British Airways book they are being asked to pay a few pounds extra to compensate for the environmental impact of their flights. The airline is encouraging all of its passengers to make a donation which will be invested in energy-saving products. That amount will depend on the distance travelled. It is suggested that those going from London to Paris pay £5. For those going to Los Angeles, the suggested amount is £13. For those coming all the way
to Australia from London, the suggested amount is £25.

According to the report, British Airways is introducing this fee to persuade the government and the wider community that it takes the issue of pollution seriously, in particular the impact of air travel and the emissions of aircraft on global warming. It is certainly something that is continually in the back of my head, sometimes in the front of my head, as a person, like all of us in this chamber, who spends a lot of time on aircraft, flying to and from home, all around the country and my state, sometimes to speak about the need to be more serious about global warming. Occasionally one has to acknowledge that in travelling around the place telling people about the seriousness of climate change we are actually contributing to it by continually jumping on aircraft. That is something we need to be more conscious of.

I believe that airlines in general need to be more conscious and more proactive about this aspect of the climate change threat. I think the issue of emissions of aircraft has escaped some of the attention that it deserves in part because it is international, a lot of it does not belong to one country. People go from one country to another and it is not seen as something that is specific to a particular country in the same way that a coal fired power station is, for example. But it is clearly a very significant contributor. Coming from Queensland, an economy that is very heavily dependent on inbound tourism and the export dollars that that brings into the state, I believe the environmental impact of encouraging more inbound tourism is something that we do need to be more conscious of.

That does not mean that we have to stop encouraging people to come. It means we need to look at redressing the consequences in various ways. Obviously technology can play a part, but we need to look at other ways of balancing or offsetting the environmental impact. Ideally I think the government could play a part in this, but I also think the industries involved should put more concrete emphasis on acting in this area. To some extent you could say that the action of British Airways is a stunt to make themselves look good and to persuade governments not to mandate specific actions and introduce specific environmental taxes. I think there are arguments both ways with these things. Frankly, I have met a lot more environmentally conscious business people in Australia over my time in the Senate than I have met environmentally conscious government ministers. In that sense, sadly, we are more reliant on businesspeople than on many within the government to push this.

In saying that, I also think the business community can, and does in some areas, play a very strong role in advancing the environmental agenda. I do not think it needs to be an either/or argument—there can be a role for both—or that we need to say, ‘Do this or else we’ll whack you with some taxes.’ This example of British Airways is one that should be looked at by Australian airlines. British Airways has joined forces with Climate Care, an Oxford based environmental trust that specialises in carbon offsetting by distributing energy efficient lamps, low-emission stoves and things like that.

Offsetting has become more popular. The example given in the paper is of the lead that was taken by the former singer and songwriter of The Clash, Joe Strummer—the, sadly, late Joe Strummer. He set up the first carbon offset forest in the world, the appropriately named Rebels Wood, on the Isle of Skye. That was an important initiative and encouraged others—the music industry and musicians being one of the groups to contribute to emissions, not just from the planes that the more successful ones jump on
around the world but even from the vans that bands drive up and down the highways when they are touring around the country. So musicians can play a role as well. Joe Strummer played a good role in setting a legacy there.

There are other aspects to the issue. We cannot just plant trees endlessly to soak up carbon dioxide. It is not a long-term solution. It is important within its own right, but it does have its limitations. Trees do soak up carbon dioxide but they emit it again if they are burnt or when they die. So that by itself cannot be the solution, but it can play a part. I think this initiative is one that is worth looking at, along with many others, to encourage some more specific action by either the airline industry or the many of us, including politicians, who regularly take part in a high-emitting activity, which is plane travel.

On a completely separate topic, I would like to also take the opportunity to note the film that was screened tonight in the Parliament House Theatre. I really wanted to sit here all night and listen to all the speeches about Telstra that were made from 7.30 onwards, but I felt I had to support Australian film, so I went along to see the movie. It was the first screening in Australia of the new film *The Proposition*, which was written by the these days well-known Australian singer—that is what he is mainly known for—and artist Nick Cave. He not only wrote the script but also, along with Warren Ellis, wrote a very interesting soundtrack to the movie. Some senators may know that I have an interest in Nick Cave and cited him as an inspiration in my first speech in this place back in 1997.

This film was fascinating. It is quite clearly a western but it is a distinctly Australian western. It was filmed around Winton, in western Queensland, my home state. The landscape is a character in its own right in the film, as are the flies that are a part of the landscape. I highly recommend seeing the film. It is quite a subtle and many layered film in some ways, although in saying that I suggest that anybody who does not like films with graphic violence or pretty confronting brutality should give it a miss, because it is quite confronting. But it is a good Australian movie. It is good as a movie and good in the way that it is distinctly Australian. That is something that, sadly, we have been a bit short of in the film arena in recent times. I think this film should be noted as being a particularly good piece of cinematic creative art, albeit one that is quite graphic and confronting. It is quite dark but very interesting on many layers. I think the film can play a part in helping to demonstrate the positive role that Australian film can play.

Winton is perhaps best known for being the place where *Waltzing Matilda* was penned, by Banjo Paterson, back in around 1895. That was not too long after the time in which this film, *The Proposition*, is set. It was set in the 1880s. Winton is also where the very first meeting of the board that set up Qantas was held some years later. Perhaps if this film is as successful as it could be, Winton might become known for a third thing, which would be good.

I also note very briefly the contrast between the unfortunately low amount of Australian product that is consumed by people in cinemas and the very positive figures from the Australian book industry. I formally congratulate the winners of the Australian Book Industry Awards that were held last night. Around 60 per cent of all books sold in Australia are Australian. It would be great if we could get that sort of percentage throughout our culture, whether it is in the film area or in the music area. There is a lot of great Australian talent out there. We have to find ways of translating it in a more effective way for people in the film arena than we do now. I
think The Proposition is certainly going to be one example of that.

Millennium Development Goals

Senator MOORE (Queensland) (11.27 pm)—Last week in this place I talked about the Millennium Development Goals and the importance of sexual and reproductive health in meeting those goals across the world. Last Thursday in this place a motion was brought forward which talked about exactly the same things that I had mentioned in two speeches earlier in the week. The whole agenda was changed, and I am not quite sure of the reason. It had been a straightforward issue looking at basic information. That agenda has now been changed. That has resulted in quite a disappointing campaign, which has led to many of the people in this place being hit with emails and phone calls from people who are deeply concerned and upset. I am really disappointed that people have been concerned about and angered by something that was not on the agenda.

For everybody’s information, this evening I want to put a few things on the record about exactly what we mean when we talk about sexual and reproductive rights in the context of the Millennium Development Goals. I want to do that particularly because this week, at the UN, the world has the opportunity to make a real difference. I will not go over those things that I said last week. My anger and my disappointment are because those issues have been diverted by attempts to turn this into another debate. If the debate is going to be held in the future on the issue of the right to choose, let that be done in its own right. Let us not use other agendas to get people’s particular issues on the program.

The general definition of ‘reproductive health’ has been around since 1994. At an international conference on population development in that year there was a program of action prepared and definitions made. There are differing views across the world. People’s varied views need to be accepted. Reproductive health was defined as ‘a state of complete physical, mental and social wellbeing in all matters relating to the reproductive system, its functions and processes’. Implicit in this is the right of men and women to be informed, to have education and to have access to safe, effective, affordable and acceptable methods of family planning of their choice, as well to other methods of their choice for regulation of fertility which are not against the law and to the right of access to health care services that will enable women to go safely through pregnancy and childbirth.

Reproductive health care can encompass a wide range of things. I want to get them on the record. It includes: family planning and birth spacing service; antenatal care; safe, skilled services—and help—for people when they are going through this very difficult time; management of obstetric and neonatal complications in emergencies; and prevention and treatment of reproductive tract infections and sexually transmitted infections, including HIV and AIDS.

One of the core issues of the Millennium Development Goals is the issue of the widespread horror of HIV and AIDS across our world. It is absolutely critical that we as a world community acknowledge this threat and do everything within our power to face it down. That must mean that effective and safe health care is brought into play. We need to ensure that people have a complete education such that they feel confident in their choices and they understand that they have support.

The process that we faced last week means that people within our own community have become confused. I am angered by that. We should at least have the confidence to be able to talk among ourselves and have appropriate debates. That would be what I
would consider the democratic practice. If we have confusion over core principles and debates are taken over by other issues we will not be able to work together to achieve any kind of outcome.

I am particularly upset that this has happened within the context of the Millennium Development Goals, because we can do better than that. We can acknowledge the issues that are on the international agenda in the area of poverty. Key in that is the empowerment of women. Key in that is education. Key in that is combating disease across the world. Within that context, the least that we can expect in this place is that people will take the effort to understand the issues, seek out clarification and focus on what is on the agenda. In terms of where we go from here, we can continue to work through the issues to get more information and to try and make sure that when there are issues up for debate we at least understand what they are.

The Millennium Development Goals must be considered in the context of cooperative activity across the world. Kofi Annan, when talking about these issues—and they are on the agenda so clearly this week—said:

The Millennium Development Goals, particularly the eradication of extreme poverty and hunger, cannot be achieved if questions of population and reproductive health are not squarely addressed. And that means stronger efforts to promote women’s rights, and greater investment in education and health, including reproductive health and family planning.

This is not an attempt to put free abortion on demand on the agenda, and I think that is a core issue. We say that the issue of abortion belongs to the legal processes in each country, and all countries have processes where they work through whether or not things are legal. In this debate we are saying that we want to have open support for reproductive education and health and that, where the processes are legal—which is an issue for those countries—people should be able to have the confidence that their rights will be supported and protected.

Many of the people who have emailed me have a completely different agenda. It is not just the issue of abortion which offends them; they are opposed to all elements of protection, including condom usage and any form of protection which is not total abstinence. For those people, what I am suggesting would be difficult to accept, and I understand that.

But what was not clear from what happened on Thursday is that what the international community defines as reproductive health is clearly understood. In the definitions that were published in 1994, and which we still hold to—and I emphasise this—it says:

In no case should abortion be promoted as a method of family planning. All Governments and relevant intergovernmental and non-governmental organizations are urged to strengthen their commitment to women’s health, to deal with the health impact of unsafe abortion as a major public health concern and to reduce the recourse to abortion through expanded and improved family-planning services.

That cannot be much clearer. In terms of our commitment as a community, I think that we should at least give each other respect by knowing what we are talking about and asking questions appropriately. People should in no way attempt to divert debate on such a critical issue as the eradication of world poverty because of a lack of understanding of exactly what is being talked about.

I hope that through the discussion people will consider where we are moving to in the next 20 years through the Millennium Development Goals. I hope that we can do this in a cooperative way. I hope that any confusion over the issues of sexual and reproductive health in this context has been removed, because we must be clear on the issues about
which we are talking. We must understand that it is not helpful to cause people to be afraid and scared. If we disagree, we do. If we have to have a debate on different issues, we will. But let us make sure that we have the context correct.

*Senate adjourned at 11.36 pm*

**DOCUMENTS**

**Tabling**

The following government documents were tabled:

- Army and Air Force Canteen Service Board of Management (trading as Frontline Defence Services)—Report for 2003-04, including report on the equal employment management plan.
- Australian Postal Corporation (Australia Post)—Statement of corporate intent 2005-06 to 2007-08.
- Defence Housing Authority—Statement of corporate intent 2005-06.

**Tabling**

The following documents were tabled by the Clerk:

*Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number*

- Aged Care Act—Extra Service Amendment Principles 2005 (No. 1) [F2005L02492]*.
- Civil Aviation Act—Civil Aviation Regulations—Instrument No. CASA EX43/05—Exemption—from take-off minima inside Australian territory [F2005L02540]*.
- Customs Act—Tariff Concession Orders—
  - 0504564 [F2005L02553]*.
  - 0504565 [F2005L02554]*.
  - 0507073 [F2005L02558]*.
  - 0507311 [F2005L02579]*.
  - 0507314 [F2005L02592]*.
  - 0507396 [F2005L02581]*.
  - 0507513 [F2005L02582]*.
  - 0507518 [F2005L02583]*.
  - 0507660 [F2005L02584]*.
- Environment Protection and Biodiversity Conservation Act—
  - Adoption of State Plans as Recovery Plans, dated 18 August 2005 [F2005L02519]*.
- National Recovery Plan for the Norfolk Island Scarlet Robin and the Norfolk Island Golden Whistler [F2005L02516]*.
- Family Law Act—Family Law (Superannuation) Regulations—Family Law (Superannuation) (Methods and Factors for Valuing Particular Superannuation Interests) Amendment Approval 2005 (No. 5) [F2005L02589]*.
- Financial Management and Accountability Act—
  - Financial Management and Accountability Determinations—
    - 2005/24—Recovery of Compensation for Health Care and Other Ser-
vices Special Account Establishment 2005 [F2005L02599]*.

2005/25—Other Trust Moneys—
Medicare Australia Special Account Establishment 2005
[F2005L02597]*.

Net Appropriation Agreements for—

Australian National Audit Office [F2005L02502]*.
Biosecurity Australia [F2005L02449]*.
Bureau of Meteorology [F2005L02459]*.
Department of Communications, Information Technology and the Arts [F2005L02489]*.
Department of Defence [F2005L02455]*.
Department of Employment and Workplace Relations [F2005L02454]*
Department of Foreign Affairs and Trade [F2005L02483]*.
Department of Foreign Affairs and Trade [F2005L02504]*.
Department of the Environment and Heritage [F2005L02452]*.
Equal Opportunity for Women in the Workplace Agency [F2005L02451]*.
Office of National Assessments [F2005L02500]*.

Financial Sector (Collection of Data) Act—Financial Sector (Collection of Data) Determination No. 105 of 2005—

Insurance Act—Insurance (Prudential Standards) Determination No. 1 of 2005—
Variation of Prudential Standard GPS 110 [F2005L02555]*.

Judiciary Act—High Court of Australia—
Rule of Court, as of 30 August 2005 [F2005L02536].

Sydney Airport Curfew Act—Dispensation Report 7/05.

* Explanatory statement tabled with legislative instrument.

Indexed Lists of Files

The following document was tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2005—Statement of compliance—Human Services portfolio agencies.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Aviation Exports

(Question No. 349)

Senator Mark Bishop asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 23 February 2005:

(1) For each financial year since the introduction of the Civil Aviation Safety Authority’s (CASA) Australian Parts Manufacture Approval System, what has been the values of aviation exports to the United States of America.

(2) Can a list be provided of organisations which have successfully made the transition to the new production rules under CASA’s Civil Aviation Safety Regulation Part 21; if not, why not.

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

(1) The Civil Aviation Safety Authority’s (CASA) Australian Parts Manufacture Approval System (APMA) was first introduced in 1998 with the implementation of Civil Aviation Safety Regulation Part 21. The following figures from the Australian Bureau of Statistics (ABS) International Trade Statistics show the values of Australian aviation exports to the United States of America for each financial year from 1998 to 2005 inclusive.

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<thead>
<tr>
<th>Year end June</th>
<th>Gross Weight (Tonnes)</th>
<th>FOB Value ($'000)</th>
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<tr>
<td>1998</td>
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<td>2003</td>
<td>1,329.4</td>
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<td>2004</td>
<td>996.9</td>
<td>289,185.7</td>
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<tr>
<td>2005</td>
<td>1,541.4</td>
<td>284,182.2</td>
</tr>
</tbody>
</table>

(2) The following list shows the organisations that have transitioned to production approvals under Civil Aviation Safety Regulation Part 21.

- MAF Aviation Services Pty Ltd
- Dasyl Avionics Pty Ltd
- Invincible Airscrews Pty Ltd
- GOAIR Products Pty Limited
- Kavanagh Balloons Pty Limited
- Chubb Aust Ltd
- Gippsland Aeronautics Pty Ltd
- Aircraft Propellers & Spares (Aust) Pty Ltd
- Aviation Turbine Overhaul Pty Ltd
- AVIALL Australia Pty Ltd
- Martin, Frank Winston T/A Aerotechnology Maintenance
- Rotorpower (Holdings) Pty Limited

QUESTIONS ON NOTICE
St. George Air Farmers T/A Jones Air
Lloyds Helicopter Pty Ltd
BAE Systems Australia Limited
Ian Aviation P/L t/a Alternative Spare Parts P/L
Statall Pty Ltd
AMT Helicopters Pty Ltd
Aerospace Technologies of Australia Limited (Boeing Australia Holdings Limited)
Seabird Aviation Australia Pty Ltd
Aircraft Exhausts Australia Pty Ltd
Barry Neale N Manktelow t/a B&R Aviation
Howard Hughes Engineering Pty Ltd
Thomas Electronics of Australia Pty Ltd
Pitts, Warren T/A Aerospace Welding Services
Australian Fuel Cells Pty Ltd
Jabiru Aircraft Pty Ltd
Safety Marine Australia Pty Ltd
Aircraft Engineering Pty Ltd
Aircraft Industrial Marine Services Pty Ltd
J & R Aerospace Pty Ltd
Airborne Windsport Pty Ltd
Aerochute Industries Pty Ltd
ASI Technologies Pty Ltd
Underline Designs Pty Limited
Aviation Belts and Harnesses Pty Ltd
Lahona Trimming & Leather Restoration Pty Ltd
Niddrie Nameplates Pty Ltd
Water Sports (Australia) Pty Ltd
Rosebank Engineering Pty Ltd
Kemsigns Pty Ltd
Aviation Welding Australia Pty Ltd
FNQ Cables Pty Ltd
Archerwood Pty Ltd
Laurellands Pty Ltd
ALCOA Fasteners Systems - Australia Pty Ltd (Fairchild Fasteners Melbourne Pty)
Wenross Pty Ltd T/A Buchanan Advanced Composites
Helicopter Windows Pty Ltd.
Coastal Aviation Pty Ltd
Bayranch Pty Ltd
Lynk Dynamics Pty Ltd
Aeronautical Engineers Australia Pty Ltd
Seats of Australia Pty Ltd
Jongay Pty Ltd
Safety Equipment & Technical Services Pty Ltd
Aircraft Composites Australia Pty Ltd
TENIX Aviation Pty Ltd
Lombe Pty Ltd
Interconnect Systems Pty Ltd
Advanced Refrigeration Pty Ltd
Microair Avionics Pty Ltd
Aerocomponents Pty Ltd
Air Safety Solutions Pty Ltd
PAC Aero-Trim (Aust) Pty Ltd
Aerovalley Technologies Pty Ltd
Genesis Graphics Pty Ltd
Hawker de Havilland Aerospace Pty Ltd (Boeing Australia Holdings Limited)
Brooklands Aero Components Pty Ltd
B Manktelow
Aeroplastics and Structures
Hawker Pacific Pty Ltd
Perfectus Airscrews

Siev X

(Question No. 431 amended)

Senator Bob Brown asked the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 10 March 2005:

With reference to the sinking of the boat known as SIEV X:
(1) Will the Minister now release the list of names of people who are thought to have drowned.
(2) How many queries has the Government had from people seeking the names of persons thought to have been on board: (a) from within Australia; and (b) from outside Australia.
(3) If the list is not to be released: (a) what are the precise reasons; and (b) if one reason is that release of the list would endanger an informant, in what way.

Senator Vanstone—The answer to the honourable senator’s question is as follows:
(1) The Government has no way of knowing or verifying all those who drowned, being an illegal venture out of another country with the tragedy occurring at an unknown location. Some names of those who have thought to have drowned are held.
(2) Records of requests are not held.
(3) The Government does not hold comprehensive information nor is it in a position to verify it.
Detainees
(Question Nos 462 and 463 lapsed)

Senator Harris asked the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 16 March 2005:

With reference to QAAX of 2004 who was detained and taken into custody in Cairns by immigration agents on 6 October 2004:

(1) What investigation has been conducted by the department in relation to QAAX of 2004 being held in detention under federal jurisdiction up to and including her release on 30 December 2004.

(2) Why has no report or information been released in relation to the assault and sexual assault on QAAX of 2004, alleged to have occurred in the Queensland police watch house at Cairns on the nights of 6 and 7 October 2004.

(3) Can the Minister confirm when such reports and information will be made available, as it is in the public interest that the result of the investigation so far be made known.

(4) (a) Is it the case that the address and whereabouts of QAAX of 2004 had been known about since 16 April 2004; and (b) was the home of QAAX of 2004 and her Australian husband invaded in the early hours of 6 October 2004; if so, why.

Senator Vanstone—The answer to the honourable senator’s question is as follows:

(1) No investigation was conducted by my Department into this matter.

The Human Rights and Equal Opportunity Commission also wrote to the Department, the Commonwealth of Australia, and the Queensland Police Service in November 2004 in relation to the complaint made by QAAX. The Commission has not yet reported its findings.

(2) The Queensland Police Service is conducting an investigation. Assault and sexual assault are criminal matters outside the purview of the Department.

(3) This is a matter for the Queensland Police Service.

(4) (a) QAAX was not of interest to my Department as at 16 April 2004.

(b) On 26 May 2004, QAAX was unlawfully in Australia as her bridging visa had expired and she had failed to depart Australia. Compliance officers, accompanied by two officers from the Queensland Police Service, attended the residence of QAAX at approximately 0740 hrs on the morning of 6 October 2004 for the purposes of locating QAAX and regularising her immigration status in Australia. QAAX was subsequently detained under s189(1) of the Migration Act 1958. Officers from the Queensland Police Service were asked to assist Compliance officers as there were concerns that QAAX and other occupants of the residence might not be cooperative.

Minister for Family and Community Services
(Question Nos 880 and 898)

Senator Chris Evans asked the Minister for Family and Community 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 cost 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 Patterson—The answer to the honourable senator’s question is as follows:

(a) and (b) Special Minister of State will respond to these parts of the question.

(c) None.
(d) The answer to the honourable senator’s question is as follows:

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<thead>
<tr>
<th>Year</th>
<th>Details</th>
<th>Responsible Officer</th>
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<tr>
<td>2000-01</td>
<td>Travel to Germany fully refunded by German Institute of Labour</td>
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<tr>
<td></td>
<td>Airfare component of Travel to India paid by Community Aid Abroad Scholarship</td>
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<td>2001-02</td>
<td>Airfare component of Travel to India paid by Community Aid Abroad Scholarship</td>
<td>Departmental officer, cost not held by FaCS</td>
</tr>
<tr>
<td>2002-03</td>
<td>Nil</td>
<td>Departmental officer, cost not held by FaCS</td>
</tr>
<tr>
<td>2003-04</td>
<td>Travel to NZ – fully paid by New Zealand Government</td>
<td>Departmental officer, cost not held by FaCS</td>
</tr>
<tr>
<td>2004-05</td>
<td>Airfare component of Travel to Singapore paid by CPA Australia</td>
<td>Departmental officer, cost not held by FaCS</td>
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<td>Airfare component of Travel to Japan paid by Japanese Government</td>
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<td>Airfare component of Travel to New Zealand paid by New Zealand Government</td>
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</tr>
</tbody>
</table>

**Tasmania: St Marys Sewage Scheme Effluent Reuse Project**  
(Question No. 1062)

**Senator Bob Brown** asked the Minister for the Environment and Heritage, upon notice, on 8 August 2005:

With reference to the St Marys Sewage Scheme Effluent Reuse Project for which funds were granted to the Break O’Day Council under the Commonwealth Natural Heritage Trust Funding in 2002:

1. Has the Commonwealth grant money been spent in accordance with the grant as approved.
2. Is there a requirement for an operational contract to be in place.
3. What are the reporting requirements to the Commonwealth on the ongoing operations of the scheme to evaluate its effectiveness in meeting the project objectives.
4. If breaches of the grant have occurred what mechanisms exist to either recoup the grant monies or address the problems to ensure the project priorities are met.

**Senator Ian Campbell**—The answer to the honourable senator’s question is as follows:

1. Yes.
2. No.
3. In accordance with Natural Heritage Trust (NHT) financial agreements between the Australian and Tasmanian Governments, the Department of Primary Industries, Water and Energy (DPIWE) acquitted to the Australian Government funds it received under the first phase of the Natural Heritage Trust for the Clean Quality Water Program within the Tasmanian Strategic Program. There was no requirement for reports on on-going operations to be provided.
4. DPIWE advises that no breaches of contract have occurred that would require recouping funds in relation to this project.
Cairns Search and Rescue Aircraft
(Question No. 1073)

Senator McLucas asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 9 August 2005:

(1) Can details be provided of the unavailability of any of the primary and secondary Cairns Search and Rescue aircraft since the Australian Maritime Safety Authority (AMSA) contract was let in March 2005.

(2) Can the department provide the reasons given for the unavailability of either aircraft.

(3) Can details be provided of what alternative arrangements were made by Aero Tropics when either aircraft was unavailable.

(4) (a) At any time was search and rescue training disrupted by the unavailability of either aircraft; and (b) can details be provided of the disruptions.

(5) Can a copy be provided of the entire Daily Status Report required to be submitted to AMSA concerning the two aircraft specified under this contract.

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

(1) AMSA records show the primary aircraft was unavailable between 9 May and 5 June 2005. Under the search and rescue contract, the secondary aircraft is only required to be available when the primary aircraft is unavailable.

(2) AMSA records show that the primary aircraft was unavailable because it was undergoing a Phase 4 check and wing spar strap modification.

(3) The secondary aircraft provided the contracted search and rescue services while the primary aircraft was unavailable between 9 May and 5 June 2005.

(4) (a) No. (b) Not applicable.

(5) Yes.

AERO-TROPICS CAIRNS DAILY REPORT

Attn: The Duty Officer  Date: 
Company: RCC  Time: 
Phone: 1800815257  Phone: 
Fax No: 1800622153  Fax: 
Email: 

Primary Aircraft Status:

Call out telephone number:

All of the above are on call 24/7. Should the primary number be unreachable, immediately move on to the next mobile number.

Primary Aircraft: Available  Secondary Aircraft: Available
Rescue 441 (VH-WZN)  Rescue 442 (VH-WZS)
DF/Homer & Scanner Yes  L-PER
GPS Dual System:  GPS Single System: 
Marine Radio:  Marine Radio:
Digital Camera:  Digital Camera: 
VHF/UHF/FM  VHF/UHF/FM
### AERO-TROPICS CAIRNS DAILY REPORT

<table>
<thead>
<tr>
<th>SATCOM 2 Iridium</th>
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<tbody>
<tr>
<td>LAP TOP CDMA Network</td>
<td>LAP TOP CDMA Net-work Coverage</td>
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<thead>
<tr>
<th>Aircraft Crew</th>
<th>DAY</th>
<th>Aircraft Crew</th>
<th>Night</th>
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<tbody>
<tr>
<td>Captain:</td>
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<td>Captain:</td>
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<td>Co-Pilot</td>
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<td>SAR Crew</td>
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<td>Sat Phone:</td>
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<td>Schedule/Unscheduled Maintenance/ Training</td>
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</tr>
</tbody>
</table>

If, Yes provide details:

Please ActiveFax this to the RCC Group in the ActiveFax Address Book on the Server PRIOR to 9am EST