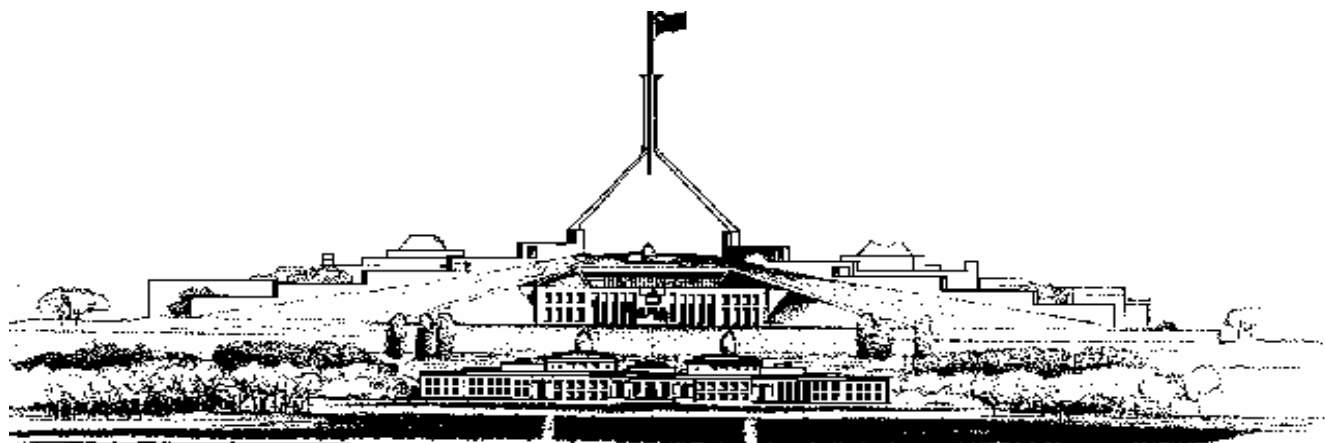




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Official Hansard

No. 12, 2003

Thursday, 21 August 2003

FORTIETH PARLIAMENT
FIRST SESSION—SIXTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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SITTING DAYS—2003

| Month | Date |
|-----------|--------------------------------------------|
| February | 4, 5, 6, 10, 11, 12, 13 |
| March | 3, 4, 5, 6, 18, 19, 20, 24, 25, 26, 27 |
| May | 13, 14, 15, 26, 27, 28, 29 |
| June | 2, 3, 4, 5, 16, 17, 18, 19, 23, 24, 25, 26 |
| August | 11, 12, 13, 14, 18, 19, 20, 21 |
| September | 8, 9, 10, 11, 15, 16, 17, 18 |
| October | 7, 8, 9, 13, 14, 15, 16 |
| November | 3, 4, 5, 6, 24, 25, 26, 27 |
| December | 1, 2, 3, 4 |

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| <i>NEWCASTLE</i> | 1458 AM |
| <i>BRISBANE</i> | 936 AM |
| <i>MELBOURNE</i> | 1026 AM |
| <i>ADELAIDE</i> | 972 AM |
| <i>PERTH</i> | 585 AM |
| <i>HOBART</i> | 729 AM |
| <i>DARWIN</i> | 102.5 FM |

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Thursday, 21 August 2003

The SPEAKER (Mr Neil Andrew) took the chair at 9.00 a.m., and read prayers.

MINISTER FOR REGIONAL SERVICES, TERRITORIES AND LOCAL GOVERNMENT

Mr LATHAM (Werriwa) (9.01 a.m.)—Mr Speaker, I move:

That so much of the standing and sessional orders be suspended—

Government members interjecting—

Mr LATHAM—Do you defend this stuff?

The SPEAKER—The member for Werriwa has the call and will address his remarks through the chair. He is enjoying the protection of the chair.

Mr LATHAM—I appreciate that, Mr Speaker. Accordingly, I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Werriwa from moving forthwith the following motion: Given that the Prime Minister has now had time to complete his examination of all the material concerning the Minister for Regional Services, Local Government and Territories and time to finalise his response, this House compels the Prime Minister to give a full explanation to the House of:

- (a) the circumstances under which the Minister for Regional Services has misled the House on five separate occasions;
- (b) the reason why the Minister for Regional Services wrote to the South Australian Police Minister on 16 January 2003 urging the Police Minister to act in a way which Minister Tuckey had previously been advised would be “improper and unlawful”;
- (c) the reasons why the Government still supports a Minister that the Prime Minister himself has described as “very foolish indeed”, “wrong”, and “silly” and who the Leader of the House regards as “unwise”,

“foolish”, “intemperate” and an “embarrassment” to the Government; and

- (d) the reasons why the Prime Minister has abandoned his Ministerial Code of Conduct and lowered parliamentary standards such that the only circumstances in which he will now sack a Minister is if the Minister is a convicted criminal.

Mr ABBOTT (Warringah—Leader of the House) (9.02 a.m.)—I move:

That the member be not further heard.

Question put.

The House divided. [9.07 a.m.]

(The Speaker—Mr Neil Andrew)

| | |
|---------------|----|
| Ayes..... | 77 |
| Noes..... | 59 |
| Majority..... | 18 |

AYES

| | |
|-----------------|----------------|
| Abbott, A.J. | Anderson, J.D. |
| Andrews, K.J. | Anthony, L.J. |
| Bailey, F.E. | Baird, B.G. |
| Baldwin, R.C. | Barresi, P.A. |
| Bartlett, K.J. | Billson, B.F. |
| Bishop, B.K. | Bishop, J.I. |
| Brough, M.T. | Cadman, A.G. |
| Cameron, R.A. | Causley, I.R. |
| Charles, R.E. | Ciobo, S.M. |
| Cobb, J.K. | Costello, P.H. |
| Downer, A.J.G. | Draper, P. |
| Dutton, P.C. | Elson, K.S. |
| Entsch, W.G. | Farmer, P.F. |
| Forrest, J.A. * | Gallus, C.A. |
| Gambaro, T. | Gash, J. |
| Georgiou, P. | Haase, B.W. |
| Hardgrave, G.D. | Hartsuyker, L. |
| Hawker, D.P.M. | Hockey, J.B. |
| Hull, K.E. | Hunt, G.A. |
| Johnson, M.A. | Jull, D.F. |
| Katter, R.C. | Kelly, D.M. |
| Kemp, D.A. | King, P.E. |
| Ley, S.P. | Lindsay, P.J. |
| Lloyd, J.E. | May, M.A. |
| McArthur, S. * | McGauran, P.J. |
| Moylan, J. E. | Nairn, G. R. |
| Nelson, B.J. | Neville, P.C. |
| Panopoulos, S. | Pearce, C.J. |
| Prosser, G.D. | Pyne, C. |

| | |
|-----------------|-----------------|
| Randall, D.J. | Ruddock, P.M. |
| Scott, B.C. | Secker, P.D. |
| Slipper, P.N. | Smith, A.D.H. |
| Somlyay, A.M. | Southcott, A.J. |
| Stone, S.N. | Thompson, C.P. |
| Ticehurst, K.V. | Truss, W.E. |
| Tuckey, C.W. | Vaile, M.A.J. |
| Vale, D.S. | Wakelin, B.H. |
| Washer, M.J. | Williams, D.R. |
| Worth, P.M. | |

NOES

| | |
|------------------|------------------|
| Andren, P.J. | Brereton, L.J. |
| Burke, A.E. | Byrne, A.M. |
| Corcoran, A.K. | Cox, D.A. |
| Crean, S.F. | Crosio, J.A. |
| Danby, M. * | Edwards, G.J. |
| Ellis, A.L. | Emerson, C.A. |
| Evans, M.J. | Ferguson, M.J. |
| Fitzgibbon, J.A. | George, J. |
| Gibbons, S.W. | Gillard, J.E. |
| Grierson, S.J. | Griffin, A.P. |
| Hall, J.G. | Hatton, M.J. |
| Hoare, K.J. | Irwin, J. |
| Jackson, S.M. | Jenkins, H.A. |
| Kerr, D.J.C. | King, C.F. |
| Latham, M.W. | Lawrence, C.M. |
| Livermore, K.F. | McClelland, R.B. |
| McFarlane, J.S. | McLeay, L.B. |
| McMullan, R.F. | Melham, D. |
| Mossfield, F.W. | Murphy, J. P. |
| O'Byrne, M.A. | O'Connor, B.P. |
| O'Connor, G.M. | Plibersek, T. |
| Price, L.R.S. | Quick, H.V. * |
| Ripoll, B.F. | Roxon, N.L. |
| Rudd, K.M. | Sawford, R.W. |
| Sciacca, C.A. | Sercombe, R.C.G. |
| Sidebottom, P.S. | Smith, S.F. |
| Snowdon, W.E. | Tanner, L. |
| Thomson, K.J. | Vamvakinou, M. |
| Wilkie, K. | Windsor, A.H.C. |
| Zahra, C.J. | |

PAIRS

| | |
|------------------|---------------|
| Macfarlane, I.E. | Beazley, K.C. |
|------------------|---------------|

* denotes teller

Question agreed to.

The SPEAKER—Is the motion seconded?

Mr GAVAN O'CONNOR (Corio) (9.11 a.m.)—I second the motion. How low can your standards go?

Mr BROUGH (Longman—Minister for Employment Services) (9.11 a.m.)—I move:

That the member be not further heard.

Question put.

The House divided. [9.12 a.m.]

(The Speaker—Mr Neil Andrew)

Ayes..... 78

Noes..... 59

Majority..... 19

AYES

| | |
|-----------------|-----------------|
| Abbott, A.J. | Anderson, J.D. |
| Andrews, K.J. | Anthony, L.J. |
| Bailey, F.E. | Baird, B.G. |
| Baldwin, R.C. | Barresi, P.A. |
| Bartlett, K.J. | Billson, B.F. |
| Bishop, B.K. | Bishop, J.I. |
| Brough, M.T. | Cadman, A.G. |
| Cameron, R.A. | Causley, I.R. |
| Charles, R.E. | Ciobo, S.M. |
| Cobb, J.K. | Costello, P.H. |
| Downer, A.J.G. | Draper, P. |
| Dutton, P.C. | Elson, K.S. |
| Entsch, W.G. | Farmer, P.F. |
| Forrest, J.A. * | Gallus, C.A. |
| Gambaro, T. | Gash, J. |
| Georgiou, P. | Haase, B.W. |
| Hardgrave, G.D. | Hartsuyker, L. |
| Hawker, D.P.M. | Hockey, J.B. |
| Hull, K.E. | Hunt, G.A. |
| Johnson, M.A. | Jull, D.F. |
| Katter, R.C. | Kelly, D.M. |
| Kemp, D.A. | King, P.E. |
| Ley, S.P. | Lindsay, P.J. |
| Lloyd, J.E. | May, M.A. |
| McArthur, S. * | McGauran, P.J. |
| Moylan, J. E. | Nairn, G. R. |
| Nelson, B.J. | Neville, P.C. |
| Panopoulos, S. | Pearce, C.J. |
| Prosser, G.D. | Pyne, C. |
| Randall, D.J. | Ruddock, P.M. |
| Scott, B.C. | Secker, P.D. |
| Slipper, P.N. | Smith, A.D.H. |
| Somlyay, A.M. | Southcott, A.J. |
| Stone, S.N. | Thompson, C.P. |

Ticehurst, K.V.
Truss, W.E.
Vaile, M.A.J.
Wakelin, B.H.
Williams, D.R.

Tollner, D.W.
Tuckey, C.W.
Vale, D.S.
Washer, M.J.
Worth, P.M.

NOES

Andren, P.J.
Burke, A.E.
Corcoran, A.K.
Crean, S.F.
Danby, M. *
Ellis, A.L.
Evans, M.J.
Fitzgibbon, J.A.
Gibbons, S.W.
Grierson, S.J.
Hall, J.G.
Hoare, K.J.
Jackson, S.M.
Kerr, D.J.C.
Latham, M.W.
Livermore, K.F.
McFarlane, J.S.
McMullan, R.F.
Mossfield, F.W.
O'Byrne, M.A.
O'Connor, G.M.
Price, L.R.S.
Ripoll, B.F.
Rudd, K.M.
Sciacca, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Thomson, K.J.
Wilkie, K.
Zahra, C.J.

Brereton, L.J.
Byrne, A.M.
Cox, D.A.
Crosio, J.A.
Edwards, G.J.
Emerson, C.A.
Ferguson, M.J.
George, J.
Gillard, J.E.
Griffin, A.P.
Hatton, M.J.
Irwin, J.
Jenkins, H.A.
King, C.F.
Lawrence, C.M.
McClelland, R.B.
McLeay, L.B.
Melham, D.
Murphy, J. P.
O'Connor, B.P.
Plibersek, T.
Quick, H.V. *
Roxon, N.L.
Sawford, R.W.
Sercombe, R.C.G.
Smith, S.F.
Tanner, L.
Vamvakinou, M.
Windsor, A.H.C.

PAIRS

Macfarlane, I.E. Beazley, K.C.
* denotes teller

Question agreed to.
Original question put:
That the motion (**Mr Latham's**) be agreed to.
The House divided. [9.15 a.m.]
(The Speaker—Mr Neil Andrew)

| | |
|---------------|-----------|
| Ayes..... | 56 |
| Noes..... | <u>79</u> |
| Majority..... | 23 |

AYES

Brereton, L.J.
Byrne, A.M.
Cox, D.A.
Crosio, J.A.
Edwards, G.J.
Emerson, C.A.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Gibbons, S.W.
Griffin, A.P.
Hatton, M.J.
Irwin, J.
Jenkins, H.A.
King, C.F.
Lawrence, C.M.
McClelland, R.B.
McLeay, L.B.
Melham, D.
Murphy, J. P.
O'Connor, B.P.
Plibersek, T.
Quick, H.V. *
Roxon, N.L.
Sciacca, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Thomson, K.J.
Wilkie, K.

Burke, A.E.
Corcoran, A.K.
Crean, S.F.
Danby, M. *
Ellis, A.L.
Evans, M.J.
Ferguson, M.J.
George, J.
Gillard, J.E.
Hall, J.G.
Hoare, K.J.
Jackson, S.M.
Kerr, D.J.C.
Latham, M.W.
Livermore, K.F.
McFarlane, J.S.
McMullan, R.F.
Mossfield, F.W.
O'Byrne, M.A.
O'Connor, G.M.
Price, L.R.S.
Ripoll, B.F.
Rudd, K.M.
Sercombe, R.C.G.
Smith, S.F.
Tanner, L.
Vamvakinou, M.
Zahra, C.J.

NOES

Abbott, A.J.
Andrews, K.J.
Bailey, F.E.
Baldwin, R.C.
Bartlett, K.J.
Bishop, B.K.
Brough, M.T.
Cameron, R.A.
Charles, R.E.
Cobb, J.K.
Downer, A.J.G.
Dutton, P.C.
Entsch, W.G.
Forrest, J.A. *
Gambaro, T.
Georgiou, P.
Hardgrave, G.D.
Hawker, D.P.M.
Hull, K.E.
Johnson, M.A.
Katter, R.C.

Anderson, J.D.
Anthony, L.J.
Baird, B.G.
Barresi, P.A.
Billson, B.F.
Bishop, J.I.
Cadman, A.G.
Causley, I.R.
Ciobo, S.M.
Costello, P.H.
Draper, P.
Elson, K.S.
Farmer, P.F.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hartsuyker, L.
Hockey, J.B.
Hunt, G.A.
Jull, D.F.
Kelly, D.M.

| | |
|-----------------|-----------------|
| Kemp, D.A. | King, P.E. |
| Ley, S.P. | Lindsay, P.J. |
| Lloyd, J.E. | May, M.A. |
| McArthur, S. * | McGauran, P.J. |
| Moylan, J. E. | Nairn, G. R. |
| Nelson, B.J. | Neville, P.C. |
| Panopoulos, S. | Pearce, C.J. |
| Prosser, G.D. | Pyne, C. |
| Randall, D.J. | Ruddock, P.M. |
| Schultz, A. | Scott, B.C. |
| Secker, P.D. | Slipper, P.N. |
| Smith, A.D.H. | Somlyay, A.M. |
| Southcott, A.J. | Stone, S.N. |
| Thompson, C.P. | Ticehurst, K.V. |
| Tollner, D.W. | Truss, W.E. |
| Tuckey, C.W. | Vaile, M.A.J. |
| Vale, D.S. | Wakelin, B.H. |
| Washer, M.J. | Williams, D.R. |
| Worth, P.M. | |

PAIRS

| | |
|---------------|-------------------|
| Beazley, K.C. | Macfarlane, I.E.. |
|---------------|-------------------|

* denotes teller

Question negatived.

TELSTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 2003

Second Reading

Debate resumed from 20 August, on motion by **Dr Nelson**:

That this bill be now read a second time.

Mr JOHNSON (Ryan) (9.20 a.m.)—I am pleased to speak in the parliament today on the Telstra (Transition to Full Private Ownership) Bill 2003. This bill is certainly one of the most important bills for members to debate in the 40th Parliament. Those in opposition certainly would say that it is also one of the most contentious bills for debate. This bill is contentious to those in the opposition because as far as the Australian people are concerned they do not have any credible policies whatsoever, so they have to engage in politics rather than policy. That is why the Labor Party opposes this bill.

It is a position which smacks of rank hypocrisy given the former Keating Labor government was only too pleased to sell off Qan-

tas and the Commonwealth Bank. And for no other reason than to pay off government debt, as the Treasurer of the day, Ralph Willis, pointed out when he gave his second reading speech on the Commonwealth Bank Sale Bill in October 1995. I will read into the *Hansard* what the then Treasurer said in the context of the sale of the Commonwealth Bank:

... in the budget deliberations we considered the clear budgetary advantages of selling the government's remaining 50.4 per cent stake. The sale will make a major contribution to the reduction of outstanding government debt, to the benefit of all Australians. The sale should allow public debt interest savings of around \$400 million per annum once the bank is fully sold. Our decision to sell the government's shares will also provide an excellent opportunity for small investors to buy into the bank. The bank's management has welcomed the sale, saying the decision will allow the bank to pursue its development with clarity of purpose and that the sale of the shares will be in the long-term interests of existing shareholders.

What is the difference between that and the sale of the government's remaining shares and equity in Telstra today?

The object of this bill is to repeal the current legislative framework that requires the federal government to retain 50.1 per cent of its equity in Telstra, the flow-on being, of course, to facilitate the government selling its remaining shares in Telstra some time in the future. The entire purpose of doing this is to provide a competitive telecommunications market here in Australia—something that seems to be totally lost on the opposition. All Australians know that in today's telecommunications world the boundaries to what technology can achieve continue to be pushed further and further and the means by which consumers benefit is in the form of lower prices and new services, which in turn are of course derived from competition.

Where safeguards and services are concerned, it is not government ownership that

will deliver the best quality; it is government regulation that will deliver quality of service and world-class standards. This is especially the case in a fiercely competitive Australian and global marketplace. Indeed, the best regulations will ensure that the services provided will be world beating, not just of the highest Australian quality. Our challenge is to ensure that the regulations we pass are up to the mark and are fully enforced.

Since the introduction of full and open competition in the telecommunications industry in 1997, Australian consumers have benefited from lower prices and greater choice. I think Australians will agree with this government's contention that prices have dropped by some 25 per cent between 1996 and 2002. There are now 89 licensed carriers, as opposed to three in 1996. So, clearly, these benefits have been the direct result of competition.

It is commonly said that Telstra is the dominant telecommunications company in Australia, and few would contest that point. What is not repeated too often outside this parliament and in the community is that, whilst the federal government still holds a controlling stake in Telstra, an unsustainable and inappropriate commercial reality prevails—namely, that there is a substantial conflict of interest between the entity that owns the company and that same entity's other duty to regulate its activities.

As all Australians would know, the government sets the regulatory framework for Telstra and its competitors; yet it also holds 50.1 per cent of Telstra shares. In other words, the federal government finds itself in the position where, being the majority owner in Telstra, it also has a national duty to pass laws and regulations to ensure that Telstra is on equal footing with every other industry telco entity. To put it another way, the largest telco in the country also has the special and

unique advantage of the protective arm of the federal government. Is it fair to Telstra's competitors that the same body that owns the majority stake in the dominant telco company also sets the regulations for that industry? Surely this is an unsustainable position?

The contention of the government is that allowing the privatisation of Telstra will remove the commercial risks to investors caused by the continued threat of government intervention in the management of Telstra. The full privatisation of Telstra will put the company in a position where it will need to compete on an equal footing with its competitors and where it will have no special privilege through federal government access or equity. It will also allow Telstra to operate in its own commercial interests within the global telecommunications marketplace.

The Howard government does recognise the critical importance of telecommunications to all Australians, and I want to acknowledge the concerns of the residents of my electorate of Ryan who have approached me to express some of their reservations that Telstra's services might be restricted as a result of its sale—although I must say for completeness of information and accuracy that, like many of my coalition colleagues, those who have approached me have in fact only really been a handful. So, when I hear from the opposition that there is widespread dissatisfaction with the government's privatisation policy, insofar as I am concerned—and I think the overwhelming majority of constituents in my electorate would agree—that sort of position is just talk and bluff.

Let me say to the people of Ryan in general, and specifically to the handful of constituents who have very kindly and very generously taken their valuable time to contact my office, that the federal government is very confident that the quality of Telstra's services will not fall or be diminished simply

because of its new ownership structure. To address these concerns, the government has put in place measures to ensure that services will be maintained, especially in remote and regional areas of this country. Australia's regulatory safeguards for consumers are amongst the toughest in the world and will continue to apply irrespective of what happens in this parliament insofar as the sale of Telstra is concerned. Key safeguards will include the universal service obligation, customer service guarantees, a network reliability framework, priority assistance arrangements and retail price control on Telstra.

In addition, this bill will provide for a licence condition on Telstra. Under the licence condition, Telstra will be required to fulfil its responsibilities to all regional and remote customers. It cannot simply sweep them away, as the opposition seems to falsely contend and tell anyone out in the community who will listen to it. The measures in the bill will ensure regional services and technology do not lag behind those in our urban centres. The bill also provides for regular independent reviews of regional telecommunications. These reviews will take place every five years and be conducted by an independent expert committee. I want to make it very clear to the constituents of Ryan that the government's regulations are very critical to Telstra's future success. Therefore, it does not follow that the sale of Telstra of itself will have any significant detrimental impact on the government's ability to regulate Telstra.

The first Telstra float saw many Australian mum and dad investors take up the offer and apply for Telstra shares. Approximately 1.8 million Australians bought Telstra shares in the first share offer in November 1997. For more than half a million Australians—in fact, the figure is some 559,000 Australians—this was their first ever investment in the share market. This represents some 14-plus per

cent of the adult Australian population. In all the debate that I have heard in the chamber, I do not recollect any speaker from the opposition pointing out that some 1.2 million Australians currently own shares in Telstra. The opposition might be interested to know that this represents one in 17 Australians—Australians who voted with their wallets in support of privatisation and in support of the Howard government and also voted at the ballot box to re-elect the Howard government.

So I think it is quite reasonable to conclude that, since the first round offer in 1997, more and more everyday Australians across the length and breadth of this great country have become more active investors in shares and become more and more aware of shares being a vehicle for wealth creation. In light of that, I wonder what the opposition make of those half a million first time Australian investors, and indeed of the 1.2 million Australians, who currently own shares in Telstra. Will the three members of the opposition who own Telstra shares support the government on this issue? Will they cross the floor and vote with the government? I know that they or their spouses own shares and I hope that they will support the government on this legislation, given that they have had every confidence in Telstra to the extent that they are willing to buy Telstra shares.

We all know that when the Howard government came to office in 1996 it was confronted by a massive Keating-Beazley debt of some \$96 billion. In the interests of the country's future economic prosperity, steps had to be taken to reduce this iron chain around the national economy. Measures simply had to be taken to get back to fiscal responsibility and pay off the \$96 billion of Labor debt. One way in which the national debt racked up by Labor was tackled was to use some of the proceeds from the sale of Telstra, which is what occurred with the pro-

ceeds of the first Telstra sale. This allowed the government to make a big dent in the national debt, which would have choked this country's prosperity.

At the beginning of my speech I mentioned the rank hypocrisy of the Labor opposition. It is very important, in the interests of the functioning of our democracy, that people in the electorate of Ryan be made aware of the Labor Party's rank hypocrisy when it comes to the policy of privatisation of government assets. The Australian people should know the difference between what the Labor opposition really think and how they act. Labor say that they do not believe in privatisation, but then go ahead and very successfully privatise two Australian icons, two prime government assets: Qantas and the Commonwealth Bank. My colleagues have mentioned others, but I want to focus on Qantas and the Commonwealth Bank, two leading Australian icons which the then Labor government had no hesitation whatsoever in selling when they thought it was appropriate.

The Australian people are fully abreast of the competing arguments for and against the sale of Telstra—these arguments are not new—and have been fully exposed to the Telstra debate in previous years. The coalition has gone to at least two elections with the very clear position that it would seek to legislate for the full sale of Telstra when in office. The Australian people are aware that the full privatisation of Telstra has always remained an important and unambiguous policy platform of the Liberal Party.

I make it very clear and up-front to the constituents of my electorate of Ryan that this bill does not specify a time for the sale of Telstra, which many in the opposition seem to think. There is no legislative imposition as to when the government's remaining equity in Telstra should be sold.

This means that it will be sold at an appropriate time, at a time which maximises its market value—it will not be sold undervalued; the Australian people will not be short-changed—to the benefit of the Australian people.

If, just once, the Labor Party support the government on a policy that is good for this country, they might earn some regard from the Australian people. The opposition seem to forget that being in opposition means that the onus is on them to demonstrate that they can be an alternative government. How do they do this? They do it by good judgment and, from all indications, their judgment in this important debate seems to be pretty poor. I say to my parliamentary colleagues in the opposition: show some good judgment and support this bill because it is good policy, it is a good legislative decision and it is in the best interests of this country and our telecommunications industry. I commend this bill to the House.

Mrs IRWIN (Fowler) (9.34 a.m.)—In 1946, when Australia was setting out on the period of postwar reconstruction, the government of the state of South Australia was planning to expand its manufacturing and automotive industry base. The Premier, Sir Thomas Playford, who went on to become the longest serving premier in Australia's history, personally took responsibility for state development. One of the problems facing him was the lack of electricity generating capacity in South Australia. The privately owned electricity supplier refused to increase supply to match the requirements of new industries so the conservative premier of South Australia took the radical step of nationalising the electricity supply in South Australia. And that has been the history of almost every public utility and railway development in Australia: the private sector failing to invest in the development of this country because it looks to the short-term

profitability of its investment and not to the long-term benefit of the nation.

Private sector investment in public utilities will always fall short of providing the infrastructure necessary for Australia's development. Where the private sector has provided the investment, it has in every case required the taxpayer to sweeten the deal to minimise risk and subsidise any losses. As we have seen with the massive losses incurred by private operators involved in international and interstate cables, the market has proven to be a very poor mechanism for allocating investment dollars. I am sure that Telstra—or its predecessors: Telecom and the old Postmaster General's Department—did not always get it right when it came to setting priorities for its investments. But we can at least be sure that its management was guided by governments with the development of the nation and the provision of service to the great majority of citizens as their principal objectives. What will be lost in the full privatisation of Telstra will be the last opportunity for governments in this country to direct the most important infrastructure development required in the next 50 years. My concerns here are not unrealistic.

From the very beginning of our telecommunications system in Australia there has been a lag in the provision of services. I can remember in my lifetime an era when only a few people had telephones; it seemed that the only people in our suburb with a phone were the postmaster, the doctor and the SP bookmaker. Getting the phone connected was a day we remembered, like the day we got our first TV set. The home telephone that we take for granted today was the result of a huge 'public' investment—investment in lines and exchanges, investment in the technology of the day.

Unfortunately we still rely on some of that obsolete technology, and there is a need for

new investment to bring the world of information technology to our schools, our places of work and our homes. But, like the era when home telephone services were being developed, there is a huge backlog of service upgrading required. The copper wires that have served us for more than a century still carry the information from the world to our door. The roll-out of high-speed data lines has not kept up with the demand, and we now have vast areas not only of our regions but also of our capital cities which do not have access to modern broadband information links—and there is no sign of when we can expect to see these services provided.

In the good old days people waited and waited for a phone connection; the roll-out seemed to take forever—but we were not so reliant on telephone communication. Now we are dependent on data links that we expect as part of a modern economy. But Australia is lagging behind the world in information links. We are being held back in the development of electronic commerce and increasingly our young people are being denied access to educational links. Where will this investment come from—this investment in infrastructure that will help Australia to keep its place in a rapidly developing world? The government, with its poorly planned exercise to sell Telstra, has long since stopped injecting its funds. Falling investment returns make capital raising less attractive and, as the government tells us, the half-public, half-private ownership of Telstra restricts Telstra's capacity to raise equity capital. So we are left with this half-bird, half-beast creature which the government says we need to sell completely because as half and half it cannot operate effectively.

Well, who got Telstra into this predicament in the first place? When the government—this government—sold off the first third of Telstra, it kept secret its intention to sell off the remainder as soon as it got the

chance. The private investors did not seem too worried at the time that they were buying into a company that was government controlled; they were happy to see the value of their shares rise. Then it went to half ownership, and again there was no announcement that it would be fully privatised at a future date. The investors came back for more, but this time they were badly burned; the partly privatised Telstra was not the cash cow they thought it would be.

Should we sell the rest of Telstra, as the government seeks to do with this bill? What are the alternatives? Having sold off half of Telstra, the government says that there is no alternative but to sell the remaining half. Before it sells the remainder, the government says it will make sure that it has in place the investment and service guarantees that will keep its rural and regional supporters happy. But those supporters have obviously been sold a pup before today, and there is no sign that rural voters are prepared to let the government get away with the further sale of Telstra—and that opposition is echoed in the metropolitan areas as well.

There is real concern that a privatised Telstra will let services be degraded and will not provide the upgrades essential for users to be part of the information superhighway. The experience of many urban customers to date gives them little confidence that a fully privatised Telstra will provide the level of service they demand at a price they can afford. Also there is a real suspicion that call rates and charges will increase, as Telstra seeks to maximise its profits and cross-subsidise its overseas loss-making ventures. The government has no credibility on this issue at all. The public simply do not believe that they will be better off if Telstra is fully privatised. And, while the government has added sweeteners for rural customers, there is nothing for city customers. Of course, there are grand plans for spending the motza that the gov-

ernment will get for the remaining share of Telstra; but for those who see the proceeds of the sale as a windfall to be spent on fixing the environment or providing some other infrastructure project, it is a bit like burning the furniture to keep warm in winter. We should look at each project on its own merits and not as a way to use up Telstra funds.

Telstra is more than just a share portfolio held by the government; Telstra is a central part of Australia's communications infrastructure. In a world where there is great uncertainty in investment, Telstra can give direction and support to business and households in Australia to enable this country's development over the coming decades. We can take too much for granted when we look at Australia's potential for growth in the years ahead; we can make the mistake of simply projecting the growth forecasts up and off the page. But economic growth depends on more than good luck, and the next decade will be vital in setting the platform for Australia's position in the years ahead.

Telstra has had no small part to play in Australia's development in the last century. One of the things we have taken for granted is the role played by Telstra as a customer for Australian designed and built equipment, but of more importance has been the role played by Telstra and its predecessors in ensuring that Australia has had a work force skilled in the electronics and related industries. These industries have been at the forefront of national development, and in Australia we have had the benefit of a work force of skilled technicians, engineers and scientists. As Telstra has become more commercial, much of its training effort has lapsed, and we have been fortunate that demand for many of those skills has decreased with changes in technology. But we should never forget that our entry into the computer age has been aided by a ready skilled work force that has been trained by organisations like

Telstra, AWA and OTC, the former Overseas Telecommunications Commission.

A privatised Telstra would no doubt continue to run down the basic training role undertaken in the past. The technology and equipment will be almost totally imported, and even much of the servicing can be expected to be carried out overseas. The further loss of skilled and rewarding jobs will leave Australia dependent on other nations for this most important part of our industry, commerce and daily lives—but that is the reality of organisations whose central objective is to make a profit. The reductions in staff numbers at Telstra are an indication of what we can expect from a privatised organisation. The reduction in service standards is one result of the loss of staff, but we should not forget that as a nation we will be poorer for the loss of existing skills and the failure to build the skills base of our work force. It is worth noting that Telstra has been an employer with a skilled work force spread across regional Australia.

It would be interesting to consider what things would be like in 10 years time if, by some miracle, this legislation were to be passed. Back in the 1970s, I can remember when what was then Telecom came out with a plan for the future called Telecom 2000. That is ancient history now, but what is most obvious is the change in technology and how it has affected the way we live and work. I do not remember seeing anything in the plan about the Internet or electronic banking, but they have had a dramatic effect on the way we live and do business. What should be obvious to us is that few industries will change as much as the communication and information technology industries. Consider what might happen if we were back in the days of Tom Playford and our major telco said that it was not interested in improving its service. What if Telstra were to say that it wanted to maximise its profit at the expense

of much needed investment in new technology? The consequences for Australia would be disastrous, but by then it would be too late for government to intervene to direct our largest telco.

So far I have been looking at the national effects of the sale of Telstra. But its greatest effect will no doubt be at the household level. As I said earlier, when I was young, telephones were considered a luxury. Today, communication and information technology is a necessity. One thing that surprises me is that what we once called utilities—the supply of water, gas and electricity, and we should include telephone services—were once considered to be best provided by state owned monopolies. The attraction of these businesses to the private sector came from the potential improvements in efficiencies if these utilities were better managed. For a state owned utility which improved its efficiency, in the same way as electricity generators did in the last half century, much of the saving was passed directly to consumers by way of lower prices.

It was once explained to me how privately operated utilities are able to generate super profits. Take a water supply company that takes over a publicly owned utility. The company would know that, because there was a large loss of water due to the pipes leaking, if it fixed the pipes then it would effectively be getting for free the water that was previously lost, and it would keep the profit from that rather than pass on the saving to the customer. This is my greatest fear for Telstra customers. Improvements in technology can make access to new products cheaper than older services, and inflation can provide a smokescreen for telcos to increase prices even though their costs have reduced. Capital equipment is allowed to run down and, as we saw recently in New York, a whole power system can collapse from lack of maintenance and new equipment. But a

monopoly supplier can cream off most of the savings in extra profits.

There are enormous benefits to be gained both economically and socially from improved technology. It can be shared for the benefit of all or it can be used to turn a privatised Telstra into a cash cow. That cash cow will be feeding off the pensions of older Australians whose only regular contact with their families and friends is by telephone. It will be feeding off the small businesses, forced to pay high rates for unreliable services. And it will be feeding off the opportunities of Australian students, forced to pay high rates for second-rate Internet services. Access to communications technology should be seen as more than a commodity which can be sold at the highest price the market will bear. It should be seen as the right of all. That is what much of the debate about the sale of Telstra is about. It is about people in regional and remote Australia—and I will not leave out metropolitan Australia—having access to the best communication and information processing technology available.

The signs are already there that players in this industry are prepared to cherry pick the regions offering the highest returns and concentrate their services in those regions. When the profit motive is the only goal, that is the natural result of those business strategies. Those who feel they will be at the margins can see that complaining about service failures to a fully privatised Telstra would be a waste of time. While ever the Australian government has the controlling interest in Telstra, the communication users of Australia will have a say in the level of service they require and the price they have to pay. That is why the majority of Australians want to keep Telstra in government ownership—ownership by the people of Australia to serve the people of Australia, not the chosen few. That is why they know it is so important to

speak out now and oppose the full privatisation of Telstra.

Some months ago I conducted a similar survey to those carried out by the member for New England and the member for Hume, and I have to confirm the results of their surveys. In the Fowler electorate that I represent, 88 per cent of those surveyed opposed the full privatisation of Telstra. This is an unpopular move by this government. It is totally opposed by the Labor opposition and should be rejected by all members of this House.

Mr TICEHURST (Dobell) (9.52 a.m.)—I support the government's Telstra (Transition to Full Private Ownership) Bill 2003 on the further sale of Telstra. We have seen speaker after speaker in this House run the same old scare campaign—that Telstra cannot operate unless it is government owned. What a load of rubbish! What we are seeing here is protection of Labor's union mates. We have seen the manifestation of the old British saying 'He who pays the piper calls the tune'. Even in yesterday's *Australian* there is a picture of the opposition leader with the words 'Crean calls on workers to sing in chorus'. That is what they are doing here—singing in chorus, the same old stunt.

How many of these Labor members actually know what they are talking about? We hear them throwing acronyms around—ADSL, ISDN, DSL—but how many of them actually know what they mean? These are technology terms that have appeared in the last five or six years. But the issue is not about technology; the issue is about the service level provided to the user. If we look at the mobile phone situation, we find there are many companies providing mobile phones. Who really cares who owns the phone system, as long as that mobile phone works? The real issue is service. There are a number of regional operators. There is a man in my

electorate who provides technical assistance to regions in setting up regional phone systems. There are about eight of these systems operating in Australia right now. An early one was down in Ballarat.

How many of the Labor members know what VoIP means? This is a new system Telstra is pushing around, another technology—voice over Internet protocol. We have not heard that mentioned too much by Labor members. But technology is not the issue. Look at what happened with mobile phones. We had a system here called AMPS; it was American technology, designed for rural users. It was line of sight: as long as your mobile phone could see the antenna, you could get a call. What happened when Labor were in government? They decided to bring in a digital system and close down the AMPS. Why did they select GSM, a European system limited to 32 kilometres or thereabouts from a cell? Because in Europe, as in capital cities—where most Labor people operate—that is all you need. Forget about rural and regional areas. The member for Corio said in here yesterday that his phone dropped out a few times on the way from Geelong to Melbourne. That is because he was on GSM. It is probably not even connected to the antenna on his car. If you are over 32 kilometres from a cell, that is the end of your service.

It took the Howard government to come in and introduce CDMA, a digital system. That was not provided by Europeans; that was an American system. The CDMA network can travel by line of sight, just like the old AMPS. We heard the member for Corio talking about his version of fiscal rigour. He talked about the \$3 billion profit from Labor per year that would be lost. He did not mention the \$8 billion a year we are paying in interest on Labor's debt. Then he said that the sale price of Telstra was going to be \$45 billion; therefore, after 15 years the Australian people would no longer get a profit from

Telstra. If that is fiscal rigour, I hope he is not providing advice to the shadow Treasurer. He forgot about the idea of investment return on capital.

Then we heard the member for Corio say that he spoke to the CEPU recently. They talked about 39,000 jobs being lost. These jobs might have been lost at Telstra. Where do the union members usually operate? Big companies, government owned companies—that is what they are worried about. They are worried about the big companies, public ownership and losing members. They cannot attract members to unions. There was no mention of the employment provided by the new phone companies. Look at all the service providers. I think the member for Macquarie mentioned there were 87 private phone companies in Australia. What about the employees who have moved in there? Where do they come from? They were either out of Telstra or new trainees.

In my electorate of Dobell, the service level has improved. In the old days you could not get a phone fixed on Friday afternoon. And why was that? Because the jobs were stacked up so they could get overtime on Saturday. That does not happen now because the government introduced service standards. We have standards now for service. If a phone is not fixed within a nominated time, the provider pays a penalty. Those sorts of regulations are built into this new bill. We cannot live in the past.

We heard the member for Fowler going back to the old days, at the start of electricity. She also talked about the problems in New York. I can assure her that that will not happen in New South Wales. In the seventies I was a designer of high-voltage instrument transformers. These were part of the protection system for the major transmission lines in Australia. I can guarantee the member for Fowler that our system here is much more

rigorous and offers far more protection than the American system. We also have much better operators and a connected system that will not have the same sorts of problems as the American system.

Of course, we are in a new era. We are not relying on copper wires to provide long-distance broadband. Already in my area, wireless broadband is being provided by private companies. Telstra can provide wireless broadband on CDMA right now. The only issues are pricing and the level of use of their capital equipment. But already one of my local ISPs is providing wireless broadband in Dobell. This is where the future lies, not in old technology. There are new technologies emerging all the time. In reality, we need to be cognisant of what the Treasurer often reminds us in this House: do not listen to what Labor says; look at what Labor does.

Mr SIDEBOTTOM (Braddon) (9.58 a.m.)—I am generally a positive character and today I am happy not to support the Telstra (Transition to Full Private Ownership) Bill 2003. The reasons I am not happy to support this legislation are, firstly, that we do not need it—on good economic grounds—and, secondly, it is not a piece of legislation that the Australian people support. I do not need to remind members of the number of surveys that members are doing. It seems that a member can do a survey and, if it suits the government's purpose, that survey is credible. If the survey does not suit the government's legislative purposes, then the survey is incredible—it is populist, it cannot make any sense, it has been rigged.

We have members on all sides of this House doing surveys which they regard, I am sure, as being professionally set out without trying to direct the answers. With all their in-built faults, these surveys clearly indicate from their responses that constituents do not support the full sale of Telstra. The people

who do not accept those survey results turn around and say, 'You have led the people. The people don't know,' or 'We have far more information. The markets know best'—all this type of thing. The surveys clearly demonstrate that the people of Australia do not support the full sale of Telstra, especially those in regional Australia where, in many cases, telecommunications services are very patchy. A lot more work needs to be done to provide essential telecommunications services. In the hierarchy of community and social needs, telecommunications services are high on the list. That is why in 1991 Labor legislated that the privatisation of Telstra had to pass through parliament before it could go ahead. Before then—and that is why it is so important—a government could merely regulate it, make the decision. So that is why we are having this debate, and it is a very crucial debate.

We on this side of the House are told that, in terms of technology and economic arguments, we are the troglodytes. Yet there is more and more evidence to suggest that the whole privatisation argument is flawed anyway. But we do not hear that from those opposite—only that we are the economic troglodytes. I would like to explore that, if I may, to shed some light on that side of the argument, seeing as it has been thrown up at us so many times. Largely, I will turn to the work of John Quiggin on privatisation versus public ownership.

Mr Quiggin has a great deal of credibility in this area. He points out that, generally speaking, there are three benefits expected of privatisation—and a number of these have been reflected in template speeches presented by members on the other side in support of the full sale of Telstra. The first expected benefit is that privatisation will generate cash for the government to spend on desirable public purposes, such as retiring debt—we are increasingly told this. Sec-

ondly, privatised enterprises are more efficient than their publicly owned counterparts. That is an argument you get all the time. Thirdly, there is a belief that private ownership will impose capital market 'discipline'—there is a term for you—on investment decisions. In short, you will not have the big finger or the long arm of the government regulating industry investment decisions.

So what in fact is the reality? Firstly, the idea that privatisation will generate cash for governments to spend on desirable public purposes has largely been discredited. Quiggin says the evidence suggests:

... that only in exceptional cases can governments realise sufficient savings, by selling assets and reducing debt to offset the loss of income streams generated by public enterprises. In the case of Telstra, the first and second stages of partial privatisation have already produced large and growing losses.

Not gains—losses. My colleague the member for Brisbane raised this idea in his speech on Wednesday. Let us look at the figures related to the so-called economic benefits to be gained from retiring public debt, and I am specifically referring to Telstra here.

I understand that \$12.8 billion of public debt was paid off with the sale of the first two tranches of Telstra. This saved the government \$2.7 billion in interest payments. However, it is very important to realise that the dividend forgone with the sales has been estimated at \$2.78 billion, thus resulting in a net loss—that is net loss, not net gain—to the people of Australia of \$81 million. The indications are that just such a scenario will be replicated on the full sale of Telstra, and the majority of Australians know this. On Thursday, 14 August the Leader of the Opposition clearly indicated that this would be the result. Indeed, market based projections of future dividend earnings prepared by Macquarie and UBS Warburg have indicated that

the full privatisation of Telstra will cost at least \$1.7 billion in the forward estimates of the budget. So there is the first little furphy exposed in this issue.

The second argument is that in competitive, service-oriented industries, where the case for government ownership is always weak, generally the evidence is that privatisation has generally been beneficial. But evidence, particularly in North America and OECD countries, increasingly shows that in the infrastructure sector, says Quiggin:

... commercialisation and corporatisation can produce cost reductions similar to and sometimes greater than those arising from full privatisation. (In both cases, such cost reductions must be measured against reduced community services, poorer working conditions and so on.)

Thirdly, there is the belief that private ownership will impose capital market discipline on investment decisions. What of the 'allocation of investment assumptions' behind the argument for privatisation? Evidence indicates that the public sector has been far from perfect in the planning and implementation of infrastructure investment decisions. I think we would all agree with that. However, this is absolutely nothing compared to the record of bubble-and-bust private sector investment decisions surrounding the Internet and telecommunications sectors made by private capital markets. Day in, day out on the share market we see these companies crashing and the irresponsible decision making associated with it. Worldwide, the energy sector has fared no better, and the results of that are clear for everyone to see.

The privatisation argument is, by way of empirical evidence, quite dubious and shaky. There is no mention of this litany of failure in the speeches from members opposite, only rehashes of the so-called benefits of privatisation, which have been shown to be flawed. Some of those opposite have advanced the argument that the privatisation of a monop-

oly such as Telstra is desirable because under public ownership the government faces a conflict of interest between its roles as a regulator and an owner. But this argument defies commonsense and, according to some economists, it defies the economic theory of principal-agent relationships. In simple commonsense terms, the idea that governments should not own businesses they need to closely regulate makes about as much sense as the idea that you should not own your own home because of the conflict between your roles as a landlord and a tenant. It is only in separating ownership and use that conflict exists.

Sound economic analysis is consistent with commonsense. Basically, the closer and more complex the relationship between government and its enterprise or business, the stronger the case for ownership as a control mechanism. In the case of a monopoly such as Telstra, the most important regulatory decisions relate to prices for consumers or for third-party access. With privately owned monopolies there is an inherent conflict—namely, if the price is set too high consumers will suffer, while if the price is set too low investment will be inadequate. As a regulator, the government has a conflict of interest. On one hand, regulation is supposed to set efficient prices but, on the other hand, as representatives of consumers, governments have an incentive to fix prices at inefficiently low levels. Public ownership balances the incentives facing governments. If prices are set below the socially efficient level, the benefits to consumers are offset by a loss in revenue. The converse is true if prices are set too high. John Quiggin has summarised this by writing:

There is an inevitable conflict between the interests of producers and consumers ... Where the number of producers and consumers is large, this conflict is resolved through competition in the

market. But the fundamental institution for resolving social conflicts is democratic government.

The economic and social benefit arguments for public ownership of Telstra are sound. Increasingly, evidence world wide makes the case for privatisation more and more shaky. I honestly believe that, for all the methodological faults that may be involved in the surveys I have mentioned, the Australian people inherently see the sense in the economic argument to retain Telstra in public ownership, as well as in the social benefit argument. I honestly believe they innately know that to be true.

That is certainly the case in my electorate, where the sale of Telstra has twice been an issue in our elections. That policy has been rejected twice, and Labor's support for the retention of the public ownership of Telstra has been supported twice. Indeed, the state of Tasmania supports it. Labor are not just negative on this issue for the sake of being negative. Our position has been quite clear. It has been thrown up many times that Labor privatised in the past. In fact, it is almost a heehaw presentation—'Labor privatised in the past, and we know they want to privatise now. It'll come out in the future.' That is a pretty good argument! We all know that each of those privatisation decisions had its own rationale and merit. Labor are not opposed to privatisation per se. This heehawing is silly stuff, pumped out by an office boy or girl in some minister's office.

We do oppose the privatisation, the further sale, of Telstra. We also positively support the return of Telstra to its core responsibilities of delivering high-quality telecommunications services which are accessible by all Australians. We will intensify the focus on the delivery of broadband services to ensure that Australia is leading the world in high-quality technological access for businesses. We will ensure that Telstra is more strictly regulated and that there is a clear internal

separation between Telstra's activities as a wholesaler, owner and manager of the network and as a seller of telephone calls and communication capacity so that we have a clear and genuinely competitive environment and a genuine level playing field between Telstra and its competitors, who use Telstra's network. Finally, Labor will introduce strengthened protections for telecommunications consumers in a range of areas that apply not only to Telstra but also to its competitors. It makes sense that we reject this government's ideological bent to fully privatise Telstra. It does not make economic or social sense for them to do so.

The DEPUTY SPEAKER (Mr Jenkins)—Order! Before giving the call to the honourable member for Sturt, I say to the member for Lingiari that, whilst he is away from the chamber representing the parliament in other places and climates over the next few months, he might acquaint himself with standing orders 55, 56, 57 and 58 and remember these requirements when entering the chamber in future.

Mr PYNE (Sturt) (10.14 a.m.)—The argument in favour of the Telstra (Transition to Full Private Ownership) Bill 2003 is really quite simple: the greater the delay in selling the remaining public share of Telstra, the greater the risk to Telstra and its shareholders. Previously the full sale of Telstra had been stalled due to below par services in rural and regional Australia. But the release of the Estens report demonstrates that these issues either have been addressed or are in the process of being addressed. There were 39 recommendations from the Estens report, which gave the coalition government a tick in terms of adequacy of services. More importantly the report was the catalyst for giving the bush another \$180 million over four years to address a number of very important issues, particularly in the area of future proofing, so that we will be able to ensure

that people, wherever they are, have access to the latest in broadband technology.

The fact is that this government has introduced consumer guarantees and delivered a network reliability framework. But Telstra cannot grow as a company and cannot reach its full potential until the shackles of part government ownership are removed. The current ownership structure of Telstra limits its ability to make strategic acquisitions and market expansions that will benefit shareholders, consumers and employees. Under the current ownership structure, Telstra is both owner and regulator. By divesting itself of ownership, the government would be in a more objective position to regulate Telstra than it is now.

The full privatisation of Telstra will benefit all stakeholders through efficiency improvements, greater transparency and reduced risk to taxpayers. Labor's opposition to the full sale of the remaining government share of Telstra is not only hypocritical but also flawed public policy. If Labor is serious about expanding share ownership, as it has recently claimed, the fastest and most efficient way to do so is by allowing ordinary Australians access to the remaining 50.1 per cent of Telstra.

Labor holds itself out as the party that supports greater share ownership in Australia; it says it is in favour of wider share ownership. But it is the coalition government that, because of the sale of the first two tranches of Telstra, has made Australia into the largest share-owning democracy in the world per capita. In 1986, just nine per cent of Australians owned shares. In the time of this government that has increased, and 37 per cent of Australians now own shares. In 1984, just 2.4 per cent of Australian workers owned a share of their business. As a result of this government's doubling of the employee share ownership tax concession, six

per cent of Australians are now worker capitalists. Australia's figure of 37 per cent compares favourably to 32 per cent in the United States and 31 per cent in New Zealand. There are 2.1 million Telstra shareholders. There are 560,000 people in Australia who bought shares for the first time in the sale of the first tranche of Telstra and 321,000 who bought shares for the first time in the second tranche. Almost one million Australians bought shares for the first time when Telstra was offered for sale, making the point that Australians want to be shareholders, invest in the stock market and have control over their own spending, their own investments and their own destinies.

In the past the Labor Party has agreed with us on this. The shadow Treasurer and member for Werriwa said he was in favour of greater share ownership and planned to act accordingly. But *Workers Online* had this to say about it:

Far from being Labor's new Light on the Hill, Latham's share ownership agenda is a dousing of the flame, a desertion of the ideas of working together as a society rather than as individual players for our mutual benefit. If we give up on this we may as well all join the Liberals.

As even the member for Werriwa knows, Telstra's growth is limited by its inability to issue new equity, effectively keeping its share price low and discouraging investor confidence. Telstra's ownership structure also prohibits it from participating in mergers and other consolidations between telecommunications companies. The Commonwealth Bank, National Railways and Qantas are all cases in point. After periods of partial privatisation, all of these were eventually fully privatised and allowed to reach their full potential in the marketplace. As the premier telecommunications company, Telstra has a very costly infrastructure which must be completely maintained and improved. The Labor Party has helped create a myth that

Telstra's infrastructure was put in place decades ago and is an asset that will not depreciate. The government should be allowed to take on the role of telecommunications regulator; otherwise Telstra risks further and further decline.

It has been argued that Telstra has too many masters: the Commonwealth government and, through them, the electorate; its shareholders; the Australian Competition and Consumer Commission; the Australian Communications Authority; and its customers. Then there is industry self-regulation: the Telecommunications Ombudsman, the Australian Communications Industry Forum and the Telecommunications Access Forum. As telecommunications expert Warwick Smith articulated:

Investors know that Telstra is being pulled in too many directions, serving too many interests.

The real debate about the sale of Telstra concerns what is best for Telstra as a telecommunications company. Australians are extraordinarily well protected in the telecommunications market. The regulation of the market is comprehensive and gives consumers the confidence that they are receiving quality service. In the Australian telecommunications sector, there is a clear universal service obligation to ensure that standard telephone services and payphones are reasonably accessible to all people in Australia on an equitable basis. There is the customer service guarantee as well as special benefits to rural and regional Australia.

The latest report of the ACA on the performance of the major telecommunications carriers demonstrates the very detailed scrutiny under which the carriers now operate. There are measurements of how well Telstra performs in making new connections, in fault clearance and, for mobile networks, in call congestions and call dropout rates. Call centre performance and mobile phone portability

are also measured for all carriers. Under legislative measures there are foreign ownership restrictions, with aggregate foreign ownership limited to a 35 per cent ownership stake in Telstra and individual foreign ownership limited to a five per cent ownership stake. Under its current ownership structure, Telstra remains in commercial limbo. At a time when the Australian business community needs to be thinking globally and expanding its horizons, Telstra is restricted from doing so.

As it currently stands Telstra is unable to raise further equity, which is affecting its capital efficiency and constraining its ability to take advantage of global growth opportunities. If Telstra is unable to expand and compete, it will not be able to position itself as a key telecommunications player beyond its present domestic focus. Telstra must be able to respond quickly, and its current structure prevents that. Telstra needs more flexible access to capital, and currently Telstra is significantly restrained from doing that because of legislative measures and its inability to raise equity.

But the greatest risk for Telstra shareholders is a federal Labor government. As a dominant shareholder, the federal government may weigh up not just commercial considerations but also political considerations. There could be circumstances with a future federal government where political considerations are put before commercial factors and the interests of investors. This mix means that the management of the company is split between the board of directors and the Minister for Communications, Information Technology and the Arts. What does this mean for consumers and shareholders? A Simon Crean government would see the member for Melbourne, Lindsay Tanner, as minister for communications. The member for Melbourne has given consumers and shareholders a terrifying glimpse of Telstra

under a Labor government. The member for Melbourne is on the record advocating plans for Telstra which include selling off its profitable arms, such as its mobile and pay TV businesses, to allow a future Labor government to buy back its core network.

Under that proposal the government would retain majority ownership of the network sector while the retail arm would be fully privatised. Of course, as with most policies Labor puts forward, the member for Melbourne did the famous Labor Party flip-flop with double pike and eventually washed his hands of the policy. He may have been mugged by the member for Werriwa. Notwithstanding the fact that the member for Melbourne has never been a taxi driver, the member for Werriwa is not loath to go for the biff against members on his own side—just ask the members for Griffith, Reid, Batman and Grayndler. He recently told Paul Kelly of the *Australian* that he was in favour of market economics. So he may well have taken the truncheon to the member for Melbourne's policy—which is just as well: Telstra is owned by millions of Australians who bought it on the understanding they were buying into a fully-fledged telecommunications company.

Labor's ill-fated plan would simply have been an exercise in ripping the heart out of Telstra by stripping it of its crucial assets in a very clumsy attempt to buy back a network to appease the Labor Party's union mates, most of whom just happen to work in the network area. The result of this would be a government controlling all of the low-growth areas but setting prices so that the company could not make a profit. It was a plan which, in the words of our minister for communications, Richard Alston, would turn Telstra into a 'backwater utility'. Labor wanted to keep all of the old non-performing low-growth areas under government control, presumably setting the price so that Telstra could not

possibly make a profit, loading it up with all the universal service obligations, providing taxpayers with all the commercial risks which are inherent with upgrading work and, at the same time, flogging off everything else. Because they privatised everything that moved when they were in government, they know that privatisation is an inevitability; and because their union masters will not let them do it they are scurrying around trying to find alternatives.

In an article that appeared in edition 14 of *Options*, a journal I have published from time to time, former Keating minister Gary Johns—a former colleague of those opposite—discussed the dangerous strategy of holding out for too long for sweeteners from a proposed full sale of Telstra. In his article, Johns wrote:

The nearer Telstra comes to full privatisation the higher the price demanded by the hold-outs, in particular the rural voters. Like the proverbial widow sitting in the last house needed by the property developer there comes a time when the premium price is withdrawn, the developer gives up, or goes ahead without it. There is a shopping centre at Caloundra in Queensland's Sunshine Coast where a little old house sits right in the middle of a shopping centre car park. Presumably, the owner held out for more money, or just the fear of leaving home, and when the developer could wait no longer, the shopping centre went ahead anyway, complete with a house marooned in a sea of cars and shopping trolleys.

When the time comes you can be sure the beneficiaries of the estate will not reap a premium on the house. Who would buy it, what rent would it command? Are the hold-outs of the Telstra sale running the same risk as the shopping centre widow? Will the desire to regulate and press further obligations on Telstra make it less worth selling and, more important, a less valuable corporation?

That is what Gary Johns wrote. The Labor members opposite would do well to think about their former colleague's analogy.

Mr Snowdon—Unlikely.

Mr PYNE—Members on this side of the House know it makes sense. You would do well to think about it, Member for Lingiari.

Mr Snowdon—Thought about it; dismissed it—it's irrelevant.

Mr PYNE—The former member of this House makes a lot of very good sense.

Mr Snowdon interjecting—

Mr PYNE—Well, he was a minister! You have to admire Labor's audacity in relation to the sale of Telstra. Labor have not only privatised more government instrumentalities than the coalition has even tried to do but also managed to put all the money that they gained from privatisation into the bottom line of the budget. They simply threw it to the winds on things like the Working Nation program, which did not produce a single net job, and on huge budget blow-outs for the Submarine Corporation to pay for submarines. This government has at least used the money from privatisations to reduce the government debt left behind by the Keating-Beazley government.

When in government, the ALP managed to privatise not only the Commonwealth Serum Laboratories but also National Rail, Qantas and the Commonwealth Bank. The most egregious of these privatisations was definitely the Commonwealth Bank because in that case the minister for finance at the time, Ralph Willis, actually wrote in the prospectus for the partial sale of the Commonwealth Bank that the government had no intention whatever of further reducing its shareholding. The former Labor minister for finance was lucky not to be prosecuted under section 996 of the Corporations Law, which is about making false and misleading statements in a prospectus. When Labor was in government, it actually told people who were preparing to buy shares in the Commonwealth Bank that they could rely on the fact that the Com-

monwealth government of the time would not sell down its remaining stake in the Commonwealth Bank.

In question time in this place, Ralph Willis was asked, 'So, unlike before, this time your commitment is ironclad?' And he replied, 'Absolutely, yes.' That was in October 1993. It was not long after that that they were hawking off the rest of the Commonwealth Bank to the stock markets. What did they do with the money? Treasurer Peter Costello's practice with respect to the proceeds of privatisation has been to reduce government debt. What has been the effect of this? It has taken pressure off interest rates, it has helped to encourage growth in the economy and it has helped to reduce unemployment.

The sound nature of our economic management has helped to create jobs, free up the economy and encourage investment from overseas. What makes anybody think that the ALP, if they were in power again, would not sell the remaining part of Telstra? Labor not only have form on privatisations; they planned to sell Telstra before the 1996 election—just like the Commonwealth Bank. The member for Brand has admitted that in 1995 he attended a meeting with then Prime Minister Keating and John Prescott about selling Telstra to BHP. Not long after that, it was revealed that the Department of Finance had prepared a five-tranche full sale of Telstra to go ahead in 1994, 1995 or 1996, depending on the outcome of the election.

The tragic aspect of this debate for Australia is that Labor do not know why they are opposing this bill. Australians no longer know what the Labor Party stand for and, in many instances, Labor MPs do not even know what they stand for. By supporting this bill, the Labor Party can prove to the electorate that their days of rank opportunism are over and that they are returning to the days when they had some credibility with regard

to policies on privatisation. I commend the bill to the House.

Ms GEORGE (Throsby) (10.30 a.m.)—I rise to speak in this debate on the Telstra (Transition to Full Private Ownership) Bill 2003. Telecommunications services are essential services, and it is through Telstra that this service has been delivered to all Australians, regardless of where they live or their level of income. Today, telecommunications is more than just the historical standard phone connection; it is about ensuring the capacity of all of our citizens to be connected to the information economy.

More affordable access to the latest telecommunications services is one of the next major challenges facing the Australian nation. Telstra has played an important role in helping to achieve a more equitable society but, increasingly, it is also vital to our future national economic success. I believe in the principle that all Australian citizens should have the opportunity to continue to enjoy access to essential telecommunications and broadband services.

Labor believes that a majority publicly owned Telstra is the best means to deliver the latest in accessible and affordable telecommunications services to all Australians, regardless of where they live. Majority public ownership would protect our citizens from market failure in the provision of services at the same time as it would continue to promote social inclusion. I do not accept the argument put by government members that somehow, through regulation, you could ensure the same outcomes under a privatised Telstra. You cannot future-proof Telstra services. You cannot guarantee an ongoing presence in all parts of Australia, even if it is written into a licence condition.

As we know, a privatised Telstra would be a giant private monopoly—too powerful for any government to effectively regulate. It

constitutes about two-thirds of the entire industry and accounts for roughly 95 per cent of profits in the sector. We know that it exerts enormous power and its reach is universal. I believe this monopoly power needs to be constrained in the interests of all and that this can only be done by retaining Telstra in majority public ownership. As is often said, a privatised Telstra would be a giant private monopoly that would leave town faster than the banks, and we know from experience what that would mean to our citizens: the loss of access to and affordability of an essential service. People outside the major cities, and not just those in isolated rural areas, would inevitably be the losers. A privatised Telstra would have as its core objective the making of profit. Its accountability would be to its private shareholders and not to the national interest. Under part privatisation, we have already had a taste of what the outcomes would be; and, in my view, the outcomes would be even worse when the making of profit becomes the primary motivator.

Despite the spin and the inquiries, the average Australian knows exactly what the outcomes of part privatisation have been. We have seen enormous staff cuts, with the loss of over 13,000 jobs in the past four years—predominantly workers out in the field who service and maintain the network. We have seen a drop of over \$1 billion already in capital investment. We have seen less maintenance, which has led to severe problems in the network. People know—not just in rural areas in electorates such as mine—that services have been reduced and people are having obstacles placed in the way of accessing the new technologies and broadband. And, of course, at a time when Telstra has continued to make enormous profits, costs have increased. I will give you a small example. Line rental costs were about \$11.65 per month a few years ago; they have almost doubled now, to about \$26.50 and, in the

next year or two, they are expected to be about \$30 a month. So, in that period, costs have risen for standard services but also for mobile phones, text messages and Internet fees.

As I said earlier, much of the nation's economic development in the future will be dependent on being plugged into the information economy, and that relies very much on accessible broadband services. Telstra is currently failing to deliver broadband at the level all Australians are entitled to receive. The inadequate roll-out of broadband has now positioned Australia in the 19th spot on the OECD table in terms of the number of broadband connections into households. In general terms, those are the results of part privatisation of Telstra, and no amount of spin or doctoring can alter the realities.

The government tells us that it is not going to flog off Telstra until it is 'fully satisfied that arrangements are in place to deliver adequate services to all Australians, including maintaining the improvements to existing services'. If that is the test, it certainly has not been met. If the government wants to argue that the improvements have been such a great success, I think the member for Corio rightly pointed out in his contribution yesterday that that is a compelling argument to retain majority public ownership. You cannot have it both ways.

You just need to look at the submissions made to the Estens inquiry—a whitewash if ever there was one—to get an honest appraisal of the problems that Australians are facing. Hundreds of Australians wrote to that inquiry, complaining of poor telecommunications services, primarily in regional and rural Australia. They talked about poor mobile phone coverage, inadequate dial-up Internet data speeds and constant line dropouts.

Despite what the average Australian is telling the government, we know that they

are intent on privatising Telstra and trying to provide the arguments in support of that position. You need only look at the response of the electorate—not just in my area; the member for Hume found this recently from polling his constituency—to see that the Australian people do not want Telstra privatised. We know that the National Party has already sold out their constituencies in the bush on this matter. They have agreed to the sale and privatisation of Telstra despite the fact that, in the bush, the Telstra failures are so clearly evident.

The rosy picture of regional services painted by the Estens inquiry was a complete sham and in complete contradiction to the hundreds of submissions made to the inquiry. Let me assure you, Mr Deputy Speaker, that the problems of regional Australia are exactly the same as those faced by my constituents. I represent an electorate that is less than 100 kilometres from Sydney—an outer metropolitan area just over an hour's drive from Sydney and 15 minutes south of a major regional city, the city of Wollongong, with a population of around 250,000 people.

The problems that we are experiencing locally are exactly the same as those that have been talked about and written about in submissions to the Estens inquiry from people from regional and rural areas. I want to recount some of these experiences just to make the point that regulation of a privatised monopoly is never going to work. We have got regulations in place now, but they are so easily avoided, as my experiences will show.

When I first took up the position as the elected representative for Throsby, we went through a major outage in one of the suburbs in my electorate. Telephone services were out for nine days in early 2002—a very long time to be without access to a phone, especially for the sick and elderly who had no access to the 000 emergency contact. The

tragic death of a child in rural Victoria highlighted this problem. I must say that there have been some positive measures put in place as a result of that. It was amazing that, in the nine days the phone services were out, there was no communication to my constituents and, in fact, quite insulting messages when people rang to report the faults. In one case which involved a woman whose mother had just come out of hospital, the Telstra people told her: 'Surely most people these days have a mobile phone.' In writing to me, the constituent, Mrs Swire, pointed out the foolishness of this assumption: she did not have a mobile phone, nor did any of her elderly neighbours.

With 400 of my constituents having gone through this inconvenience for a period of nine days, a week later there was another major outage—13 businesses in Albion Park had their phones cut for over a week. During the disruption local businesses lost contact with customers, EFTPOS facilities, faxes, networked computers and the protection of property with the loss of phone back-to-base alarm systems. In speaking to just two of these local small businesses, they estimated that they had missed on about 1,700 calls between them in that period.

What was Telstra's response? We supposedly have, by way of regulation, customer service obligations. When my office pursued these matters with Telstra, they attempted to shift the blame, firstly to vandals, then to line wear and tear and, finally, they said it was all the fault of the rain. What they did was to override their customer service obligations by a neat little trick of declaring a mass service disruption. I did not realise that once Telstra declares a mass service disruption that overrides any obligations or recompense to constituents. So those who argue that we can privatise Telstra and ensure equitable outcomes through a process of regulations better have a real hard look at the inadequacy

of current regulations and the customer service obligation.

I argued that the outage was well within Telstra's control, that it was a lack of maintenance that resulted in the conditions that led to the interruption of services. This argument went on between me and Telstra, and finally I had to pursue the matter with the Ombudsman. We checked the so-called extreme weather conditions with the Bureau of Meteorology statistics and found in looking back over the last 107 years that on 43 separate occasions, over 43 periods, there had already been recorded at least one month of rainfall similar to the rainfall that occurred in January 2002. Telstra's excuses for the declaration of a mass service disruption had one objective, and that was to avoid its liability to pay compensation to those people and businesses that were affected by its negligent maintenance procedures and reduction in staff numbers.

Let me repeat that the government pretends that it can regulate customer service obligations when Telstra is privatised. You can see that it cannot enforce those obligations now, even when we have majority government ownership. It was the cutbacks in staff numbers and the resulting lack of maintenance that were primarily responsible for the outages and the unreliable services that continued to plague the Illawarra. Between Helensburgh in the north and Albion Park in the south the number of staff to service our network has been reduced from 150 in 1996 to just 48 today.

The lack of maintenance staff is particularly important for the phone cable system, which is pressurised to prevent water entering and destroying the paper insulation. Telstra recommends a continuous cable pressure of 70 kPas to prevent moisture ingress. Its own guidelines consider 40 kPas to be an alarm trigger and 20 kPas to be a serious

threat to a functioning network system. Yet data collected by the union in March 2003 in my region indicated air pressures as low as 20 kPas were evident in at least 56 of the 144 cables in the Illawarra, 40 cables were pressurised at less than 20 kPas and 19 were ridiculously low, at less than five kPas.

Fortunately for the people who I represent in the Illawarra, many of these major cable problems have been rectified. I have to put that on the public record. But they have only been rectified after extreme public pressure applied by the union, by my office and by the local media. What obligations would there be to rectify a fault of this magnitude under a privatised Telstra? None at all, I would argue.

On the down side, despite the fact that we have had additional staff to rectify this major cable crisis, Telstra has sacked a further eight staff, citing improved services as one of the reasons why they were no longer needed. This is but one example which challenges the assumption that somehow under a privatised scenario you could regulate to ensure effective outcomes and maintain access and affordability. It is a ludicrous position. We know it cannot happen and it will not happen.

In conclusion, Telstra is now owned by all Australians; we all have a share in Telstra. It belongs to all of us while ever we have majority public ownership. Telstra is there to serve an important national purpose. It should be retained in majority public ownership to continue to serve the national interest and not the interest of private shareholders.

Mr MURPHY (Lowe) (10.46 a.m.)—I begin by congratulating the member for Throsby for her invaluable and lasting contribution to the debate on this very important bill. I was thinking as the member for Throsby was speaking here this morning on this very important bill what the people in

Dunedoo must also be thinking of this bill. I was born and bred in Dunedoo—

Mr Snowden—And it shows!

Mr MURPHY—I am proud to come from Dunedoo. The member for Throsby was talking about how the National Party has sold out its constituents. My father was a very proud supporter of the Country Party. In the days of Black Jack McEwen, they really stood up to the Liberals and they stood up for their constituents. Little wonder that people are deserting the National Party. That is not good for our democracy. Anyone who was listening down in Dapto or in the Illawarra to the contribution by the member for Throsby this morning in the House of Representatives would be very proud of her, because she is a great representative and she made some invaluable points with regard to this very important legislation.

The Telstra (Transition to Full Private Ownership) Bill 2003 represents one of the worst attacks on the public interest yet inflicted by the government. It is an attempt to sell a company that is effectively the sole provider of an essential communications service network across Australia. A giant monopoly already owned by all Australians will instead inevitably be owned and controlled by the standard corporate players that will always put their self-interest first and the service needs of Australians last. I have more to say about that later in the debate if I have time.

The National Party and the Liberal Party MPs representing country electorates have absolutely betrayed their constituents. Despite surveys that show over 90 per cent of rural and regional voters know a privatised Telstra will charge more, deliver less and in fact leave town faster than the banks, they are obliged to support a Prime Minister desperate to serve his corporate constituency at any price, whatever the consequences.

Instead of ensuring a fair and competitive market in telecommunications, the Howard government wants to destroy it by guaranteeing private monopoly control—ultimate power for a fully privatised Telstra. Instead of working to ensure a fair or competitive market, the government prefers to protect its mates from the market. This is the worst kind of hypocrisy, and it always benefits the most powerful, be it Mr Honan, Mr Packer or Mr Murdoch. This attempt to sell Telstra is outrageous but no surprise, for the government has form. It always sells rather than governs.

Why sell an essential telecommunications network when we all know in years to come service will evaporate or come at a very high price? Why provide employment services when you can pay someone else to fail and avoid the accountability? Why provide universal health care when you can pretend it is a state government problem? Why provide public higher education when you can go back to the future and return university education as exclusively for the privileged? Why commit to solving Sydney's airport noise problems and long-term transport problems when you can sell out the people of Sydney for \$5.6 billion with the sale of Sydney airport? Why commit to a public broadcaster and media diversity when you can attack the ABC and reward the commercial players, like Mr Packer and Mr Murdoch, in the expectation of editorial support with the Broadcasting Services Amendment (Media Ownership) Bill 2002, which is stuck in the Senate at the moment? And that is not to mention the tragic consequences for the future of our democracy and the public interest.

Labor has always opposed any further sale of Telstra and will rightly oppose this bill. I had to suffer the member for Macquarie here last night, railing and ranting that Labor would sell Telstra. We will not sell Telstra. We have maintained a consistent opposition

to any further sale of Telstra. We must maintain a majority public owned Telstra and work to ensure an adequate and affordable telecommunications service to all Australians, regardless of where they live—and particularly to the people in Dunedoo; I know they do not get a great service up there. Only a majority publicly owned Telstra can ensure all Australians have equitable access to essential telecommunications services.

Tragically, if the government does sell Telstra, it will be likely to lose billions. Once Telstra is sold, the Commonwealth only gets one lump sum payment, but we lose the Telstra dividends forever. I think most Australians would agree that it is dumb to sell the goose that lays the golden eggs. Australians remember the nonsense the government continually repeated when arguing for this further sale—that is, ‘We will not sell Telstra until it is fully satisfied that arrangements are in place to deliver adequate services to all Australians, including maintaining the improvements to existing services.’ What a bad joke that is! That is very similar to the undertakings they gave my constituents in Lowe, from Drummoyne in the east to Homebush West, about solving Sydney airport’s aircraft noise problems, before they sold out and sold it to Macquarie Bank, which was disgusting and betrayed all the promises that they gave to not only the constituents in Lowe and Grayndler but also all the people of Sydney.

Regional Australians know that telecommunications service levels are nowhere near up to scratch when compared to the city. The Estens inquiry was a farce and contradicted the hundreds of overwhelmingly negative submissions it received. Australians know that, if Telstra is sold, services will disappear and costs will increase, just like what happened with the banks. We know that the government are determined to sell Telstra regardless of the standards of regional tele-

communications. The people in Dunedoo do not believe the government when they say they will not sell Telstra until the problems have been fixed. They do not believe that, any more than my constituents in the inner west believed that the government would fix aircraft noise before they sold Sydney airport.

I believe that this is less about the money and more about the fact that telecommunications will be another essential service where the government will pretend they are no longer accountable. This is another attempt to abrogate their responsibility and enjoy a one-off windfall. I believe this to be the most important point. Government members in this debate defend this sale by referring to the sale of Qantas or the Commonwealth Bank. That is a stupid argument. They say, ‘You did it, so we can do it too.’ Any debate about privatisation should never be a choice between sell nothing or sell everything. A responsible government must be driven by the public interest and the national interest, not blind ideology. This sale of Telstra is blind ideology, so that, in yet another essential service, the government can abrogate their responsibility and betray those who elected them.

This bill provides for the Minister for Communications, Information Technology and the Arts or the Australian Communications Authority to make licence conditions requiring Telstra to maintain a local presence in regional, rural or remote parts of Australia. It also requires regular reviews of regional telecommunications every five years by an expert committee appointed by the minister. You know my thoughts about experts—experts are the people who tell you what you cannot do. It is laughable that they say they will maintain a presence, because that is all there will be—a presence and a not a service.

A hugely privatised Telstra would dictate to the government what the licence conditions should be—we know that. There would be no guarantee of equitable regional service levels in Dunedoo if Telstra is fully privatised. As I said, Telstra would leave town faster than the banks. This is the same kind of nonsense the government are running when they talk about separating newsrooms from their owners after they destroy media diversity with their disgraceful media ownership bill. Nobody will take these or the Telstra service guarantee provisions seriously. Important safeguards to ensure Telstra is accountable to the public will effectively be gone once Telstra is sold. Only those having disputes with Telstra prior to any sale will hold on to these rights.

My constituents in Lowe know that things like discount concession schemes for pensioners will immediately disappear if Telstra is sold. My constituents in Lowe know that a privatised Telstra will put enormous and irresistible pressure—it will be an ineluctable force—on the government to introduce timed local calls. They also know a privately owned Telstra would be a giant private monopoly too powerful for any government to effectively regulate. My constituents in Lowe know that a fully privatised Telstra would use its muscle to end effective competition and spread its monopoly power into other sectors like media and information.

Telstra would exert enormous monopoly influence over Australia's economic, social and political landscape. It would be one of Australia's largest private companies and would potentially become an Australian version of Microsoft in the United States of America. A privatised Telstra would take advantage of the government's media ownership agenda and inevitably own television, radio and newspaper interests. If you are worried about the government's agenda to hand over our democracy to Mr Murdoch

and Mr Packer, just imagine if Telstra bought Mr Murdoch and Mr Packer—so much for the public interest and the future of our democracy. But that does not worry the government.

Telstra remains essentially a public monopoly. 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, particularly the people in Dunedoo where I came from. Majority public ownership is the only guarantee of ensuring adequate telecommunications access into the future for all Australians, especially those in regional Australia. The future-proofing arrangements for regional telecommunications services in this bill offer no guarantee of reasonable future levels of service for regional Australians. They are a joke and cannot be taken seriously. They are as big a joke as Professor David Flint thinking he can separate a newsroom from its owner. The member for Rankin would understand what I am talking about here—that is, the Broadcasting Services Amendment (Media Ownership) Bill 2002.

Dr Emerson—And what about Baradine?

Mr MURPHY—That is right. I have been talking about Dunedoo—and I have here with me my colleague and good friend the member for Rankin, who is known to me as the member for Baradine. He calls me Dunedoo and I call him Baradine. Baradine is not that far from Dunedoo, and the communications services in Baradine are no better than they are in Dunedoo. I am pleased the member for Rankin has come into the chamber, because he would understand quite clearly what I am saying—and the families where he comes from would understand even better.

Under the Howard government's privatisation drive, Telstra has suffered a deteriorat-

ing network crippled by major investment reductions and staff cut-backs; enormous losses on investments in Asia; rapidly escalating line rental fees which are not adequately compensated for by reductions in call prices; inadequate competition because of Telstra's market dominance and control of the fixed line network; poor rollout and take-up of broadband compared with equivalent countries; and an emerging Telstra focus on moving into other sectors such as media and information technology management at the expense of its traditional responsibilities. This is a disgraceful record—without mentioning Telstra's overseas losses, which are in the vicinity of \$2 billion. Telstra losing billions of dollars overseas while it cuts its network investments and core staffing levels in Australia is indicative of the flawed priorities of Telstra under the Howard government.

As part of Labor's unconditional opposition to any further sale of Telstra, on this side of politics, we will pursue a reform strategy designed to bring Telstra back to its primary role and maximise the benefits of telecommunications competition. Telstra should be required to intensify its focus on its core responsibilities to the Australian community and reduce its emphasis on foreign ventures and media investments. Telstra should be asked to intensify its focus on the provision of affordable and accessible broadband services across Australia, particularly for the people in Dunedoo and Baradine.

The competition regime would be strengthened by requiring much stricter internal separation of Telstra's wholesale and retail services; and the Minister for Communications, Information Technology and the Arts, Senator Alston, would be removed from the process of ACCC scrutiny and regulation of accounting separation within Telstra to ensure the process is genuinely independent and rigorous. That is how it would be under us. We would not have Senator Alston,

fortunately; we would have the member for Melbourne, Lindsay Tanner, who has done a great job in this area. Consumers would be given stronger protection from sharp practices by telecommunications companies and the price control regime would be made fairer. Labor believe in public ownership of Telstra because telecommunications services are essential services. Labor want a majority publicly owned Telstra to get back to basics. We want Telstra to be a builder not a speculator. We want Telstra to be a carrier not a broadcaster.

Mr BRENDAN O'CONNOR (Burke) (11.01 a.m.)—I rise to echo the comments made by the member for Lowe and the member for Throsby, who spoke before him, on this absolutely awful decision by the government to sell Telstra. That is the decision they have made and we are now debating whether it is the right thing to do. The Labor Party is unequivocal in its view that this is the wrong thing to do. This is the wrong thing to do because it is not in the interests of this country, it is not for the public good. It might be in the interests of some private operators, but it is not a good decision for this nation. A decent look at the facts and the circumstances under which this decision has been made by the government would clearly underline that assertion.

I start from the basis of what my constituents in the electorate of Burke think about this sale. I know they have grave concerns about the sale. For those who are not aware, the electorate of Burke covers the western part of Melbourne and also regional and rural areas of Victoria. It covers the communities of Kyneton, Trentham, Romsey, Lancefield, Woodend, Gisborne, Macedon, Sunbury, Bacchus Marsh, Melton, and the western part of Melbourne, including Deer Park, Caroline Springs and Burnside. It is a reasonably good cross-section of the Australian community because it has some suburban dwellers and

many rural dwellers. I assure you that in my electorate there are concerns about the sale of Telstra, for all sorts of reasons. In particular, there are concerns in the remote areas that are not in metropolitan Melbourne that, after a sale, the benefits they get from a majority public ownership of Telstra will be adversely affected. I do not think the government have convinced the community that that will not be the case. I surveyed a large proportion of my electorate and the returns showed that, overwhelmingly, my constituents believe this sale of shares to fully privatise Telstra is the wrong decision. They outlined their concerns that, if the sale were to proceed, they did not trust this government to ensure that the conditions the government assert they will put in place will indeed remain, nor were they confident that any government could, in perpetuity, maintain conditions that would protect rural Victoria or indeed rural Australia. As a result of their concerns, I rise with some confidence on behalf of my constituents and unambiguously oppose the full privatisation of Telstra.

I think it is also important to note Labor's position. As I have said, Labor is indeed the only party that has not hesitated in its complete opposition to this sale. I think it is also important to outline, for the parliament and indeed for this country, Labor's proposal. The member for Melbourne, the shadow minister, has indicated that, as part of Labor's unconditional opposition to any further sale of Telstra, Labor has chosen to pursue a four-point reform strategy designed to bring Telstra back to its primary role, and maximise the benefits of telecommunications competition.

The key features of Labor's strategy are: firstly, that Telstra would be required to intensify its focus on its core responsibilities to the Australian community and reduce its emphasis on foreign ventures and media investments; secondly, Telstra would be asked

to intensify its focus on the provision of affordable and accessible broadband services available for all Australians—and, as I think most people are now aware, that area is certainly not up to scratch; it is something that has to be attended to—thirdly, the competition regime would be strengthened by requiring a much stricter internal separation of Telstra's wholesale and retail activities, and indeed any Labor minister for communications would be removed from the process of ACCC scrutiny and regulation of accounting separation within Telstra to ensure the process is genuinely independent and rigorous. Again, that is something that this government cannot boast: it has a minister who intrudes time and time again into matters that he should not. He intrudes in the operations of the ABC and the way in which the ABC reports news. That form of intrusion occurs in other areas of the portfolio of the minister for communications and is indeed typical of this government—and it is something that a Labor government would remove. Fourthly, under the Labor plan consumers would be given stronger protection from sharp practices by telecommunications companies and the price control regime will be made fairer.

So the Labor Party has a plan. Labor is unequivocal in its opposition to the full sale of Telstra, and its plan outlines and puts on the table quite clearly the main things that must be done to improve the services of Telstra. Labor stands in sharp contrast to the coalition government, which of course includes the National Party. The National Party, I have to say, has been abysmal on this matter. It has really let down its constituents, its members and supporters, in its surrender to the economic rationalists in the government. In relation to this issue, its members should hang their collective heads in shame. But I will return to the National Party in a moment.

It is also important to note that Labor, as I have indicated, is the only party that has not hesitated at any point in its opposition to the full sale of Telstra. I do note though that the former leader of the Democrats, the Independent Senator Meg Lees, late last year indicated that she believed the sale of Telstra was inevitable; in October she gave a further hint that she would support the government's efforts to sell the rest of Telstra, calling full privatisation inevitable. She talked of having some deal or arrangement where some environmental considerations could be put in place in order to sell Telstra fully. Of course, one would recall in May last year the leader of the Greens, Bob Brown, floating the idea that the Greens could envisage backing the full sale of Telstra in return for government undertakings to end clear-felling and logging of old-growth forests as well as taking further action on preventing salinity. Indeed, the leader of the Greens had to back down after his party rebuked such a proposition. This shows that some of the minor parties and Independents are not always unequivocal in their opposition to the full sale of Telstra, but Labor stands as one, unequivocal and consistent, in its call to oppose this sale.

However, as I have indicated previously, perhaps the most surprising thing in this debate is the National Party's failure to really stand up for its constituents. Its voice has been lacking. It has fallen for the notion that the Estens inquiry has fulfilled the obligations that the Prime Minister ensured would be put in place in order for the sale to proceed. I would imagine that most National Party voters and supporters are wondering who they have to represent them in this parliament—clearly, rural Victoria would have been let down today. If National Party members were to support this Telstra (Transition to Full Private Ownership) Bill 2003, it would mean that they have really turned their backs on their constituents. In effect, it

would mean that they have turned their backs on the needs of Australian rural and regional families that rely upon Telstra and upon the cross-subsidy that arises because Telstra still has a majority public ownership; at the moment Telstra can still look after their interests. I do not think the members of the National Party have really satisfied their constituents and I believe they will suffer as a result of that. Black Jack McEwen must be—

Mr Katter—Hear, hear—turning in his grave.

Mr BRENDAN O'CONNOR—turning in his grave, as the member for Kennedy indicates, because he would not have let them down. There used to be a joke around that Black Jack was an agrarian socialist. Whether or not that is true, one thing we do know about Black Jack McEwen is that he defended country people and their interests to the hilt; he took up those issues within the coalition when he was in this place and defended those interests. But the National Party has failed entirely in looking after the interests of its constituents in regional and rural Australia.

I suppose we could say that there is one lone voice in the Liberal Party who has somehow managed to make comments and not be entirely stifled by his party, and I refer to the member for Hume. The member for Hume has indicated, over a number of weeks, his opposition to the full sale of Telstra, and that he does so because he does not believe it is in the interests of his constituents to sell the golden goose. He does not believe that one sale will ensure long-term benefits for his constituents. I think he should be applauded for his honesty and for reflecting the interests and priorities of his own constituents. He stands in contrast to the many speakers in the government ranks who have stood up and, mantra-like, uttered the nonsense being advocated by the government

that all of a sudden all the concerns that regional Australia have had with the potential sale of Telstra have disappeared. They have not disappeared; they remain.

There would be major potential problems if the sale were to go ahead. This does not seem in any way to concern the Prime Minister, it does not seem to concern the Treasurer and it does not seem to concern the government in general. The people of my electorate are listening to and watching the government's decisions in relation to this matter, and I believe they will not accept this decision as one that is in the interests of this nation. They will not accept that the bill before us, if it were passed through this House and the Senate, would be in the interests of this country.

This government does this nation a disservice in attempting to sell Telstra. It fails to properly understand that Telstra as it currently stands is still able to properly look after those remote and rural communities, including those in my own electorate, and there can be no guarantee given by this government that that would be the case if Telstra were fully sold. So I have no hesitation in opposing this bill and in calling upon the Senate to do the same thing in order to ensure that we have a service that will look after Australians, whether they are in metropolitan Melbourne or regional Australia.

Mr KATTER (Kennedy) (11.16 a.m.)—I rise to speak on the Telstra (Transition to Full Private Ownership) Bill 2003. I stood in the hot sun every single election—both Senate elections and council elections before my father was in parliament—for 41 years handing out how-to-vote cards for the Country Party, later the National Party, and I was very proud of the people who were in that party. I have a big picture of Black Jack McEwen and a picture of Bjelke-Petersen on a wall in

my office, and I glow with pride for what those men and that party achieved for us.

At a meeting in Longreach of the central council—the overarching body of the National Party in Queensland—there was a ding-dong, bloody head-on battle between the pro-Telstra-sale people and the anti-Telstra-sale people. After some three hours of battle, the vote was taken and I would say the vote would have been about 85 against to 15 in favour. The 15 consisted of, to their shame, in my opinion, federal members of parliament, their families and their friends who had come all the way out to Longreach, presumably to fight this battle on behalf of the federal government in Canberra—not on behalf of the people they represented.

Today in Queensland there is a man, Rowell Walton, until then a National Party state vice-president, forming the New Country Party. I rang him up and asked him, 'Why are you making this move?' He said, 'I went along to Longreach. We fought hard, and every single person in this party, with the exception of federal members of parliament, was opposed to the sale of Telstra. The state members were passionately opposed to it. Within a few weeks, the National Party senator for Queensland was out there telling us about all the wonderful benefits that we would get from the sale, dangling lollipops in front of us as a way of placating us for taking away one of the most essential services that you can possibly have—not just in the bush but also in the towns. What is the purpose of belonging to a party that treats the thoughts, feelings, aspirations and policies of its membership with absolute contempt?'

That very great man, Jack McEwen, said, 'If the Country Party one day becomes part of the Liberal Party, then I fear that a new party will be formed.' I think that the feeling out there is that that has occurred, and a new party is forming. If you want something to

blame, go no further than the decision on the sale of Telstra. Media reports, poll after poll, have been taken by national surveys, such as AC Nielsen, indicating that 80 per cent of the people outside of the metropolitan areas are opposed to this sale. Either we can assume that all rural people are a bunch of imbeciles or that the National Party is totally incompetent in getting its message across, or we can assume that these people should be listened to—that maybe they have some brains and intelligence, and maybe they are trying to tell us something and the National Party is choosing to ignore them.

If anyone thinks for one moment that the people from the National Party or the Liberal Party who have stood up here representing rural Australia are sincere in their beliefs, then I ask you to consider for one moment what those people would be saying if in fact the coalition frontbench had decided to oppose the sale of Telstra. Do you think that any one of them would have got up here and advocated the sale of Telstra? No. They would all be up giving speeches about how wonderful it is to oppose the sale of Telstra and how it would be the unravelling of society as we know it if Telstra were to be sold. That is the test of sincerity.

You have to go along with a majority decision in your joint party room. Government has to operate that way. I of all people know and understand that, having served in that system for longer than anyone else in this parliament, with the exception of Mr Ruddock and Mr Howard—though there are probably a few other 30-year men like me in the country. I understand how that mechanism works. But there are some issues which you simply have to take a stand on. I do not think it is unreasonable for the National Party to take a stand maybe two or three times in a three-year session of parliament. That has not occurred. Mr Deputy Speaker, I defy you or anyone else to tell me of one

single time when the National Party stood up to their coalition partner in the interests of country people and said, 'No, you cannot do that because that is so antipathetic to the interests of country people.' If you go back to the days of Anthony, you will probably find that occurred five or six times in the life of any parliament. If you go back to McEwen's day, it might have happened four or five times a year. I am not advocating that; I am just saying two or three times.

I served in a government where we were the majority party in the coalition and the Liberals were the minority. There were probably six or seven times in that parliament at least when that very strongest of strong men in politics, Bjelke-Petersen, had to roll over because the Liberal Party simply said, 'We cannot go along with this and we will not go along with this.' They did not do it every 10 minutes; they did not handle it irresponsibly, not with a person like Sir Llewellyn Edwards. But there were times when Llew would just have to say to Joh, 'I am sorry, we can't go along with it.' And our leader, Bjelke-Petersen, would have to say to us in the party room, 'Well, boys, the Liberals just won't go, you know, and we'd have to have an election here and, you know, we wouldn't, well, I think we've got to'—we all know how Joh talked. That happened on a number of occasions, and I do not have time to go into each of those examples.

Let me return to the coalface. I did not know anything about this issue, but in the election campaign before last I was rung up and asked whether I would back De-Anne Kelly, who had just said that she was not going to vote for the sale of Telstra. I did not know anything about it but I liked and had great respect for De-Anne. I thought, 'I'd better back her up. It's an election campaign. I just hope like damned hell that she's got this right.' I had to think about it, naturally, and I thought, 'No, I wouldn't like to see us

sell Telstra.’ So, without having given it a lot of thought—so many times in politics, you have to choose your gods and devils on the run—I backed it, being heavily influenced, I have to admit, by the stand taken by my colleague from Dawson. The more I thought about it, the more I thought this would be absolutely disastrous.

We had a station property in the middle of nowhere, about 200 kilometres to the nearest town, which was Croydon. You were cut off for many months of the year. During the wet season, you could not get in or out of the stations in that area, and our communications were of absolutely vital importance to us. We had the old flying doctor radio net. Later on, some of our neighbours had copper wire going all the way back to Richmond, so they had a party line. So we had two technologies there: we had the RFDS net, which provided a very primitive telephone service, and some of our neighbours had copper wire, which broke down a hell of a lot of the time. Later on, we got the DRCS service. It came to a lot of our neighbours but it did not come to us. So that was the third technological change to come into the area. Then the satellite telephones came in, and we went on the satellite telephone system. So that was four changes of technology. Now most of the neighbours of St Francis station have HCRC. So there were five technological changes in the space of about 16 or 17 years. If you own Telstra then you can simply say, ‘Cross-subsidisation—go out there and do it. We don’t want to see you. We do not have to go to the Treasurer and ask him for money.’

Let me make another point here. Let us take another scenario, in which all the people who are opposing this bill—those in the Senate, my two Independent colleagues, the other member of parliament from a small party who is here with us and the ALP too—simply rolled over and agreed when this proposition was first put up. The National

Party are making a lot of the \$180 million or \$250 million they have secured for the bush—and we thank all of the people involved in that; we are very deeply appreciative of what has been done there, and I want that on the public record—but, if we had rolled over, does anyone in this country believe that we would have got a single cent? If we had listened to the government’s arguments in the first place, we would not have got a single cent. By refusing and being intransigent, we have got money out of the system. I do not know what the figure is, but I have heard figures of \$200 million quoted. Most certainly, there are huge sums of money involved, which we have got—and we are very appreciative of that. But if we had agreed to this straight off, that money would not have come through. So it is the people who have been intransigent and opposed the sale of Telstra who can get all the credit for those huge benefits that have flowed through to the people that we represent.

There will be no benefits if Telstra is sold off. Can a serious person actually argue that there are still going to be technicians, if there still are, in Normanton, in Richmond, in Julia Creek and in Cloncurry? Would anyone seriously stand up in public and say that after privatisation those technicians will still be there?

The government have argued that they will put in universal service obligations. I think someone should go along and tell that to Annie Garms, the Endeavour Foundation or the caravan park owners in Melbourne—the COT cases; the casualties of Telstra cases—because those cases were the most flagrant breaches of the universal service obligations. Thirteen years later, none of those people, most of whom at that stage were bankrupt, had received a single cent in compensation, nor an apology, nor an explanation. The ombudsman himself in his report

said, 'This is a disgraceful situation and needs to be addressed, and I don't have sufficient powers to address it.' So we already know what happened there.

The terrible, tragic Sam Boulding case from Victoria is another classic example. Every single member of parliament here has had a bloke who rings up and says, 'My telephone's not working.' Then you ring up your Telstra bloke and he says, 'Yes, it is working. We've done tests on it and it is working.' And probably both of them are telling the truth, because the phone works sometimes and sometimes it does not. Are we then going to have to go to law to enforce and secure those universal service obligations, with Telstra being the experts in the field, knowing all about it, while we have to be like poor Sam Boulding's mother and argue that it is not working—up against Telstra who is saying it is working? Who the hell is going to listen to Sam Boulding's mother? The answer is nobody and was nobody. If she wanted to enforce the universal service obligations, she could go to the law.

I do believe the government when they say that they will provide some legal provisions for going to the law. This will be a lot of fun! Sam Boulding's mother competing against Telstra—that will be a lot of fun! People should read the story of O.J. Simpson: when you have huge money, you can be enormously effective at law. We are pitting Goliath against David, but David has had his slingshot taken off him. So the universal service obligations will not be worth the paper they are written on—we already have the COT cases, we already have the tragic death of Sam Boulding—and anyone who argues that the USOs will be effective should go and argue with those people whose lives were totally destroyed. A life, Sam Boulding's mother argues, was actually extinguished as a result of that situation and the failure of the universal service obligation.

When you have been in politics for as long as I have, you can pass all the laws that you like in the world but, if the administration of those laws is on the side of the big battalions—and my experience in 31 years in politics is that government instrumentalities are always on the side of the big battalions—you can be assured that an adjudicating tribunal, if one is set up, will be on the side of the big battalions; it will be on the side of Telstra, not on the side of Sam Boulding's mother. It will never be on the side of Sam Boulding's mother.

I came into this debate in the case of the Normanton floods. In those floods, I was advised that two technicians had left Normanton and had not been replaced. Two of them had gone on holidays and another two were left to look after an area the size of Victoria. The cyclone hit and all the services were cut. A very large number of the station property services were not working and the two technicians simply could not get around that huge area in the time to fix them. It was the wet season, which made it very hard for them to get around. But this was literally a matter of life and death—and let me name the Gallagher family, frontiersmen and heroes.

In the big floods in 1975, their homestead went under about six feet of water. In the 1990s flood, the floodwaters were rising dramatically and their telephone was not working. It had not been fixed, because there were only two technicians looking after an area the size of Victoria. As it was, they lost hundreds of cattle; they were on an island and were washed away. If they had been able to use the telephone, they could have got a helicopter out and forced the cattle back onto dry ground. But they lost—I am not sure what it was—200 to 600 head of cattle. They were very lucky that the floods in 1995, or whenever they were, were not as bad as the floods in 1975, because not only would 200

head of cattle have been washed away; the entire Gallagher family would have been washed into the Gulf of Carpentaria and drowned—and many other families as well.

I said that if we sell Telstra we will not have technicians. If we do not have technicians, as the Normanton case clearly indicated, we will not have the services. If we do not have the services, as the Gallagher example indicates, you will die. When I had the temerity to back Croydon Mayor Corey Pickering and say that on behalf of my constituents, I was called a national disgrace by Minister Alston. He indulged in a vitriolic personal attack on me for having the temerity to say these things and, within 12 months, little Sam Boulding died.

Let me move on. If we lose the technicians—they are back in Townsville or Brisbane—and your telephone breaks down in Normanton or Julia Creek, do the government seriously say that they are going to fly a technician out to those places? Ironically enough, the same Gallagher family did lose their telephone; technicians were not available to fix it. They were given a satellite telephone, which is a very substandard telephone. The generosity of the government provides country members with a satellite phone for our cars, but I do not think I have used it in the last four or five months. It is a very substandard service, and I do not want to go into the reasons for that. Councillor Ashley Gallagher kicked up a fair fight—and quite rightly so. His uncle had had to use a satellite telephone for, I think, around five months.

That is the future for rural non-metropolitan Australia. I do not think that that is going to be confined to rural Australia. If you are in a suburb of Brisbane, Sydney or Melbourne, you will find that you will have a lot of difficulty under full privatisation. You say, 'Well, it is not privatised and I have had all

these problems.' The difference is that I was able to kick up a hell of a stink and kick a lot of heads. We now have six technicians—or at least last time I looked we had—back in Normanton. So I was able to do something about it. Under a fully privatised system, I cannot do anything about it. It will be past tense.

Time is running away from me. Everyone says the rest of the world is privatising. I am sorry, they are not. Of the 28 OECD countries, 16 of them are not fully privatised and another five or six are arguably not privatised. When you look at the figures—anything but dumb—countries like Japan, the richest country on earth, still have a state-run system. The Japanese are the richest people on earth.

Everyone in this place should read a wonderful book by Bob and Betty Con Walker called *Privatisation: Sell-off or sell-out?* They say that privatisations cost the Australian people nearly \$50,000 million. That is what was blown away by the privatisations—it is all there fully documented—so there was no profit for the people.

Most of my political life I have not been in agreement with the ALP, and they say—there is some hypocrisy about the ALP on this one—that the government are selling Telstra to get the money to buy their way through the next election. I was on the other side of the fence for the best part of a decade. I was a senior minister in the government—one of the people directing the government—and, believe me, that is an operative mechanism with every government, including ALP ones. (*Time expired*)

Ms CORCORAN (Isaacs) (11.36 a.m.)—The purpose of the Telstra (Transition to Full Private Ownership) Bill 2003 is to allow the government to sell its remaining shareholding in Telstra. When I say 'its shareholding' I mean, of course, our shareholding, the com-

munity's shareholding. This bill will remove the restriction in the Telstra Corporation Act 1991 that requires the Commonwealth to retain 50.1 per cent equity in Telstra, and I oppose this bill. There is no sound justification for selling Telstra, and there are very good reasons for holding on to majority public ownership, not the least being the profits that Telstra generates, which enable the Commonwealth to fund other government services.

Let me put a little history on the record. Telstra was formed in 1992 with the passage of the Australian and Overseas Telecommunications Corporation Act 1991, now the Telstra Corporation Act 1991. Telstra is a public company limited by shares and formed from the merger of Telecom Australia, the then domestic telecommunications carrier, and the Overseas Telecommunication Commission, the then international telecommunications carrier. In 1995 Telecom changed its name domestically to Telstra. It had already made that change overseas in 1993.

The Telecommunications Act 1991 allowed the commencement of competition in telecommunications by establishing a duopoly network between Optus and Telstra and a mobile-only operator, Vodafone. The publicly owned Aussat domestic satellite system was sold to Optus in the early 1990s. The introduction of major changes made 1997 a big year for telecommunications in Australia. Comprehensive competition in telecommunications was introduced on 1 July 1997. Up until then, regulation of telecommunications was the province of Austel, an industry specific regulator. Now regulation of telecommunications competition falls under the Trade Practices Act 1974, which is administered by the Australian Competition and Consumer Commission.

The first sale of Telstra shares, one-third of the Commonwealth's equity, was in 1997, with 65 per cent of those shares reserved for Australian investors. The second tranche was sold in 1999 and took privately owned shares up to 49 per cent of Telstra, with the government's shareholding of 51 per cent still the majority. If passed, the Telstra (Transition to Full Private Ownership) Bill 2003 will allow the government to sell the remaining 51 per cent of the original shares we all hold in Telstra. I repeat: I oppose this bill. There is no good reason to privatise Telstra and there are plenty of reasons for keeping what is left in public ownership. Most Australians do not want the rest of Telstra sold. There are many surveys to support this. My constituents are saying that they want Telstra kept in government hands.

Telstra generates substantial returns for the Commonwealth on its shareholding—valuable income that is available to fund priority services in health and education, for example. Once sold, this income is lost forever, and the once-off cash return is no compensation for this. But the main argument for keeping Telstra in public hands is that telecommunications, like health and education, is an essential service. It is not in the best interests of our society that essential services be operated, run, managed or controlled by private enterprise. We all need telecommunications to function in today's society. We need good telecommunications in order to survive, let alone live in a reasonable fashion, in today's world.

A good and reliable telecommunications system is essential to stay in touch with our families; to communicate with work colleagues, customers and clients; and to find information on almost everything we touch in our lives. Most organisations, including government departments, refer us to their phone number or web site for information. Many students, particularly those in tertiary

education, now do most of their interaction with their school or university—communicating with their tutors, submitting their assignments, getting their exam timetables and then their results—through the Internet. All of this is reliant on students having access to good and reliable telecommunications.

This country's telecommunications are largely delivered by Telstra, with 95 per cent of the profits made in Australia's telecommunications industry made by Telstra. There are 89 licensed telecommunications carriers in Australia, but just one of these carriers, Telstra, makes 95 per cent of the profits and makes up over two-thirds of the industry. This means that customers are voting with their feet. Whilst people outside the major cities do not get the range of choice city folk do, the large share Telstra has of the market shows that the majority of people in the cities—that is, those people who do have the choice—are choosing Telstra. As I said, most customers outside the major cities do not have access to these 89 different carriers. For many people, especially in rural and regional areas, the only choice is Telstra. This in itself is a clear argument for not privatising Telstra. If the other carriers do not see sufficient profits in business outside our major cities, a privatised Telstra is unlikely to be willing to stay there either.

The first responsibility of private enterprise is to its owners or shareholders, who require profits to be made. That responsibility is not always compatible with the need of all Australians for a good and reliable telecommunications service. A privatised Telstra would inevitably focus on the lucrative markets in the major cities. A privatised Telstra would have to place its first priority on getting the best return possible for its shareholders and therefore would focus on cities at the expense of our country and regional areas. A privatised Telstra would deny people in these areas access to the same quality of

services enjoyed in the cities because they do not offer the same level of profits. The gap between the haves and the have-nots would widen even further.

Already we are seeing increasing costs for our phones. Line rental increases have more than doubled, from \$11.65 a month just a few years ago to as much as \$23.50 to \$26.50 a month for a home phone today. Business lines are even more expensive. Mobile phones, text messages and Internet fees have all gone up. Some schools have seen their Internet charges increase by 1,000 per cent. Small business has identified the cost of telecommunications as its third highest concern, behind only tax and tax compliance costs.

In the past four years, capital investment by Telstra has dropped from \$4.5 billion to \$3.2 billion and is going to drop further. Staffing in Telstra has plummeted. Since 1999-2000, jobs in Telstra have dropped from over 50,000 to just over 37,000, with more job cuts planned. These jobs are predominantly those of people working out in the field, maintaining and fixing the network, upgrading the network and installing the lines. In other words, the number of people doing the hands-on work to deliver telecommunications services is shrinking. That is why it takes a week to get your phone fixed or several months to get a new line installed. If this is what Telstra does when it is partly privatised, just imagine what it will do once it is wholly privatised.

Broadband access is already an issue for many people, and there is no reason to believe that access will be any better under a privatised Telstra. People in many areas in our cities simply cannot access the latest in broadband Internet technology. This is because Telstra-installed pair gain systems mean that ADSL is unavailable. Australia has fallen from 13th to 19th in the OECD table

of broadband access. Broadband access is increasingly vital, especially for small businesses. They are more and more reliant on the Internet for a range of services and will quickly fall behind without broadband access.

A privatised Telstra would be a giant private monopoly, too powerful for any government to effectively regulate. It would be able to dictate policy on regulatory issues and it would seek to exploit its monopoly power both in telecommunications and in other sectors. Already we see Telstra ignoring the needs of its customers, whilst pretending otherwise. I have spoken on a number of occasions of the need of my constituents in Cranbourne to be recognised as Melbourne residents for telephone billing purposes. Telstra declares Cranbourne as outside the Melbourne call zone for reasons which are historical and partly technological. However, time has moved on. Melbourne has grown, and Cranbourne is recognised as part of the metropolitan area by most government services. But Telstra refuses to recognise this and inappropriately continues to treat the suburb as a country area.

Telstra has introduced a series of different call plans in an attempt to offset this disadvantage. The call plans are complicated and most residents have given up trying to understand them. There is no clear way for a Telstra customer to test the plans on existing phone bills. Almost 12 months ago, representatives of Telstra met with me and one of my constituents over this issue. After about two hours of discussion one of the Telstra representatives commented that, if Cranbourne were moved into the Melbourne call zone, the residents would end up paying more for their phone calls. This claim seemed to be based on the assertion that most calls are local and that the variety of call plans referred to earlier give residents an advantage. My constituent and I were somewhat taken

aback at this assertion and asked that Telstra provide some proof of this claim. We made the point that, if the claim was indeed so, then the campaign to have Cranbourne moved into the Melbourne call zone would go away as Cranbourne residents are interested in lower phone bills.

Nearly 12 months later, Telstra are still to come back to my constituent. It is clear that this claim is not sustainable. This means that it must cost my Cranbourne constituents more for their phone bills than it would if they were in the Melbourne call zone. Telstra have launched a campaign to deflect this issue through their new Country Wide shop, which was set up in nearby Frankston to service the Mornington Peninsula. As a side issue, it might have been better to put the shop actually on the peninsula but that is another matter. The Country Wide staff are working hard to convince Cranbourne people that they are not disadvantaged. But there is a simple way of doing this and that is, of course, to remove the disadvantage altogether by including the suburb in the Melbourne call zone. So once again I ask Telstra and the government to do the right thing by the people of Cranbourne. I ask them to recognise the march of time, recognise that Cranbourne is part of Melbourne and move the border so that Cranbourne is in the Melbourne call zone. Stop putting up smoke-screens of confused and confusing call plans and just do the right thing.

I now return to the matter of the full privatisation of Telstra. Privatisation has happened in a number of other industries and it just does not work. Look at public transport in Victoria, where the private train service provider recently just pulled up stumps and left because it was all too hard. Look at the power supply system in the United States where recent blackouts were caused by a lack of infrastructure development, and similarly in Auckland, New Zealand, where the

power was off for months. I oppose this bill in the strongest possible terms. Our telecommunications should be in public ownership. We must not sell off what is left.

Ms HOARE (Charlton) (11.47 a.m.)—The Telstra (Transition to Full Private Ownership) Bill 2003 repeals the provisions of the Telstra Corporation Act 1991 that require the Commonwealth to retain 50.1 per cent of equity in Telstra. The bill allows the timing of the sale to remain open and for flexibility in the sale process, purportedly to maximise the government's financial interests. The Minister for Finance and Administration will be able to make a determination, setting out the rules governing a Telstra sale scheme. What we are seeing here is the Howard government asking this parliament to approve the \$30 billion sale of Telstra when it is obvious from the debate that has occurred so far in this place that the majority of Australians do not want that. The majority of Australians want Telstra to stay in public ownership.

The ministerial power of direction over Telstra will be removed once the Commonwealth's equity falls below 50 per cent. This removes the key power for the federal government to ensure that Telstra acts in the national interest. While this power has never been used, the threat of its use, along with the board appointment power provided by majority public ownership, provides a strong degree of government control over Telstra. It is also an important reserve power if Telstra acts in a manifestly inappropriate manner and refuses to address such actions.

In a debate over some industrial relations legislation earlier this year, which we were also opposing at that time, I foreshadowed the introduction of this legislation into this parliament. The sell-off of Telstra is part of the Prime Minister's ideological push. We can see this legislation looming as another

trigger for a double dissolution election. At that time I outlined the legislative pieces which had failed to pass the Senate twice, or that had been amended by the Senate in ways that were unacceptable to the government, and which are now sitting there as triggers for a double dissolution election. This is just part of the whole Howard ideological agenda that started off with the 'never, ever' GST. That agenda is continuing with the industrial relations legislation, border protection legislation and legislation that will throw people off disability support pensions. We will probably see Medicare legislation join them and, as I foreshadowed earlier this year, we now have the legislation to sell off the rest of Telstra.

I have indicated these triggers because the process of a double dissolution election—if the Independents and minority parties in the Senate stay firm in opposing this legislation with Labor—will give the Australian electorate a clear opportunity to say to the government: 'No, we don't want you to flog off Telstra. No, we don't want you to dismantle Medicare. No, we don't want you to continue attacking workers' rights. No, we don't want to continue to be shrouded in a campaign of fear and insecurity in relation to border protection legislation.' I am sure that, if a double dissolution election happens, the Australian public will give a clear and concise message to this government.

On average, two-thirds of Australians do not want Telstra to be sold off. We have heard in this place the results of surveys conducted by the member for Hume, the member for Dawson and the member for Kennedy. I am sure there are many other members of the coalition government's backbench who have conducted their own surveys but have been gagged by the leadership to prevent them revealing the results of their surveys in their electorates. We have also heard the figures indicated on this side

of the House. So while I say an average of two-thirds, I believe—and I think it has been indicated in this debate—the number of Australians who are opposed to putting Telstra, our national telecommunications system, into private ownership is probably a lot higher than that.

As the Leader of the Opposition, Simon Crean, said in this debate:

... three things are clear: selling Telstra is bad for the bush, selling Telstra is bad for the nation and selling Telstra is bad for the budget. Only Labor will keep Telstra for all Australians.

Prior to 1996, Telstra was 100 per cent owned by all Australians. Telstra was one of the great public success stories. It was one of the leading telecommunications giants in the world and the main contributor towards Australia's exports of nearly \$1 billion worth of communications products and technology every year, which had grown from about \$50 million in the early 1980s. In 1996-97, prior to privatisation, Telstra recorded a profit after tax of \$2.6 billion. This was an increase of over 18 per cent on the previous year. In 1996-97 Telstra paid a total dividend to the Commonwealth—in effect, to its owners, who were the people of Australia—of \$4.1 billion. In its final year of being fully publicly owned, Telstra paid a total of \$6 billion to the government.

Australians are already getting a taste of how Telstra would behave as a fully privatised company under the Howard government. Telstra is betraying its majority shareholders—the Australian people—and is being allowed to act as if it were already privatised. Telstra is abandoning its broader responsibilities to the Australian community but is still exploiting the competitive advantages it derives from its background of monopoly public ownership. Because of the Howard government's obsession with privatisation, Telstra is failing to fulfil its broader

obligations of national development and social inclusion. In this debate we have heard about Telstra's overall report card under the privatisation drive, and it is rather bleak. It indicates a deteriorating network crippled by major investment reductions and staff cut-backs, enormous losses on investments in Asia, rapidly escalating line rental fees that are not adequately compensated for by reductions in call prices, inadequate competition because of Telstra's market dominance and control of the fixed line network, poor roll-out and take-up of broadband compared with equivalent countries, and an emerging Telstra focus on moving into other sectors such as media and information technology management at the expense of its traditional responsibilities.

Telstra shares have more than halved in value in the past five years, falling from a high of \$8.90 in 1999 to \$4.74 today. Telstra's capital expenditure has fallen from a peak of \$4,705 million in 1999-2000 to an estimated \$3,250 million in 2002-03. In September 2002 urban New South Wales reported the worst Telstra customer guarantee performance across all areas of Australia with just 83 per cent of faults fixed on time. It seems that Telstra always has something to blame, like bushfires or flooding. How about realising that, when you sack a large number of workers, they are not there physically to fixed people's phones! Telstra has never invested enough resources in the Hunter and appears to lack any appreciation of our growing needs and expectations of telecommunications. Telstra cut its work force by over 4,000 in the last financial year and cut its capital expenditure by \$600 million. This may have something to do with Telstra's poor customer service performance in places like my electorate of Charlton.

In July there was a pertinent article in the *Age* newspaper in Melbourne, written by Kenneth Davidson, entitled 'Why Telstra is

running down our network'. Some of my arguments are highlighted quite well in this article. The author, in referring to globalisation, says:

... unless we are connected to the world through a broadband telephone network within the space of a decade, there is no way we will be able to benefit fully from globalisation.

He indicates that a ballpark figure of \$20 billion would need to be invested to connect every Australian to the broadband network, and that is just a guess. Australians must have access to the world through broadband cable. Australians who do not have access to broadband and the information and services it opens up will become second-class citizens. Kenneth Davidson says:

If the Government manages to sell the rest of Telstra and if the Government succeeds in carrying out the Coalition's plans for Medicare and higher education, Australia could end up with the trifecta: two-tier health, education, and communications systems.

... ..

The OECD Telecommunications Outlook for 2003 paints the picture. Compared with other OECD countries, Australians are keen users of the internet. But Australia is lagging badly in investing in broadband networks that will allow internet users to maximise the benefits of being online.

According to the OECD, about 22 per cent of Australians were connected to the internet in 2001, compared with an OECD average of about 18 per cent. But only about one in 100 Australians had broadband access to the internet in 2002, compared with nearly four out of 100 OECD inhabitants.

Australia is lagging in creating broadband access and is failing to keep up the investment in maintaining the existing network. Telstra has halved its investment in relation to revenue and, as is indicated in the article in more detail, the investment that did take place was largely wasted.

In 1990 Australia was rated 14th out of 22 OECD countries on the cost of business calls. Today we rank 20th out of 30. According to the OECD, Telstra's R&D expenditure has fallen from 0.3 per cent of total revenue in 1997 to 0.1 per cent in 1999 and zero in 2001. The author indicates that the two reasons the government advances for Telstra's privatisation do not stand up. Debt reduction makes sense only if the government has better uses for the proceeds of the sale—and it does not. The other reason the government puts forward is that it should not both regulate the industry and retain an interest in Telstra. The author questions why not. According to the OECD, most OECD member countries retain a controlling interest in their major telecommunications.

Telstra constitutes about two-thirds of the entire communications sector and earns almost 95 per cent of the sector's profits. A private Telstra would be a giant private monopoly that would totally dominate the communications sector and use its monopoly power to extend that dominance into other sectors, like media and information. As pointed out by the shadow minister, the member for Melbourne, Labor sees telecommunications services as essential services, whereas the Howard government regards telecommunications services as a luxury whose availability should be governed only by market forces.

As part of Labor's unconditional opposition to any further sale of Telstra, we have also chosen to pursue a four-point reform strategy, designed to bring Telstra back to its primary role and maximise the benefit of telecommunications competition. Among the key features of our strategy are that Telstra will be required to intensify its focus on its core responsibilities to the Australian community and reduce its emphasis on foreign ventures and media investments. Telstra will be asked to intensify its focus on the provi-

sion of affordable and accessible broadband services for all Australians. The competition regime will be strengthened by requiring much stricter internal separation of Telstra's wholesale and retail activities, the minister for communications will be removed from the process of ACCC scrutiny and regulation of accounting separation within Telstra to ensure the process is genuinely independent and rigorous, consumers will be given stronger protection from the sharp practices by telecommunications companies, and the price control regime will be made fairer.

Labor believes in public ownership of Telstra because telecommunications are essential services. Under a Labor government, a majority publicly owned Telstra will deliver high-quality telecommunications services for all Australians and decent returns for its shareholders.

Mr RIPOLL (Oxley) (12.01 p.m.)—In this place from time to time, certain bills come up which go to issues of great public debate—probably none more so than those on the sale of Telstra. The government, since its election and for many years, has had a plan of selling off Telstra, whether in bits, pieces and chunks or as a whole. We saw the T1 sale and the T2 sale, and plenty of the mums and dads investors that this government so much heralded at the time poured their own private savings into those sales. Anyone who bought into T1 probably did okay, but anyone who bought into T2 probably did really badly. Now the government wants to sell off the rest of Telstra in a T3-type sale.

The bill before us today is the Telstra (Transition to Full Private Ownership) Bill 2003. What the bill would do is to actually remove the part of law that says that the government has to retain a 50.1 per cent equity in the Telstra Corporation. This would give the government the ability to sell off the rest

of Telstra and privatise it fully. It would be reasonable and responsible for people to ask: 'Why should the government sell the rest of Telstra?' or, more importantly, 'Why should the government not sell the rest of Telstra?' I think these questions are really at the crux of what this whole debate is about. What I believe it is not about is a private versus public debate; it is really about good policy versus sheer ideology.

The government just wants to sell Telstra, for no good reason. When you ask for the reasons, when you actually sit down and look at what benefit you would get from the sale of Telstra, you find that there really is not any at all. The government, by selling off the rest of Telstra, would reap a cash benefit. It would have an immediate benefit of about \$30 billion. That is a lot of money; but that is it. That is where it would end. The government would no longer get the revenue that it gets yearly in dividends from the equity that it has in the company. The billions of dollars that come in each year that help the government to deliver services would be gone forever. Along with revenue in the shape of dividends every year, the little bit of control that remains in the government's power to direct Telstra would be gone. This issue about what control the government actually has is debated in this place from time to time.

The government would like to have less control—would like to leave it to market forces, as they say—as to what Telstra does. Telstra is a corporatised entity. It works by the principle of market forces and commercialised principles in its own best interests, to make money, deliver services and provide certain facilities and services to people. The problem that it probably has is that the government compels it, through legislation and through ownership, to do a little bit more than that. The minister has the power to direct Telstra to do something which is, in the

real world, against normal business or commercial principles—it would actually lose money by doing it. That is the important part. The important part is that the minister can compel Telstra to do something which a normal private corporation would never do because it would not make commercial sense. A private company would not go out and just spend money on a service if a service cost \$1 million and it knew the return on that services would be only \$100,000; it would lose \$900,000 on that provision of service. But the government, through the power of ownership and through the ministerial power, can direct Telstra to do that. That would be lost; and it would be lost forever. There is no way that any member of this place can say, with the difficulty we have in controlling Telstra now—in provision of services to country people, meeting its universal service obligations—that it would be easier if the government sold Telstra. It is difficult to do that now, with 50.1 per cent share ownership. It is just a ridiculous position to say that, if the government sold Telstra, it would be easier.

If we really look at it closely, who are the people who really want to sell Telstra off? The government is the one who wants to sell Telstra off; but if we ask individual members of the government, privately, what their thoughts are, we find that they have different views. In fact, there is one particular Liberal member who has a completely different view, because he represents his constituents. He has gone out there and asked his constituents what their views are on this, and I will get to that bit of information in a moment.

The only people on the government side who are interested in selling Telstra are the 29 ministers on the front bench. They can see the light at the end of the tunnel. They want to know—and they are squabbling about it right now in the cabinet room—who is going

to get the benefit from the sale of Telstra. Which minister will get the proceeds? Where will they be able to spend their billions of dollars on whatever it is they want to do? They are not worried about services in the bush. They are not worried about universal obligations. They are not worried about how competitive our industry is. They are not worried about who will miss out and who will have to pay extra. They are not worried about those things. The ministers are all in there squabbling and fighting each other over who is going to spend the cash in the bag from selling off Telstra.

They forget that each year Telstra provides the government with a huge dividend. I have here the record of the dividends that are provided to Telstra. In 1993, Telstra provided a dividend of \$674 million, and a total share went to the Commonwealth of \$674 million. That was prior to T1. If we skip a few years and go to 1996, we see that \$1.368 billion was provided as a dividend to the government from Telstra services. In 1999, \$4.247 billion was the total dividend and \$2.8 billion was provided to the government. We are talking about billions of dollars in dividends provided to government.

The half-year dividend provided for this year was almost \$2 billion—and this is from a Telstra that is 50.1 per cent government owned. The government reaped a half-yearly benefit of nearly \$1 billion. That \$1 billion would just cease with the sale of Telstra. We need to look at the amount of money that is reaped from this publicly-owned infrastructure—an infrastructure that was paid for by people's taxes over decades and decades. This is not something that somebody can just go out and replicate. There are no other companies out there that can build another solid line, copper wire infrastructure like the one we have in this country. It is just not physically possible. No-one could afford it, because they would never get the return on

it. It would take a thousand years to get the return on it. It just would not happen in this day and age.

People have invested through their taxes to be provided with this essential service. This is the difference between this and other services. Whenever we talk about this issue, the government trot out their typical argument that Labor sold off things as well. Yes, we did sell off things. But I think there is a clear distinction between what is good policy and what is bad policy. Should government be in the industry of owning aircraft and flying an airline? I do not think it should. I do not think that is a universal service obligation type of company. Not everybody flies everywhere, every week. That does not provide a benefit to the general community. I do not see that it is a necessity to return a dividend on an airline or that you need to provide particular types of aircraft in the bush for people when in a competitive market that would be taken care of. The government says that Labor sold off services—yes, we did; but we did not sell off essential services. Should government be in the business of banking? Should government own a bank? Should government control the banking market? I do not think it should. I think there is a really good regulatory regime in place. Where banking is not left to its own devices but is controlled and regulated by government, it can provide better services than government.

But the debate about telecommunications in this country is a completely different debate. It is a debate about essential services that are unaffordable if you happen to live in a country such as Australia, where there are vast distances between places. This is a huge country with a sparse population spread all over it but concentrated in the capital cities. There is a problem for the majority of members here who say that they represent country Australia but who do not—particularly the

National Party, who have got no idea about country people or rural and regional areas. When we talk in this place about those who are the biggest sell-outs, we find they are the National Party—every single one of them. They will pay the price at the next election for their sell-out of the country. Country people are not silly. Country people know that the National Party no longer represent them on any issue—none left. Telstra was the last issue left and the National Party's constituents have made it clear to all of their representatives in this place exactly what they think about the sale of Telstra. But the National Party have ignored them, because they do not represent anybody. They do not represent country people. I hate to say it, but they do not represent Australians either, because Australians do not want Telstra sold at all.

There are hundreds of surveys. You can go to any survey you like, you can read any newspaper you like, you can talk to people anywhere—whether they are in the country, in the bush, or in the city—and they will tell you the same story. The story remains the same: they want the government to retain a significant majority share ownership in Telstra. Why do they want that? Because they understand very clearly what will happen if the government sells off Telstra. It is a sell-out; it is a sell-off. What will happen is that services will go through the floor.

Right now Telstra has a record of diminished service provision to the tune of about 85 per cent. It is running down its service provision. This is while the government still has a say in it. This is while the government still has 50.1 per cent ownership. At the same time, Telstra is sacking more workers. You cannot sack 14,000 more workers who are service providers, maintenance people and technicians—all the people who keep this huge infrastructure and service going—and expect to still be able to deliver a service.

I will not go into the detail of some of the issues about broadband. To me, broadband is an essential service that we need in this country, probably more than in any other country because of our vast distances. It opens up a new world. Let us look at education—universities and schools, including the little schools in outback towns. What connects them to the rest of Australia and to the rest of the world? Broadband. It is not just the Internet but broadband access that connects them. Who is going to provide broadband at a reasonable cost? Nobody. Nobody will go out into the country towns and provide those services to people on the land, people in the bush, unless Telstra does it.

Telstra is a huge, massive monopoly in this country. It accounts for just about all of the telecommunications service provision in this country. Sure, we have the smaller players on the side. Sure, we have mobile service provision by other companies. We have Optus, Vodafone and smaller ones, such as AAPT and a whole range of others; but, at the end of the day, Telstra is the big player. If you let that monster out of the cage by privatising it, leaving it to its own devices, letting it do whatever it likes out in the marketplace, what would it naturally do? Its first responsibility is not to the people; it is to its shareholders. What does it do? It goes out there and maximises profit. How does it maximise profit? The first thing these companies do—and this is the sad part about the culture of companies today—to maximise profits is sack people; it gets rid of half its staff. It says that it just does more for less. So Telstra will be out there trying to deliver something with a lot fewer people. The second thing it does is say: 'Give me a spreadsheet of everywhere we're losing money. Everywhere we're losing money, stop providing the service. We no longer have to do that there; we're privatised.'

Government will say that it will put in place a regulatory regime where it can ensure and enforce that Telstra will have to provide those services. But how long can you keep up that charade? How long will you force a private company where the pressure is coming from its shareholders—and the shareholders of Telstra are long-suffering now? How long will the government keep up that charade that it will force this company to provide services where it is losing money? It will not do it, or not for very long if it does it at all.

I talked earlier about the spine of some government members, because there is not much spine between the lot of them. Those opposite talk about their views and about what they want to do. We all understand the two-party system in this country. We have caucus positions on what we believe in, and we vote for it and there is a bit of democracy. But on the government side when they are told what to do by the boss every single one of them falls into line. Even though they do not agree, even though they know it is going to hurt their constituents, even though it is a threshold issue for them they will all just back the line, except for one, and I will praise him in this place: Alby Schultz.

Mr Schultz has gone out and surveyed his constituents. He asked them, 'As your representative, what do you want me to do in this place on this threshold issue, this key issue?' It not just an ordinary, everyday vote on minor amendments. Ninety-six per cent of the people he surveyed said: 'We want to retain ownership. We want to retain the current position. We want to make sure the government has ownership of Telstra.' Why do they want to do that? Because they are bush people; they are country people. They know they are going to get ripped off. They know this government is lying to them; it does it to them all the time.

We have seen this government fibbing—they have a very long track record on this—in this place most recently with a front bench minister, Wilson Tuckey. He used his ministerial letterhead to try and get his son off a 180-buck fine. He said it was just an ordinary move—what any father would do for his son; except he did it three times on ministerial letterhead and tried to influence what a state police minister was going to do!

This is just one of the many examples of where the government cannot be trusted. They cannot be trusted on Telstra and they cannot be trusted to enforce that Telstra provide services to the bush. This bill should be voted down, and it will be voted down. It will not pass this place, because everybody in the other chamber knows that it cannot get through. It will become a threshold issue at the next election, and I tell you what: the people of Australia will vote, and they had better vote with their feet, because this is a big issue for them to vote on.

Ms LIVERMORE (Capricornia) (12.17 p.m.)—I am very pleased today to have this opportunity to put on the record my opposition to the Telstra (Transition to Full Private Ownership) Bill 2003 and my absolute opposition to the privatisation of Telstra. Voters in my electorate of Capricornia know very well exactly where I stand on this important issue. I have gone to two elections now pledging my support for retaining the public ownership of Telstra. My record in this House has backed up the commitment that I gave to my electorate: I have voted against every attempt by this government to privatise Telstra.

The Labor Party's consistent opposition to the sell-off of Telstra over eight years and three elections stands in stark contrast with what voters have heard from the government in that time. The government has spent most of that time having a bob each way, sitting on the fence. Everyone knew that its real

intention was always to fully privatise Telstra, but it had to go through the charade of reassuring Australians that it would only sell part while all the time it was putting out bribes and sweeteners to soften up opposition to the sale.

It would seem that the only people swayed by those sweeteners have been National Party MPs in this House. They have done a complete backflip on this issue and sold out the interests of their constituents in rural and regional Australia in a shameful way. This bill, if it is allowed to pass, will see Telstra sold off once and for all. It will give the Howard government the right to sell its remaining majority shareholding in this national asset, and Telstra will pass into private hands. Once it is gone, it is gone forever.

The Howard government is persisting with this ideological quest, against the clearly expressed wishes of the majority of Australians, against the best interests of the nation and particularly against the best interests of the people living in my electorate, which covers a large area of rural and regional Queensland. The government must understand how out of touch it is with the Australian people on this issue.

As I have said, I have been a vocal campaigner, opposing the privatisation of Telstra for seven years now, and I honestly cannot recall a single person in my electorate pulling me up on it. I cannot recall receiving a letter from a constituent or being pulled up in the street by someone telling me that I am wrong and that Telstra should be privatised. So I am very confident that when I stand here in this place and very soon vote against this bill that I will be doing that in the best tradition of representing my electorate.

That is why I am not surprised by the response that the member for Hume received when he surveyed his electorate. Many people on this side of the House, including the

member for Oxley—who spoke just before me—have paid tribute to the courage of the member for Hume, Alby Schultz, in standing up for the voters in his electorate in regional and rural New South Wales. That survey result is one that I am sure will be reproduced around the country. While the government is blinded by its arrogance, I am sure that our colleagues in the Senate are paying much closer attention to the wishes of the Australian community on this issue.

Much of this debate has focused on what may or may not happen if the government gets its way and privatises Telstra. I feel that I do not need to speculate; I need only look at what has happened in my electorate in the years since the government began its push towards privatisation to know where we are heading once Telstra is ruled entirely by private shareholders and the overriding profit motive. The most obvious impact in my electorate has been on jobs. Telstra was traditionally a significant employer in regional towns, like Rockhampton and Longreach. It was a source of well-paid skilled jobs, and the training it provided to its staff increased the skill base within those regional communities. In Central Queensland we have been losing that important function. Telstra is no longer making the same kind of contribution to employment and training in regional areas like Rockhampton and the central west of Queensland.

Since the Howard government came into office in 1996 we have seen over 100 Telstra jobs slashed in Rockhampton alone. That includes a mixture of call centre staff, linemen, technicians, NDC employees and management. One hundred jobs in a provincial city like Rockhampton is a very big hit to our local economy and to the skills base that we need to feed into other local initiatives and to train up-and-coming technicians and administrators.

The story is much the same in the western part of my electorate, in places like Longreach, Winton and Barcaldine. Staff numbers in Longreach have halved in the past six years. In 1997, Telstra employed over 10 people in Longreach to service the central west. There were three people working in the exchange, two at the depot and seven linemen. Now there are just five Telstra employees to do that work—a mixture of techs and linies—plus one supervisor, so six in total. Around the central west region there are another six Telstra workers. There are two in Blackall, three in Barcaldine and one in Winton. And these are important administrative centres for that region of Queensland.

The area that these employees have to cover to provide essential telecommunications services is enormous. Just for the record, I will rattle off names of towns and districts involved—they will probably not mean much to most people here, but I will do it anyway—because it emphasises the small number of people employed by Telstra and the vast distances that these people have responsibility for. It is an area that, by a rough calculation, would have to be at least the size of Victoria. The region serviced by those dozen Telstra employees extends west past Middleton, north past Kynuna, east to Hughenden and south to Davenport Downs on the Diamantina River, as well as to the towns of Aramac, Muttaborra, Tambo and Alpha, to name a few.

The important thing, though, is that the people living in the central west do understand the distances involved and they do understand exactly how isolated they are. That is why they are overwhelmingly opposed to selling off one more share of Telstra. That is the thing that the government does not seem to understand and which we as politicians have to be very mindful of. We can come in here or appear on the nightly news or put out a press release with a glib little 20-second

grab to say, 'It's okay, trust us, we're the government,' but the people we are talking to know exactly what all this means on the ground. They know that their Telstra technician who comes out to fix their phone on a station out west of Middleton is driving a 500 kilometre, 600 kilometre or even 800 kilometre round trip in a day to provide that service. They know that that one bloke will probably be doing the same thing in the other direction the next day. They know that all that stands between them on their station or their business—in Winton, Aramac, Muttaburra or wherever it might be—and a quality reliable phone, fax or Internet service is that one technician driving 600 kilometres or 800 kilometres a day to do that job and then getting back to the base in Longreach. It is not just a question of driving out there, doing the job, putting your feet up for the night and driving back the next day; we are talking about out and back, out and back, day in and day out for these blokes. They do a fantastic job in a very essential service.

Another problem that we are seeing in the central west is the increase in the use of contractors to do a lot of the network development and rollout work. Of course, the impact is twofold. Again, you have jobs that are not going into these small communities. Employment is vital to the prosperity of these communities in terms of not only those one or two jobs that Telstra might provide but also the flow-on effect. A Telstra employee in Longreach will most likely have a family. So we are talking about the effect that it has on keeping class sizes up or maybe keeping an extra hospital bed open in that town. The flow-on effect of employment in these communities is very big.

There is also the question of the social capital that those jobs provide. Professor Geoffrey Lawrence, formerly of the Central Queensland University in my electorate, has done a lot of work in this area, looking at the

impact of the withdrawal of services and the withdrawal of employment on rural and regional towns and at the hole that that leaves in social capital of those communities. If you do not have people in those professions or skilled jobs, you do not have the people who can be the treasurer of the Rotary Club or the president of the P&C or who can run a fundraiser for the local football club. It all just feeds into that decline, in a financial and economic sense and in a very important social capital sense in these rural towns. Many of the traditions we hold dear are under threat—traditions held dear not only by people like me who represent those areas and who know and love them but also by many Australians in the way that we see ourselves.

Not only is Telstra employing contractors over and above permanent staff in these towns; there is also a constant moving around of staff. It is like a real pea and thimble trick going on all the time. Staff are being shuffled around—for example, 'We need people down in Coffs Harbour; who can go down to Coffs Harbour this week?' or 'Someone needs to go to Lismore; who can go to Lismore?' People are being dragged from all over the countryside. People from my electorate in Central Queensland have been dragged off to work in all sorts of areas of the country. There is this constant sense of just making do. This feeds into the impression of a company that is biding its time until privatisation and is not interested in investing in its network or its staff.

Who suffers from that attitude of just making do all the time, of failing to invest in staff and of failing to invest in the network? It is the customers of Australia. As we have heard from so many other speakers in this debate, overwhelmingly customers have no other choice—it is Telstra or no-one in many areas of my electorate. So if Telstra is not investing in what it is providing to people in Capricornia, no-one else is going to step in

and do it because the profits are not there—it is Telstra or no-one. This failure to invest not only is seen at the grassroots level in the number of staff and in the way that staff are shuffled around all the time just filling gaps constantly but also is borne out in the hard, cold figures that we have seen come out of Telstra in the last couple of years. Telstra's capital expenditure—the investment that it makes in the quality of the network in this country—has dropped from \$4.7 billion in 1999-2000 to an estimated \$3.2 billion in 2002-03.

When the government puts out a press release and says, 'Trust us; we're the government. This will be fine. We'll privatise Telstra and it will be great and it won't have any effect on you,' it is saying this to people who have seen the number of staff dwindle and who know that they are not keeping up with the level of services and the new innovations that people in metropolitan areas are getting access to. Rural people are seeing all of this and they are rightly sceptical of their future under a privatised Telstra.

I read a quote just yesterday from a very important stakeholder in this debate: Megan McNicholl, the National President of the Isolated Children's Parents Association. No-one could deny that parents out in rural and remote areas who are educating their children are very important stakeholders in the future of telecommunications in this country. In her report to the national conference of the ICPA in Tasmania earlier this year, Megan McNicoll said:

There is an expectation amongst rural and remote customers that in the future they will have access to an effective broadband Internet service. It is with good reason that we ask the question "Can a privatised telecommunication's industry deliver equity to rural Australians?" We have reason to be skeptical.

History tells us that "private and for profit" will only go to areas where the market is viable.

ICPA members have real concerns that unless the USO has the capacity to reflect future upgrades and meet the expectations of rural and remote customers, then their capacity to participate in on-line education and communication activities will be severely diminished.

That is the question: is the government going to be able to provide that guarantee? The government's answer to that very important question is what it calls future proofing. Future proofing is a very nice-sounding term but we do not really know what it means. There was some reference made to it in the Estens inquiry and there is some reference made to it in this bill in terms of the mechanism that will be put in place by government. But, again, you have a gimmicky word up against what rural and regional people have seen with their own eyes—and in many cases felt in their hip pockets—over the last six or seven years since the slide towards this privatisation of Telstra began. So rural and regional people are right to be sceptical about future proofing.

They have seen what happened to the banks. The banks could say that they future-proofed services to regional Australia by putting in an EFTPOS machine at the service station. When you are talking about equitable access to telecommunications, it is a gamble that rural and regional people should not be asked to make—and their representatives in this place should not be making that gamble on their behalf. Privatising Telstra is just too big a gamble when you are talking about the future prosperity of these regions of Australia. These regions rely on telecommunications for so much. They rely on these services for education—not just for primary and secondary education but increasingly for access to TAFE and tertiary education. They increasingly rely on them for health services through videoconferencing, in their business activities and for connection with their loved ones in other parts of Australia. Telecommu-

nications is an essential service, and it is becoming more and more essential to the prosperity of people in this country, particularly in rural and regional Australia. On such an important question of equity, I will support my colleagues in voting against the privatisation of Telstra.

Ms JACKSON (Hasluck) (12.32 p.m.)— I, too, rise to oppose the Telstra (Transition to Full Private Ownership) Bill 2003. As the member for Capricornia has pointed out, telecommunications services are essential services, and it is one of the duties of responsible governments to ensure that all Australians have equal access to such services. Whether it be access to the traditional telephone service or to a newer technology such as broadband, all Australians need these services in order to fully participate in our society. This government has chosen to ignore this duty. By introducing this bill it seeks to finish the job that it started when it first came to power by making Telstra a fully privatised company. Labor, in contrast, understands the duty to provide access to telecommunications services for all. Labor is opposed to the privatisation of Telstra. I understand that at least one member from the other side of the House accepts that the government has this responsibility. It seems to me that only one member on the other side of the House is listening to the concerns of his constituents and the concerns of the overwhelming majority of Australians. I hope the member for Hume continues to speak out against the sale of Telstra in his party room and that he demonstrates to his colleagues what it means to listen to the community by voting against this legislation. Abstaining in this vote is the same as voting for the full privatisation of Telstra. I hope the member for Riverina recognises this too. We shall see.

As we all know, serious gaps exist in the provision of telecommunication services in regional areas. However, as many people

living in outer metropolitan areas around Australia can attest, serious gaps also exist in the level of service and access currently available to them. Many constituents in my outer-metropolitan electorate of Hasluck in Western Australia have expressed serious concern about the reduced levels of service and attention to service faults. One example of this followed storms in the Perth metropolitan area earlier this year. Several residents from the Eudoria Retirement Village in Gosnells contacted me expressing their concern about their loss of telephone services following storm damage. Many of those who had lost their connection due to that storm had to wait several weeks before the service was restored. For many of the elderly residents of Eudoria Retirement Village, the telephone is their primary link with the rest of the community, particularly in emergency situations. It is essential for them to stay in touch with loved ones, for recreation purposes and for health and safety reasons. To be without this essential service for so long is a disgrace. Their concern was understandable. For those whose quality of life depends on the reliable provision of this essential service such a wait is unacceptable.

There are many reasons why, all across Australia, we are still experiencing these poor levels of service. It has nothing to do with the high standard of work and commitment to service that is shown by Telstra employees; it is all about Telstra's declining commitment to capital investment and staffing levels. In the past four years the number of employees at Telstra has dropped significantly: from over 50,000 in 1999-2000 to just over 37,500 in 2002-03, with the greatest level of reductions taking place in the infrastructure division, responsible for maintaining the network throughout Australia. Add to this the drop in capital investment from \$4.2 billion to \$3.2 billion over the same time frame and you have a recipe for disaster.

Along comes a storm and Telstra's severe lack of resources is exposed even more. What makes this even harder for the Australian public to swallow is that over the same period the price of having a telephone in your home has skyrocketed from \$11.65 a month to between \$23.50 and \$26.50 a month before a call is even made. That has almost doubled in less than three years. What is this—pay more get less? No wonder Australians are dissatisfied.

It is an issue to perhaps take up with the Chief Executive Officer of Telstra, who, we find, as well as overseeing this slashing of thousands of jobs, loss of billions of dollars overseas and a significant drop in the Telstra share price, is entitled to receive a bonus in excess of \$1 million if and when he is dismissed. I imagine most Australian workers would like a contract of employment on their productivity like that.

Talk to Jack deGroot of Southern River, a local resident who recently raised concerns about Telstra's service. Mr deGroot runs a business receiving and placing orders by fax from his home and relies on a telephone line. The cable connecting his telephone line to the network was recently damaged by nearby excavations. Despite his repeated calls to Telstra to address the problem, it took several days to fix. In the meantime Mr deGroot lost vital business. The only advice provided by Telstra was for him to use his mobile phone—hardly an acceptable level of service.

Sadly, recent quarterly Australian Communications Authority figures confirmed the bad news. The figures show that Telstra's level of urban fault repairs within customer service guarantee time frames fell to 85 per cent in the March quarter. Whilst members from the other side of the House continue to tell the Australian public that the privatisation of Telstra is in their interest and that ser-

vices will improve, the community is yet to see any benefits.

These problems are not confined to my electorate, as revealed by a Telstra survey recently conducted by my parliamentary colleague from Western Australia the member for Canning. The member for Canning's electorate is similar in many ways to that of Hasluck, taking in a mix of both outer metropolitan and regional areas. As he admitted in the House last week, the survey responses have revealed a number of problems that exist in the level of service provision by Telstra to his constituents.

I would like to give the House another example of how Telstra is currently failing my constituents in Hasluck. Another common concern raised about Telstra is the lack of ADSL broadband access to many commercial and residential areas. Martin from Huntingdale, for example, is one of many who have contacted me about this issue. He works in the IT industry and is keen to work from home, particularly as he is a father with a young family. However, he lives in a broadband black hole—a situation which, despite Martin's inquiries, Telstra claims it is unable to address. Is this an isolated case? Unfortunately, I think not. This situation is encountered by many throughout the electorate of Hasluck who, despite suggestions to indicate otherwise by the minister for communications, are being left behind in the technology stakes.

Broadband is a critical area of new technology for Australia and the Australian community. Telstra, aided and abetted by the Howard government, is creating a community in which there are the broadband haves and have-nots. Access to broadband technology for communities and businesses in outer metropolitan areas such as Hasluck is vitally important for their social and economic development; however, small business opera-

tors in my electorate who depend on the Internet to operate their businesses are still unable to access broadband technology.

In March this year I put a series of questions to the minister about this very issue. The vague and evasive response I received clearly demonstrates the lack of commitment this government has to providing telecommunications services equitably to all Australians. The minister openly admitted that ADSL technology would never reach 100 per cent of the community in my electorate of Hasluck. He went on to say that those who are unable to access ADSL can access alternatives such as satellite, a much more expensive technology, or ISDN, an older, inferior technology. Put simply, Telstra and this government are openly admitting that many people in my electorate of Hasluck will be left behind in the technology stakes—and they are not going to do anything about it. So much for their so-called policy of future proofing. People living in outer metropolitan areas are now clearly experiencing the Telstra cost-cutting pinch. Telstra has lost its way under this government, its majority owner, and is failing to deliver on its core role.

A Labor government will bring Telstra back to its primary focus to ensure the delivery of high-quality telecommunications services to all Australians. The Leader of the Opposition rightly described this debate when he said:

[This] is one of the most important debates that will be had in this parliament this year. It is not just a debate about whether to sell a national icon; it is a debate about what sort of country we want to be: one in which our institutions benefit all of us or benefit just the lucky few. It is a debate about whether we believe that the money that Australians have put into Telstra over generations was an investment in the nation's future and should continue to be invested in its future, or whether it was just a cost to the budget. It is a debate about whether every Australian, no matter

where they live or how much they earn, should have access to a phone, a fax and the Internet. It is a debate about whether the government is prepared to listen to the Australian people or to arrogantly ignore them.

I grew up in the bush. Anyone who has spent time in rural or isolated areas knows and understands the importance of government infrastructure and services. A strong and vital public sector is essential to foster a fair and just society. The public provision of services such as schools, hospitals, telecommunications, transport and utilities was—and still is—the building block of our tradition in Australia of a fair go for all. These services are paid for by our taxes and are essential to our prosperity as a nation.

There is little or no proof of sustained community benefit that supports the privatisation of government enterprises like Telstra or other government services. Indeed, increasingly the evidence suggests that privatisation and deregulation lead to a decline in the standard of living for the majority through higher charges for essential services and less access for those on lower incomes to those same services. That is why I am opposed to the further sale of Telstra. Telstra is a valuable community asset and should be retained in majority public ownership. During the 2001 election campaign, I made a commitment to the electors of Hasluck that I would oppose the sale of Telstra. Today I honour that commitment.

Mr JENKINS (Scullin) (12.45 p.m.)—I rise in opposition to the Telstra (Transition to Full Private Ownership) Bill 2003. Over time in this place, I have indicated that my predisposition is to oppose privatisations and to support public ownership. However, it behoves a member of this legislative chamber not to be dictated to by any predisposition of ideology but to look at the matter before us and make a decision on the argument and the case placed before us. We are now moving

towards the end of this debate, and nothing that has occurred throughout the debate on this piece of legislation leads me to change my mind. I stand here speaking in opposition to the privatisation of Telstra. I do so for a number of reasons. If we look at what has been said about the types of outcomes that people believe can occur through the full privatisation of Telstra, each of these can be debated and found to be completely erroneous.

We have heard the argument that this privatisation will be of economic benefit to the nation. This argument is based on the belief that capitalising an asset and using that money for other 'desirable public purposes'—including, for the purposes of this argument, debt reduction—is the be all and end all and a primary reason for carrying out the actions proposed by this legislation. But any observation of what has happened in the past with privatisations of this ilk indicates that the reverse is the case in relation to the benefit to the budget. If we take into account inputs to the budget via dividends from organisations such as Telstra, then take into account all the other factors—including the supposed savings in interest payments from using the proceeds of the sale to reduce debt—a number of credible studies indicate that there will be a loss to the budget. Recently there was an audit report on a not totally unrelated matter which indicated that, in the present wave of disposals of Defence land and, in many cases, the rearrangement of leasing arrangements, within one or two years there is a disbenefit to the budget. I believe that these are things that are well and truly overlooked in the general debate about private ownership versus public ownership. As I said, we have plenty of experience of this. These are the types of issues that the public are taking into account, as there is a change in the mood about privatisation.

Another point that is often made is that these organisations in some way become more efficient through their privatisation. Again, if we look at the experience, at the end of the day there is not much proof of this—especially when we are talking about the provision of essential services. There are a number of examples of public utilities that have been taken out of public hands and privatised where this is not the case. A not unrelated example is the privatisation of water companies throughout Australia. One thing that we consistently see is the loss of proper planning for infrastructure. Because of the profit motive, these issues that have long horizons are often ignored. These will be matters that we will have to address throughout the breadth of Australia in the coming years. I believe that is in the public's mind as we see a change in the attitude towards privatisation. Another point that is made is that the service orientation of these organisations will increase in private hands. Again, experience does not indicate that that is the case.

At the end of the day, the government needs to address a number of these commentaries and see that they are important to people. Of great interest is that, while Australia embraced—under, I acknowledge, governments of differing political persuasions—this move to privatisation, which was first encouraged by various administrations in the United Kingdom and the United States, over time there has been a dramatic change in public attitude. A number of published works indicate that change. For instance, an article by Jonathan Kelley and Johanna Sikora entitled *Australian public opinion on privatisation, 1986-2002*, shows that public opinion on the privatisation of Telstra, which was split fifty-fifty in 1987, moved to a situation where 71 per cent of people were opposed to the sale in 2002. Likewise, a study of the support for privatisation of a range of public utilities indicates that support has decreased

from a level of fifty-fifty to in the range of 35 per cent to 22 or 23 per cent. It indicates what I have said: the public sees what has happened in practice under privatisation and there is growing concern; this is not the way they wish to see public policy develop.

As I said, we should not be tied into these types of measures on the basis of embedded ideology; we should see that there is a need for proper debate. One thing that has always intrigued me and perhaps encouraged me is that these things are cyclical. In the international circumstance they are seen as being cyclical. There is some hope that public opinion will drive decision makers to understand that the mood of the electorate is that we should look at other ways of doing things.

Throughout this debate there has been discussion about the fact that this is not a debate about technologies or the introduction of new technologies. It does become perplexing when people talk about things like remote integrated multiplexes, pair gain systems, ADSL and ISDN. But in the end it is not the technologies that are important; what is important is the way in which we can achieve for people equitable and affordable access to the types of services that Telstra as a prime telecommunications provider can provide.

There has been a lot of emphasis throughout this debate on how it is believed, imagined or conjured up that there has been an improvement in services in rural and regional Australia. Today I am just giving the perspective of my electorate, an outer metropolitan Melbourne electorate. I have had a number of complaints about the provision of services by telecommunications carriers to people living in that electorate. I have raised before the problems that have been put to me by a number of constituents about their inability to access broadband. A number of these constituents live in an estate that is

about three or four years old. They do not have access to broadband through optic fibre cable because the cable has not been laid out. They do not have access through pair gain technology over the copper network because they are more than 3½ kilometres from the telephone exchange. I find this a completely ludicrous situation.

It is a ludicrous situation when a person setting up a computer consultancy has to move their office from Macleod to Watsonia—and anybody who has a knowledge of metropolitan Melbourne would know that these suburbs are not out in the wilderness—because of the lack of access to broadband communication services. It is also ludicrous that that consultancy's client—who has a factory in Campbellfield, on the outer northern edge of Melbourne, but lives in Yarrambat, which is well and truly on the outer urban edge—has access to ADSL broadband in Campbellfield but has the standard dial-up 56 kilobits per second service at home in Yarrambat. We are talking about people who, if asked, would say they were living in metropolitan Melbourne.

Would the minister representing the Minister for Communications, Information Technology and the Arts in this place even know—whether he takes the view from his farm or farmlet down in Gippsland, his apartment in East Melbourne or wherever—that these are parts of metropolitan Melbourne? When we are talking about equitable access, if suburbs and new housing estates continue to have problems, a difficulty exists. People need to understand that a change in ownership from public hands to private hands does not address this situation.

This is the nub of the matter before us. We are talking about services that are essential to the way in which Australians go about their lives, whether it is social, economic or civic life. The importance of those things

provided by telecommunications is growing as new technologies are introduced. As people who dictate public policy, we have to take that into consideration when we carry out measures in this respect. I am happy to be here in opposition to this piece of legislation—to support the approach that Labor has indicated it has to these matters that go to the issues that are of greatest concern to the majority of Australians.

In looking at all the things that Telstra has involved itself in that do not go to its core responsibilities, we would ask—as a major shareholder in the ownership of Telstra as it is structured now—that Telstra puts an emphasis on its core services and makes those core services available to the Australian public in an affordable manner. That is the first matter that Labor have emphasised. Secondly, Labor want Telstra to improve Australians' access to affordable broadband services. That is something I have touched on that is important to the electorate of Scullin. Thirdly, we encourage even greater competition to ensure that consumers are provided with telecommunications services at a reasonable cost. Fourthly, we continue to support stronger and fairer protection of consumers in their dealings with telecommunications companies such as Telstra.

As I said at the outset, I could be accused of having a natural tendency towards opposition on questions of ownership such as that dealing with Telstra's privatisation. I have learnt in this place to look at these situations seriously and to take on board the arguments that are presented. As I said from the outset, nothing has occurred during this debate that indicates to me that it is in the national interest or in the interests of the people of my electorate for an organisation such as Telstra to be in full private ownership.

Mr McGAURAN (Gippsland—Minister for Science) (1.00 p.m.)—I rise to address

the Telstra (Transition to Full Private Ownership) Bill 2003. Although the opposition would have us believe otherwise, it was not so very long ago that the Australian Labor Party laid claim to being the party of privatisation. In government, they would again be the party of privatisation. The performance of their speakers over the last 72 hours has been singularly unconvincing. They have approached this issue in a very opportunist and political way and have sought to dress in philosophy and ideology what is instead a base political attack on the government and the Telstra organisation.

Nobody in this chamber—and, I venture, in the broader Australian community—believes that the Labor Party would do anything other than fully privatise Telstra on coming to government. Look at their track record. Whether it be the Commonwealth Serum Laboratories, Qantas, the Commonwealth Bank or a number of other government business enterprises, the Labor Party have always been in a mad rush to privatise. In a number of those instances, the Liberal and National parties supported the Hawke and Keating governments because it was in the interests of consumers, customers and the broader Australian economy that government business enterprises shift to private hands and give Australian shareholders an opportunity to invest in the national infrastructure.

If you ask me, the Labor Party speakers were simply covering their tracks. They can now go to their branch meetings and meetings with union bosses and trail their *Hansard* extracts and say, with hand on heart, 'I opposed the privatisation of Telstra; it was the government that steamrolled us in the final vote in the House of Representatives.' In fact, for most of them their hearts were not in it; otherwise they would have addressed the pressing economic and social issues surrounding the issue of privatisation. Government members fully discharged their

responsibilities by looking at the issue in its totality and comprehensively. Speaker after speaker from the Australian Labor Party had a knee-jerk reaction, with inflammatory language which did not do themselves, their party or their cause any good.

What worries me more than anything else is the slander and defamation of Telstra as an organisation. Telstra is made up of a great many dedicated people. Telstra Country Wide has revolutionised communications in country areas. It provides an on-the-spot local response to local issues by local people. The Labor Party will never acknowledge that Telstra has undergone a 180-degree turn from its performances of earlier days. This is the dilemma for the Labor Party: on one hand they bleat in the parliament—and wherever they can gather an audience of more than two—that Telstra is inefficient, unresponsive and negligent in its servicing of country people especially; but on the other hand they say Telstra has to remain the same, as that is in the interests of those same people. They cannot have it both ways. They cannot claim on the one hand that Telstra does not operate to its full potential and on the other hand resist the very mechanism that will expose Telstra entirely to the requirements of shareholders and the marketplace and allow it to respond, within the licence conditions that the government will impose, to the competition that the government has engendered over the last six years.

Moreover, the Labor Party noticeably avoided responding to firstly the Besley inquiry, of earlier days, and then recently to the Estens inquiry. Both inquiries examined the state of Telstra and the level of its service to country people. Both have made recommendations. In response to the Besley inquiry the government has invested many hundreds of millions of dollars bringing up the level of infrastructure for country people and we are now responding to all 39 recommendations

of the Estens inquiry. At the same time, our regulatory regime puts in place requirements for Telstra and other carriers to service country people.

Of course, no-one on this side of the House has contended that Telstra is perfect. But, for the Labor Party, it is black and white: sometimes Telstra is all wrong and all incompetent while on the other hand Telstra is all they want it to be. Government members will never believe that a telecommunications company of whatever size or composition is 100 per cent perfect. But we will continually drive to extract the very best level of service from Telstra and any other carrier.

Given the constraints of time, I will draw my remarks to a conclusion. The Labor Party stands condemned. They did not participate properly in this debate; they simply recited a number of slogans and cliches. One or two of them tried to inject class warfare into the debate. They did not address the issues, whether they be economic, social or regulatory. Consequently, I congratulate and thank my colleagues who have participated in this debate and have properly conveyed a sensible and objective examination of the issue, as is required of us as members of the parliament. I commend the bill to the House.

Question put:

That this bill be now read a second time.

The House divided. [1.10 p.m.]

(The Speaker—Mr Neil Andrew)

| | |
|---------------|-----------|
| Ayes..... | 77 |
| Noes..... | <u>59</u> |
| Majority..... | 18 |

AYES

| | |
|----------------|----------------|
| Abbott, A.J. | Anderson, J.D. |
| Andrews, K.J. | Anthony, L.J. |
| Bailey, F.E. | Baird, B.G. |
| Baldwin, R.C. | Barresi, P.A. |
| Bartlett, K.J. | Billson, B.F. |

Bishop, B.K.
 Brough, M.T.
 Cameron, R.A.
 Ciobo, S.M.
 Costello, P.H.
 Draper, P.
 Elson, K.S.
 Farmer, P.F.
 Gallus, C.A.
 Gash, J.
 Haase, B.W.
 Hartsuyker, L.
 Hockey, J.B.
 Hunt, G.A.
 Jull, D.F.
 Kelly, J.M.
 King, P.E.
 Lindsay, P.J.
 May, M.A.
 McGauran, P.J.
 Nairn, G. R.
 Neville, P.C.
 Pearce, C.J.
 Pyne, C.
 Ruddock, P.M.
 Secker, P.D.
 Smith, A.D.H.
 Southcott, A.J.
 Thompson, C.P.
 Tollner, D.W.
 Tuckey, C.W.
 Vale, D.S.
 Washer, M.J.
 Worth, P.M.

NOES

Andren, P.J.
 Burke, A.E.
 Corcoran, A.K.
 Crean, S.F.
 Danby, M. *
 Ellis, A.L.
 Evans, M.J.
 Ferguson, M.J.
 George, J.
 Gillard, J.E.
 Griffin, A.P.
 Hatton, M.J.
 Irwin, J.
 Jenkins, H.A.
 Kerr, D.J.C.
 Latham, M.W.

Bishop, J.I.
 Cadman, A.G.
 Charles, R.E.
 Cobb, J.K.
 Downer, A.J.G.
 Dutton, P.C.
 Entsch, W.G.
 Forrest, J.A. *
 Gambaro, T.
 Georgiou, P.
 Hardgrave, G.D.
 Hawker, D.P.M.
 Howard, J.W.
 Johnson, M.A.
 Kelly, D.M.
 Kemp, D.A.
 Ley, S.P.
 Lloyd, J.E.
 McArthur, S. *
 Moylan, J. E.
 Nelson, B.J.
 Panopoulos, S.
 Prosser, G.D.
 Randall, D.J.
 Scott, B.C.
 Slipper, P.N.
 Somlyay, A.M.
 Stone, S.N.
 Ticehurst, K.V.
 Truss, W.E.
 Vaile, M.A.J.
 Wakelin, B.H.
 Williams, D.R.

Bevis, A.R.
 Byrne, A.M.
 Cox, D.A.
 Crosio, J.A.
 Edwards, G.J.
 Emerson, C.A.
 Ferguson, L.D.T.
 Fitzgibbon, J.A.
 Gibbons, S.W.
 Grierson, S.J.
 Hall, J.G.
 Hoare, K.J.
 Jackson, S.M.
 Katter, R.C.
 King, C.F.
 Lawrence, C.M.

Livermore, K.F.
 McFarlane, J.S.
 Melham, D.
 Murphy, J. P.
 O'Connor, B.P.
 Organ, M.
 Price, L.R.S.
 Ripoll, B.F.
 Rudd, K.M.
 Sercombe, R.C.G.
 Smith, S.F.
 Tanner, L.
 Vamvakinou, M.
 Zahra, C.J.

McClelland, R.B.
 McLeay, L.B.
 Mossfield, F.W.
 O'Byrne, M.A.
 O'Connor, G.M.
 Plibersek, T.
 Quick, H.V. *
 Roxon, N.L.
 Sciacca, C.A.
 Sidebottom, P.S.
 Snowdon, W.E.
 Thomson, K.J.
 Windsor, A.H.C.

PAIRS

Macfarlane, I.E. Beazley, K.C.

* denotes teller

Question agreed to.

Bill read a second time.

Message from the Administrator recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mrs HULL (Riverina) (1.16 p.m.)—It is well-known throughout this House that I oppose privatisation and deregulation. My first speech clearly articulates this strong opinion. I am an avid protectionist who supports single desk for rice and wheat, and who opposed state-induced dairy deregulation. I abhor the Labor Party actions of selling off the Commonwealth Bank and Qantas. As a small business person, I constantly voice my concern about the ravages of predatory pricing and abuse of market power by large corporates. I supported the second tranche sale of Telstra, as I believed the injection of equity would provide substantial upgrades of services and telecommunications infrastructure in rural and regional areas, while the Australian people would still have majority shareholding with a social obligation. This is much the same as many family businesses requiring an equity partner to enable strength and economic viability. Indeed, this has hap-

pened and vast improvements have been achieved. This government has exceeded all expectations in the delivery of services to country people and no-one, least of all I, can deny this.

In addition, this government has taken Telstra from the low levels of return that were inadequate under the management of a Labor government to a position where 50.1 per cent of Telstra exceeds the revenue raised from 100 per cent ownership of Telstra. However, today I have abstained from voting in this House for a bill that would enable the full privatisation or sale of Telstra. I accept that the bill now before the House will go a long way to securing improved services and future-proofing the organisation against moves by future governments, particularly a Labor Party government, to downgrade services in country Australia, as a Labor government did with the banks—specifically, the Commonwealth Bank service. However, it is my view that the bill should not be acted upon until the Australian people have a direct opportunity to make their views known. Therefore, I propose an amendment—which has been circulated in the House under my name—that would see the bill not acted upon until the people of Australia have had their say in a referendum run in conjunction with the next federal election. I move:

- (1) Clause 2, page 1 (lines 8 to 10), omit subclause (1), substitute:
 - (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, on the day or at the time specified in column 2 of the table, providing that all provisions of the Act have been approved by the Australian people at a plebiscite held in conjunction with the next Federal election.

Mr ABBOTT (Warringah—Leader of the House) (1.20 p.m.)—I move:

That the question be now put.

Question put.

The House divided. [1.24 p.m.]

(The Speaker—Mr Neil Andrew)

| | |
|---------------|-----------|
| Ayes..... | 79 |
| Noes..... | <u>59</u> |
| Majority..... | 20 |

AYES

| | |
|-----------------|-----------------|
| Abbott, A.J. | Anderson, J.D. |
| Andrews, K.J. | Anthony, L.J. |
| Bailey, F.E. | Baird, B.G. |
| Baldwin, R.C. | Barresi, P.A. |
| Bartlett, K.J. | Billson, B.F. |
| Bishop, B.K. | Bishop, J.I. |
| Brough, M.T. | Cadman, A.G. |
| Cameron, R.A. | Causley, I.R. |
| Charles, R.E. | Ciobo, S.M. |
| Cobb, J.K. | Costello, P.H. |
| Downer, A.J.G. | Draper, P. |
| Dutton, P.C. | Elson, K.S. |
| Entsch, W.G. | Farmer, P.F. |
| Forrest, J.A. * | Gallus, C.A. |
| Gambaro, T. | Gash, J. |
| Georgiou, P. | Haase, B.W. |
| Hardgrave, G.D. | Hartsuyker, L. |
| Hawker, D.P.M. | Hockey, J.B. |
| Howard, J.W. | Hull, K.E. |
| Hunt, G.A. | Johnson, M.A. |
| Jull, D.F. | Kelly, D.M. |
| Kelly, J.M. | Kemp, D.A. |
| King, P.E. | Ley, S.P. |
| Lindsay, P.J. | Lloyd, J.E. |
| May, M.A. | McArthur, S. * |
| McGauran, P.J. | Moylan, J. E. |
| Nairn, G. R. | Nelson, B.J. |
| Neville, P.C. | Panopoulos, S. |
| Pearce, C.J. | Prosser, G.D. |
| Pyne, C. | Randall, D.J. |
| Ruddock, P.M. | Scott, B.C. |
| Secker, P.D. | Slipper, P.N. |
| Smith, A.D.H. | Somlyay, A.M. |
| Southcott, A.J. | Stone, S.N. |
| Thompson, C.P. | Ticehurst, K.V. |
| Tollner, D.W. | Truss, W.E. |
| Tuckey, C.W. | Vaile, M.A.J. |
| Vale, D.S. | Wakelin, B.H. |
| Washer, M.J. | Williams, D.R. |
| Worth, P.M. | |

NOES

| | |
|------------------|------------------|
| Andren, P.J. | Bevis, A.R. |
| Burke, A.E. | Byrne, A.M. |
| Corcoran, A.K. | Cox, D.A. |
| Crean, S.F. | Crosio, J.A. |
| Danby, M. * | Edwards, G.J. |
| Ellis, A.L. | Emerson, C.A. |
| Evans, M.J. | Ferguson, L.D.T. |
| Ferguson, M.J. | Fitzgibbon, J.A. |
| George, J. | Gibbons, S.W. |
| Gillard, J.E. | Grierson, S.J. |
| Griffin, A.P. | Hall, J.G. |
| Hatton, M.J. | Hoare, K.J. |
| Irwin, J. | Jackson, S.M. |
| Jenkins, H.A. | Katter, R.C. |
| Kerr, D.J.C. | King, C.F. |
| Latham, M.W. | Lawrence, C.M. |
| Livermore, K.F. | McClelland, R.B. |
| McFarlane, J.S. | McLeay, L.B. |
| Melham, D. | Mossfield, F.W. |
| Murphy, J. P. | O'Byrne, M.A. |
| O'Connor, B.P. | O'Connor, G.M. |
| Organ, M. | Plibersek, T. |
| Price, L.R.S. | Quick, H.V. * |
| Ripoll, B.F. | Roxon, N.L. |
| Rudd, K.M. | Sciacca, C.A. |
| Sercombe, R.C.G. | Sidebottom, P.S. |
| Smith, S.F. | Snowdon, W.E. |
| Tanner, L. | Thomson, K.J. |
| Vamvakinou, M. | Windsor, A.H.C. |
| Zahra, C.J. | |

PAIRS

| | |
|------------------|---------------|
| Macfarlane, I.E. | Beazley, K.C. |
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* denotes teller

Question agreed to.

Question put:

That the bill be agreed to.

The House divided. [1.29 p.m.]

(The Speaker—Mr Neil Andrew)

| | |
|---------------|-----------|
| Ayes..... | 78 |
| Noes..... | <u>59</u> |
| Majority..... | 19 |

AYES

| | |
|---------------|----------------|
| Abbott, A.J. | Anderson, J.D. |
| Andrews, K.J. | Anthony, L.J. |
| Bailey, F.E. | Baird, B.G. |

| | |
|-----------------|-----------------|
| Baldwin, R.C. | Barresi, P.A. |
| Bartlett, K.J. | Billson, B.F. |
| Bishop, B.K. | Bishop, J.I. |
| Brough, M.T. | Cadman, A.G. |
| Cameron, R.A. | Causley, I.R. |
| Charles, R.E. | Ciobo, S.M. |
| Cobb, J.K. | Costello, P.H. |
| Downer, A.J.G. | Draper, P. |
| Dutton, P.C. | Elson, K.S. |
| Entsch, W.G. | Farmer, P.F. |
| Forrest, J.A. * | Gallus, C.A. |
| Gambaro, T. | Gash, J. |
| Georgiou, P. | Haase, B.W. |
| Hardgrave, G.D. | Hartsuyker, L. |
| Hawker, D.P.M. | Hockey, J.B. |
| Howard, J.W. | Hunt, G.A. |
| Johnson, M.A. | Jull, D.F. |
| Kelly, D.M. | Kelly, J.M. |
| Kemp, D.A. | King, P.E. |
| Ley, S.P. | Lindsay, P.J. |
| Lloyd, J.E. | May, M.A. |
| McArthur, S. * | McGauran, P.J. |
| Moylan, J. E. | Nairn, G. R. |
| Nelson, B.J. | Neville, P.C. |
| Panopoulos, S. | Pearce, C.J. |
| Prosser, G.D. | Pyne, C. |
| Randall, D.J. | Ruddock, P.M. |
| Scott, B.C. | Secker, P.D. |
| Slipper, P.N. | Smith, A.D.H. |
| Somlyay, A.M. | Southcott, A.J. |
| Stone, S.N. | Thompson, C.P. |
| Ticehurst, K.V. | Tollner, D.W. |
| Truss, W.E. | Tuckey, C.W. |
| Vaile, M.A.J. | Vale, D.S. |
| Wakelin, B.H. | Washer, M.J. |
| Williams, D.R. | Worth, P.M. |

NOES

| | |
|----------------|------------------|
| Andren, P.J. | Bevis, A.R. |
| Burke, A.E. | Byrne, A.M. |
| Corcoran, A.K. | Cox, D.A. |
| Crean, S.F. | Crosio, J.A. |
| Danby, M. * | Edwards, G.J. |
| Ellis, A.L. | Emerson, C.A. |
| Evans, M.J. | Ferguson, L.D.T. |
| Ferguson, M.J. | Fitzgibbon, J.A. |
| George, J. | Gibbons, S.W. |
| Gillard, J.E. | Grierson, S.J. |
| Griffin, A.P. | Hall, J.G. |
| Hatton, M.J. | Hoare, K.J. |
| Irwin, J. | Jackson, S.M. |
| Jenkins, H.A. | Katter, R.C. |

Kerr, D.J.C.
Latham, M.W.
Livermore, K.F.
McFarlane, J.S.
Melham, D.
Murphy, J.P.
O'Connor, B.P.
Organ, M.
Price, L.R.S.
Ripoll, B.F.
Rudd, K.M.
Sercombe, R.C.G.
Smith, S.F.
Tanner, L.
Vamvakinou, M.
Zahra, C.J.

King, C.F.
Lawrence, C.M.
McClelland, R.B.
McLeay, L.B.
Mossfield, F.W.
O'Byrne, M.A.
O'Connor, G.M.
Pliberseck, T.
Quick, H.V. *
Roxon, N.L.
Sciacca, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Thomson, K.J.
Windsor, A.H.C.

PAIRS

Macfarlane, I.E. Beazley, K.C.

* denotes teller

Question agreed to.

In division—

Mrs Crosio—Mr Speaker, I raise a point of order. For clarity, are we voting on the honourable member's amendment—has she moved it?—or the bill?

The SPEAKER—No.

Mrs Crosio—We are voting on the bill?

The SPEAKER—Let me indicate to the member for Prospect that the question that we last voted on was to put the question. The question is that the bill be agreed to, so we are currently voting on: 'That the bill be agreed to'.

Mrs Crosio—Thank you.

Mr Andren—Mr Speaker, I raise a point of order. Some more clarity, Mr Speaker: could you explain why there was no calling for a seconder on that?

The SPEAKER—Yes. The member for Calare may have noticed that at the conclusion of the member for Riverina's remarks the Leader of the House rose and asked that the question be put, and the amendment had no life of its own; it had not been stated from the chair.

Third Reading

Mr ABBOTT (Warringah—Leader of the House) (1.32 p.m.)—by leave—I move:

That this bill be now read a third time.

Mr TANNER (Melbourne) (1.32 p.m.)—There will be a plebiscite on Telstra. It is called an election, and the National Party will have nowhere to hide—

Mr ABBOTT (Warringah—Leader of the House) (1.32 p.m.)—I move:

That the question be now put.

Question put.

The House divided. [1.38 p.m.]

(The Speaker—Mr Neil Andrew)

| | |
|---------------|----|
| Ayes..... | 78 |
| Noes..... | 59 |
| Majority..... | 19 |

AYES

| | |
|-----------------|----------------|
| Abbott, A.J. | Anderson, J.D. |
| Andrews, K.J. | Anthony, L.J. |
| Bailey, F.E. | Baird, B.G. |
| Baldwin, R.C. | Barresi, P.A. |
| Bartlett, K.J. | Billson, B.F. |
| Bishop, B.K. | Bishop, J.I. |
| Brough, M.T. | Cadman, A.G. |
| Cameron, R.A. | Causley, I.R. |
| Charles, R.E. | Ciobo, S.M. |
| Cobb, J.K. | Costello, P.H. |
| Downer, A.J.G. | Draper, P. |
| Dutton, P.C. | Elson, K.S. |
| Entsch, W.G. | Farmer, P.F. |
| Forrest, J.A. * | Gallus, C.A. |
| Gambaro, T. | Gash, J. |
| Georgiou, P. | Haase, B.W. |
| Hardgrave, G.D. | Hartsuyker, L. |
| Hawker, D.P.M. | Hockey, J.B. |
| Howard, J.W. | Hunt, G.A. |
| Johnson, M.A. | Jull, D.F. |
| Kelly, D.M. | Kelly, J.M. |
| Kemp, D.A. | King, P.E. |
| Ley, S.P. | Lindsay, P.J. |
| Lloyd, J.E. | May, M.A. |
| McArthur, S. * | McGauran, P.J. |
| Moylan, J.E. | Nairn, G. R. |
| Nelson, B.J. | Neville, P.C. |

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|-----------------|-----------------|--------------------------------|-----------|
| Panopoulos, S. | Pearce, C.J. | The House divided. [1.39 p.m.] | |
| Prosser, G.D. | Pyne, C. | (The Speaker—Mr Neil Andrew) | |
| Randall, D.J. | Ruddock, P.M. | | |
| Scott, B.C. | Secker, P.D. | Ayes..... | 78 |
| Slipper, P.N. | Smith, A.D.H. | Noes..... | <u>59</u> |
| Somlyay, A.M. | Southcott, A.J. | Majority..... | 19 |
| Stone, S.N. | Thompson, C.P. | | |
| Ticehurst, K.V. | Tollner, D.W. | | |
| Truss, W.E. | Tuckey, C.W. | | |
| Vaile, M.A.J. | Vale, D.S. | | |
| Wakelin, B.H. | Washer, M.J. | | |
| Williams, D.R. | Worth, P.M. | | |

NOES

| | |
|------------------|------------------|
| Andren, P.J. | Bevis, A.R. |
| Burke, A.E. | Byrne, A.M. |
| Corcoran, A.K. | Cox, D.A. |
| Crean, S.F. | Crosio, J.A. |
| Danby, M. * | Edwards, G.J. |
| Ellis, A.L. | Emerson, C.A. |
| Evans, M.J. | Ferguson, L.D.T. |
| Ferguson, M.J. | Fitzgibbon, J.A. |
| George, J. | Gibbons, S.W. |
| Gillard, J.E. | Grierson, S.J. |
| Griffin, A.P. | Hall, J.G. |
| Hatton, M.J. | Hoare, K.J. |
| Irwin, J. | Jackson, S.M. |
| Jenkins, H.A. | Katter, R.C. |
| Kerr, D.J.C. | King, C.F. |
| Latham, M.W. | Lawrence, C.M. |
| Livermore, K.F. | McClelland, R.B. |
| McFarlane, J.S. | McLeay, L.B. |
| Melham, D. | Mossfield, F.W. |
| Murphy, J. P. | O’Byrne, M.A. |
| O’Connor, B.P. | O’Connor, G.M. |
| Organ, M. | Plibersek, T. |
| Price, L.R.S. | Quick, H.V. * |
| Ripoll, B.F. | Roxon, N.L. |
| Rudd, K.M. | Sciacca, C.A. |
| Sercombe, R.C.G. | Sidebottom, P.S. |
| Smith, S.F. | Snowdon, W.E. |
| Tanner, L. | Thomson, K.J. |
| Vamvakinou, M. | Windsor, A.H.C. |
| Zahra, C.J. | |

PAIRS

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|------------------|---------------|
| Macfarlane, I.E. | Beazley, K.C. |
|------------------|---------------|

* denotes teller

Question agreed to.

Question put:

That this bill be now read a third time.

AYES

| | |
|-----------------|-----------------|
| Abbott, A.J. | Anderson, J.D. |
| Andrews, K.J. | Anthony, L.J. |
| Bailey, F.E. | Baird, B.G. |
| Baldwin, R.C. | Barresi, P.A. |
| Bartlett, K.J. | Billson, B.F. |
| Bishop, B.K. | Bishop, J.I. |
| Brough, M.T. | Cadman, A.G. |
| Cameron, R.A. | Causley, I.R. |
| Charles, R.E. | Ciobo, S.M. |
| Cobb, J.K. | Costello, P.H. |
| Downer, A.J.G. | Draper, P. |
| Dutton, P.C. | Elson, K.S. |
| Entsch, W.G. | Farmer, P.F. |
| Forrest, J.A. * | Gallus, C.A. |
| Gambaro, T. | Gash, J. |
| Georgiou, P. | Haase, B.W. |
| Hardgrave, G.D. | Hartsuyker, L. |
| Hawker, D.P.M. | Hockey, J.B. |
| Howard, J.W. | Hunt, G.A. |
| Johnson, M.A. | Jull, D.F. |
| Kelly, D.M. | Kelly, J.M. |
| Kemp, D.A. | King, P.E. |
| Ley, S.P. | Lindsay, P.J. |
| Lloyd, J.E. | May, M.A. |
| McArthur, S. * | McGauran, P.J. |
| Moylan, J. E. | Nairn, G. R. |
| Nelson, B.J. | Neville, P.C. |
| Panopoulos, S. | Pearce, C.J. |
| Prosser, G.D. | Pyne, C. |
| Randall, D.J. | Ruddock, P.M. |
| Scott, B.C. | Secker, P.D. |
| Slipper, P.N. | Smith, A.D.H. |
| Somlyay, A.M. | Southcott, A.J. |
| Stone, S.N. | Thompson, C.P. |
| Ticehurst, K.V. | Tollner, D.W. |
| Truss, W.E. | Tuckey, C.W. |
| Vaile, M.A.J. | Vale, D.S. |
| Wakelin, B.H. | Washer, M.J. |
| Williams, D.R. | Worth, P.M. |

NOES

| | |
|--------------|-------------|
| Andren, P.J. | Bevis, A.R. |
| Burke, A.E. | Byrne, A.M. |

| | |
|------------------|------------------|
| Corcoran, A.K. | Cox, D.A. |
| Crean, S.F. | Crosio, J.A. |
| Danby, M. * | Edwards, G.J. |
| Ellis, A.L. | Emerson, C.A. |
| Evans, M.J. | Ferguson, L.D.T. |
| Ferguson, M.J. | Fitzgibbon, J.A. |
| George, J. | Gibbons, S.W. |
| Gillard, J.E. | Grierson, S.J. |
| Griffin, A.P. | Hall, J.G. |
| Hatton, M.J. | Hoare, K.J. |
| Irwin, J. | Jackson, S.M. |
| Jenkins, H.A. | Katter, R.C. |
| Kerr, D.J.C. | King, C.F. |
| Latham, M.W. | Lawrence, C.M. |
| Livermore, K.F. | McClelland, R.B. |
| McFarlane, J.S. | McLeay, L.B. |
| Melham, D. | Mossfield, F.W. |
| Murphy, J. P. | O'Byrne, M.A. |
| O'Connor, B.P. | O'Connor, G.M. |
| Organ, M. | Plibersek, T. |
| Price, L.R.S. | Quick, H.V. * |
| Ripoll, B.F. | Roxon, N.L. |
| Rudd, K.M. | Sciacca, C.A. |
| Sercombe, R.C.G. | Sidebottom, P.S. |
| Smith, S.F. | Snowdon, W.E. |
| Tanner, L. | Thomson, K.J. |
| Vamvakinou, M. | Windsor, A.H.C. |
| Zahra, C.J. | |

PAIRS

| | |
|------------------|---------------|
| Macfarlane, I.E. | Beazley, K.C. |
|------------------|---------------|

* denotes teller

Question agreed to.

Bill read a third time.

COMMITTEES

Public Works Committee

Reference

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (1.40 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed Christmas Island community recreation centre.

The Department of Transport and Regional Services proposes to construct a new com-

munity recreation centre on Christmas Island. In March last year, the government announced that it would construct an immigration reception and processing centre and fund a dedicated community recreation centre on Christmas Island. The Department of Transport and Regional Services, in conjunction with the Christmas Island community, developed a scope of works for the recreation centre in the period that the infrastructure for the immigration reception and processing centre was being built. Following completion of the infrastructure works for the immigration reception and processing centre and following a community consultation process, there is now a strong community expectation that the Commonwealth will commence construction of the recreation centre. The proposed recreation centre on Christmas Island will be in the form of a dedicated sports facility and will include a swimming pool, a multiuse recreation hall, change rooms, and ancillary rooms and service areas.

This project has been identified to serve the community needs of an increased population. With major projects such as the immigration reception and processing centre and the Asia Pacific Space Centre project still to be built, the long-term forecast for the population growth of Christmas Island has been estimated at 5,000. The recreation centre is to be constructed adjacent to the existing community sports oval. This location on the upper plateau provides the most comfortable environmental conditions on the island for active sports. The new community infrastructure will support the objective of the government to provide conditions and services that are aligned with those in comparable mainland communities. It will provide all-weather sporting infrastructure and create short- and long-term job opportunities for the local community, to help relieve unemployment and develop the skill base of the island.

The proposed new community recreation centre is designed to balance the commercial and social benefits for all Christmas Islanders in this unique Commonwealth territory. The works for the recreation centre will comply with all relevant Commonwealth and Western Australian town planning, building and safety regulations. All works will be undertaken to ensure that any potential environmental damage to the area is minimised. A comprehensive community consultation program has been implemented throughout the planning and development stages of the proposed community recreation centre, involving the Christmas Island administration, stakeholders and the local community. The estimated cost of the new proposal is \$8 million. I commend the motion to the House.

Question agreed to.

Public Works Committee

Reference

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (1.44 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Development of off-base housing for Defence at Queanbeyan, NSW.

The Defence Housing Authority proposes a major residential development to provide 40 new residences at Queanbeyan in New South Wales. The role of the Defence Housing Authority is to provide suitable housing to meet the operational needs of the Australian Defence Force and the requirements of the Department of Defence. The Defence Housing Authority satisfies Defence accommodation requirements with a mixture of off-base construction, with a view to retaining the properties or selling them with a lease attached; on-base construction, to accord with Defence operational or policy requirements; and/or, if

such construction is the most cost-effective for all concerned, direct purchase with a view to retaining the properties or selling them with a lease attached, and direct lease from the private rental market.

In locations where there is a high level of Defence demand, constructed housing delivered through bulk procurement contracts is the most effective provisioning option because plans can be geared to Defence requirements. This project involves developing a residential site previously used as a pitch-and-putt business in Queanbeyan. The site is presently vacant.

Defence Housing Authority surveys undertaken with defence personnel based in the Australian Capital Territory region have shown a clear preference for detached dwellings, with townhouses being the second choice. Apartments are the least preferred. Taking these preferences into account, it is proposed to construct 40 residences comprising 33 detached dwellings and seven townhouses. The new residences will be fully compliant with current Defence and community standards.

The proposed project will have a positive effect on the local community and economy during the construction period, both through persons working directly on the site and through the many more persons working off-site supplying material, plant and equipment. The construction of these new dwellings is not expected to affect either the sale or rental markets for residential accommodation in the Queanbeyan area. The estimated cost of the proposal is \$12 million. Subject to parliamentary and Defence Housing Authority board approval, the construction program is planned to commence in February next year, with the delivery of all completed dwellings expected to occur by November 2004. I commend the motion to the House.

Question agreed to.

Public Works Committee**Approval of Proposal**

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (1.47 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Redevelopment of the Australian Institute of Sport, Bruce, ACT.

The Australian Sports Commission proposes a major redevelopment of the Australian Institute of Sport at Bruce in the Australian Capital Territory. The Australian Sports Commission was formally established by the Australian Sports Commission Act 1989, which brought together the existing Australian Institute of Sport and other government sport related functions. This amalgamated the delivery agencies for the twin objectives of the government in sport—namely, excellence in sports performances by Australians and improved participation in quality sports activities by Australians.

On 24 April 2001, the Prime Minister and the then Minister for Sport and Tourism announced the new 10-year plan of the government for Australian sport: Backing Australia's Sporting Ability—A More Active Australia. The plan demonstrates the commitment of the Howard government to maintaining our level of sporting success and is backed by funding totalling close to \$550 million over the four years to 2005 to be delivered by the Australian Sports Commission. The commission has evaluated its capital investment needs for the next 20 years, distilling the most important and pressing of those needs into a four-year investment plan. This plan requires a major investment in improved facilities to redress significant short-

comings at the Australian Institute of Sport at Bruce.

The longer term investment strategy and the four-year plan will re-establish the Bruce campus as the national centre of excellence in sport. The four-year investment plan comprises a mix of facility replacement and new facility capabilities. Key facilities problems directly impact on the ability of the commission to train elite athletes, safeguard their welfare and operate effectively as the national centre for excellence in sports development and education. While uniquely suited to elite training purposes, the Bruce facilities are now about 20 years old and comparable to the standard of facilities found in regional sports centres. Substantial infrastructure and facility investment is required to enable the innovation and continuous improvement needed to maintain the campus status as the national centre for excellence for the development of sport in Australia.

This proposal includes the following components: new residential, dining and athlete education facilities; an Australian Institute of Sport service hub, which will incorporate a strength and conditioning gymnasium, a new indoor testing facility, a new indoor training facility, a hydrotherapy recovery centre and a coaches services centre; upgrading of technology features and airconditioning of training halls and the Australian Institute of Sport arena; an extension of the gymnastics hall; a combat sports facility; an aquatic testing and training facility; improvements to the existing pool complex; a new sports development and education centre; modernisation of the Australian Sports Commission building; improvements to the rowing centre; and upgrading of campus trunk engineering and support infrastructure.

The estimated out-turn cost of the works is \$65.4 million. In its report, the Public Works Committee has recommended that

this project proceed. The Australian Sports Commission accepts the recommendation of the committee. Subject to parliamentary approval, the works are scheduled to commence in early 2004 and to be completed in mid-2007. On behalf of the government, I would like to thank the committee for its support, and I commend the motion to the House.

Question agreed to.

Public Works Committee

Approval of Proposal

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (1.51 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Provision of facilities for the collocation and re-equipping of 1st aviation regiment at Robertson Barracks, Darwin.

The Department of Defence proposes to provide new facilities at Robertson Barracks in the Northern Territory to support the relocation of the 1st Aviation Regiment to Darwin. In December 2001, the Howard government approved the acquisition of 22 armed reconnaissance helicopters at a cost of \$1.3 billion. The aircraft, referred to as the Tiger, will be introduced into service between the end of 2004 and mid-2008, with initial deliveries assigned to the Army Aviation Training Centre at Oakey in Queensland. The combat unit to be equipped with the Tiger is the Army's 1st Aviation Regiment.

The potential of the new aircraft will be optimised by locating training and operations in a single regimental site. Presently, the regiment has its headquarters, technical and logistic support and other elements located at Oakey in Queensland. Its two reconnaissance

squadrons are located at Lavarack Barracks in Townsville, North Queensland, and at the Royal Australian Air Force Base Darwin. An element of a surveillance squadron is also located at Darwin. Locating the regiment at Robertson Barracks, Darwin, will co-locate it with the 1st Brigade, which is the mechanised ready formation of the Army. This is consistent with the intended capability of the 1st Aviation Regiment. The 1st Aviation Regiment will comprise some 400 personnel and 17 aircraft.

The following facilities are to be provided by this project: headquarters facilities for the regiment, the two flying squadrons, the technical support squadron and the logistics support squadron; a logistics precinct comprising the regimental quartermaster store catering for regimental and squadron equipment, stores and maintenance requirements; a specialised workshop for aircraft repair and maintenance; a discrete workshop for the repair and maintenance of vehicles and stores; hangars for 12 aircraft, workshop shelters for a further five aircraft and approximately 160 unit vehicles; an aircraft wash bay, compounds, aircraft parking aprons and taxiways, and take-off and landing pads; training facilities including instructional facilities and a simulation facility specific to the needs of pilots, battle captains, flying instructors and operational planners; engineering services, roads and landscaping, inclusive of relevant security measures for the new asset; and live-in accommodation for up to 110 personnel within the Robertson Barracks complex.

Over the construction period of some two years, an average of about 150 personnel will be directly employed on construction activities. In addition, it is anticipated that construction will generate further job opportunities off-site in the design, manufacture and distribution of materials. I outline to the House that the honourable member for

Solomon has been a particularly strong supporter of this project. The budget for the proposed work is \$75 million. In its report, the Public Works Committee has recommended that this project proceed. Subject to parliamentary approval, construction will start in early 2004 and be completed by mid-2005. On behalf of the government, I thank the committee for its support and I commend the motion to the House.

Mr SNOWDON (Lingiari) (1.56 p.m.)—Firstly, I acknowledge that the member for Solomon will want to make a contribution before question time, so my comments will be rather short. I thank the parliamentary secretary for bringing this notice on today so that we can get the works going in Katherine, at the Tindal Air Base, and at Robertson Barracks. These are very important works.

Mr Slipper—And on Christmas Island?

Mr SNOWDON—Yes. Christmas Island in particular is extremely important for my electorate. I commend the government for bringing this work forward. The business and employment opportunities that arise out of these works are extremely important, particularly to the community of Christmas Island at this particular time. They are also of vital importance to the community of Katherine, because the Air Force base at Tindal is very important—indeed central—to the Katherine economy. It is very important in the life of the Katherine community and indeed of the Northern Territory, as are Robertson Barracks. Since the movement of Defence facilities into Northern Australia, the Northern Australian community have welcomed them. They feel very comfortable having the defence community involved with the community. They see the benefits that it brings to Australia in terms of our defence posture and, importantly, they also see the benefits that the defence community brings

to our community in Northern Australia. I commend the motion to the House.

Mr TOLLNER (Solomon) (1.57 p.m.)—I thank the member for Lingiari for his support for this project. I also thank my good friend the member for Fisher for drawing my attention to this opportunity to talk about the vital provision of Defence Force facilities to the growing number of Defence Force personnel already in Darwin and in the Northern Territory. I fully support the federal government's recognition that people are Defence's greatest asset and that there is a need to provide the conditions to attract and retain people with the right skills.

Darwin has a wonderful relationship with defence people. This stems from a long history—probably from what we call Australia's Pearl Harbor, and the recent turmoil in East Timor—that demonstrates our support for Defence in the Territory. To illustrate this on a personal level, a good friend who plays basketball with me, Paul Scruton, is a tank driver. He is not much of a basketballer, but he is a damn good bloke and typical of all of the Defence Force people in Darwin.

The Army's 1st Aviation Regiment has been equipped with 22 armed reconnaissance helicopters—called the Tiger—at a cost of around \$1.3 billion. The unit's two reconnaissance squadrons are located at Lavarack Barracks in Townsville, North Queensland, and at RAAF Base Darwin. I applaud the proposal to re-equip the unit, reorganise it and bring it together into a single location at Robertson Barracks. On behalf of the brave men and women of the Defence Force, I congratulate the federal government for moving quickly to build these facilities for re-equipment of the 1st Aviation Regiment at Robertson Barracks by mid-2005. It will be an important component of a strong Defence Force in Australia. In the electorate of Solo-

mon we welcome the 1st Aviation Regiment to Darwin.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (1.59 p.m.)—Mr Speaker, before you put the question, the Parliamentary Secretary to the Minister for Defence reminds me that she has also been a very strong supporter of this proposal.

Question agreed to.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—I inform the House that the Deputy Prime Minister and Minister for Transport and Regional Services will be absent from question time today. The Deputy Prime Minister is attending an AgQuip conference in Gunnedah. I will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Charitable Organisations

Mr LATHAM (2.00 p.m.)—My question is directed to the Treasurer. Has the Treasurer seen representations from the Cancer Council of New South Wales pointing out that his Charities Bill 2003 will limit the extent to which the Cancer Council can speak out in the battle to defeat cancer? Those representations state:

Many of the local services and health programs provided by the Western Sydney Regional Office of the Cancer Council will have to be cut back or even discontinued if the charities bill is passed, a big loss for the 1.9 million people (of Sydney's west).

Can the Treasurer assure the House that his bill will in no way limit the work and services of the Cancer Council in the all-important fight to beat this terrible disease?

Mr COSTELLO—As I have made entirely clear, the draft bill which the government has prepared in relation to charities codifies the current common law. I would

have thought the member for Werriwa, if he had not understood that previously, would have understood that by reading what I wrote in the *Financial Review* on the subject yesterday.

Mr Latham—I read your brother.

Mr COSTELLO—He interjects that he did not read it. I would recommend to him that he read what I had to say in the *Financial Review* yesterday, which is this: 'As the commissioner's charities pack currently provides, in order to be a charity at common law, one needs to have a charitable purpose. One can engage in lobbying activity, if that is incidental to the charitable purpose.' The instructions which were given to the parliamentary draftsman were in fact to produce a bill which codified that position, and the bill does in fact do that. As I have also indicated, this is the reason why the government is in no great rush to pass the bill because, whether the bill passes or not, the law on this point does not change: to be a charity one must have a charitable purpose. One can engage in lobbying activity, if that is incidental to the charitable purpose. But a lobby group—that is, a group which exists for a predominant or dominant purpose of lobbying—does not qualify under the common law, nor would it qualify under the draft bill.

Mr Latham—I seek leave to table a letter from the Cancer Council of New South Wales. The letter is to members of parliament in Western Sydney, of which I am one.

Government members interjecting—

Mr Latham—They are representations to me and your colleagues.

Leave granted.

Foreign Affairs: Indonesia and East Timor

Mrs ELSON (2.03 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on the

state of Australia's relationship with Indonesia and East Timor?

Mr DOWNER—I thank the honourable member for Forde for the interest she shows in these important bilateral relationships. Today we have visiting us here in Canberra the foreign minister of Indonesia, Hassan Wirajuda, and I have had a very enjoyable part of the morning with him. I know the Prime Minister has seen him this morning and I think the Treasurer and other ministers either have seen him or are to see him.

Amongst other topics that the foreign minister and I discussed, we agreed that Australia and Indonesia would co-host a regional ministerial conference on counter-terrorism early next year. We have been able to work through some of the broad details of who will be invited to that conference and the nature of it. I would just say that both Hassan Wirajuda and I believe that the more we can do to contribute to strengthening regional cooperation on counter-terrorism the better. Our two countries have worked extraordinarily well together on counter-terrorism since the Bali bombing and this will be a very major step forward, I believe, in enhancing regional cooperation right across the region into the future.

Both of us agreed that our bilateral relationship is in good shape. The Minister for Trade can take some credit for the fact that we have never in Australia's history had more trade with Indonesia than we had during last calendar year. We have been able to discuss in a constructive way issues of mutual concern such as Papua and Aceh and also the very important and significant issue for the ASEAN region, and that is the current situation in Burma.

On Monday Hassan Wirajuda is coming to the Adelaide Hills, as is Jose Ramos-Horta, the foreign minister of East Timor. We will all meet together in the electorate of Mayo

and we will hold the second trilateral dialogue at the ministerial level between Australia, Indonesia and East Timor. I know those two foreign ministers will be warmly welcomed in Mayo, and they are warmly welcomed, more generally of course, in Australia. That trilateral dialogue worked very well the last time it was held in Indonesia. I think it provides a valuable opportunity for the three of us to talk in an informal setting particularly about security developments in the region, and obviously the issue of terrorism, but importantly the future of United Nations involvement in East Timor now that East Timorese independence is well and truly under way. So I think our relationship with Indonesia, as well as with East Timor, is in very good shape and is a very strong relationship. It is built partly on the strong people-to-people links we have and our commercial links, but I think the work we have been doing together on counter-terrorism, through our military, our police, our intelligence services and our diplomats, has really thrown our two countries together in a way that we have not worked together in the past.

Transport: Lawrence Hargrave

Mr ORGAN (2.07 p.m.)—My question is to the Prime Minister. The date 17 December marks the centenary of flight by the Wright brothers. Can the Prime Minister inform the House what arrangements have been made to ensure that the groundbreaking work of Australia's father of flight, Lawrence Hargrave, at Stanwell Park in my electorate, is honoured? In view of the New South Wales government's reluctance to address the issue of the closure of Lawrence Hargrave Drive and its severe impact on the local community, what financial assistance can the government provide to ensure that this historic, scenic and vitally important transport and tourism route remains open?

Mr HOWARD—I thank the member for Cunningham for his question. I must confess that without checking I am not aware of the arrangements that have so far been made. I am a temporary stand-in as transport minister today. I undertake to raise the matter with my colleague and friend the Deputy Prime Minister and Minister for Transport and Regional Services. I share the member for Cunningham's view in full that Hargrave was a great Australian and a name synonymous with all the brave pioneering days of early aviation. I will talk to the Deputy Prime Minister about the matter and further inform the honourable gentleman as soon as I can.

Solomon Islands

Mr CIOBO (2.08 p.m.)—My question is addressed to the Minister for Foreign Affairs. With the gun amnesty due to expire in the Solomon Islands at midnight tonight, would the minister update the House on the progress of the Australian led regional assistance mission?

Mr DOWNER—I thank the honourable member for Moncrieff for the interest he shows in Operation Helpem Fren, the Australian led operation to help restore law and order and economic prosperity in the Solomon Islands. The weapons amnesty which was imposed after the arrival of the intervention force comes to an end at midnight tonight. The leaders of the Regional Assistance Mission to the Solomon Islands expect that over 3,000 weapons will have been collected by the conclusion of the amnesty at midnight tonight. Final details are going to take a few days to complete, given the very large number of weapons that have been collected. Latest reports indicate that well over 300 of these weapons were high-powered ex-police guns. Other weapons collected include light machine guns, grenade launchers and numerous shotguns, rifles and hand guns. Also,

interestingly, 300,000 rounds of ammunition have been collected.

Many weapon handovers have been accompanied by community peace ceremonies and on-the-spot destruction of weapons. This means that these terrible weapons are no longer a threat to the lives of ordinary Solomon Islanders. After a very few weeks, I think it has to be accepted that the intervention force has been enormously successful in taking a very large number of guns out of the Solomon Islands. Every day during the amnesty weapons were handed in, but we have to understand that from tonight there will be no amnesty and accept that, nevertheless, there will still be some guns out there in the Solomon Islands. The regional assistance mission will be going after those guns, and people found with those guns will have to face the Solomon Islands justice system. I have great confidence that the regional assistance mission will be able to find those weapons, because it is able to use advanced technology, sophisticated and well-trained police and other resources. It is also able to get the assistance of the local community to find, take and ultimately destroy the weapons.

Work on one of the very central issues that we have to address—budget stabilisation—has now commenced in earnest. Senior public servants are able to work properly in ministries like the finance department because they are no longer subject to harassment or intimidation from gunmen in the community. Australian experts are now taking up in-line positions to assist the rebuilding of the government administration. Our immediate priorities are to ensure that public servants such as schoolteachers get paid on time and that government departments can deliver basic services such as health to the people of the Solomon Islands. Australia can be well proud of the role we have played in leading the regional intervention force, and we should

pay great tribute to those who are in that force for the excellent work they have done so far.

Minister for Regional Services, Territories and Local Government

Mr CREAN (2.12 p.m.)—My question is to the Prime Minister. Now that the Prime Minister has had time to examine all the documents relating to the Minister for Regional Services, Territories and Local Government, is he aware of advice from the South Australian police on 5 September, before the minister wrote any of his letters, that the minister's son's case had been reviewed and the penalty confirmed?

Government member interjecting—

Mr CREAN—‘So what?’ you ask. Is the Prime Minister also aware of the provisions of the South Australian Police Act which make it unlawful for the police minister to intervene in a police matter that has already been reviewed and the penalty confirmed? The Prime Minister nods that he is aware of that. Does the Prime Minister therefore now acknowledge that each of Minister Tuckey's letters, on 25 September, 11 November and 16 January, urge the South Australian police minister to break the law? Why does the Prime Minister tolerate a minister who has consistently and repeatedly urged another minister to break the law remaining in his cabinet?

Mr HOWARD—I am aware that, when the minister's son wrote, there was a reply sent which said something substantially to the effect of what the Leader of the Opposition has suggested. I am aware of that. I am not aware, without checking, of any other advice from the police. That may be the police advice to which the Leader of the Opposition is referring. It is my recollection, without looking at the papers—and I could be wrong; I may have to correct this—that this reply from the police was in fact appended to

the minister's first letter to the South Australian minister. That is my recollection.

It remains the case that the minister made representations. Whether the minister was across the detail of South Australian law when he wrote, I do not know. In fact I doubt if he was aware of the provisions of the South Australian law.

Opposition members interjecting—

Mr HOWARD—Mr Speaker, if members of the opposition want an answer they will stop interjecting; otherwise I will sit down.

The SPEAKER—The Prime Minister is entitled to be heard in silence. I have drawn this to the attention of a number of opposition members.

Mr HOWARD—It remains the case that any citizen is entitled to make representations. Effectively what the Leader of the Opposition is alleging is that every time somebody writes to a minister or to the Treasurer complaining about their taxation assessment they are asking—

Opposition members interjecting—

Mr HOWARD—No—the Treasurer to break the law, because the Leader of the Opposition knows full well that the Commissioner of Taxation has full statutory independence and it would be a breach of the law for the Treasurer to try and interfere with it. So any suggestion to that effect is absolute nonsense. It is an absurd proposition and it is an attempt to justify this flailing effort by the opposition to impugn the legality of what the minister did, as distinct from what I have made very plain was the lack of common-sense he displayed.

Taxation: Business Tax Reform

Mr FARMER (2.17 p.m.)—Mr Speaker, my question is addressed to the Treasurer. Would the Treasurer please advise the House of tax initiatives aimed at increasing trade and investment and jobs in Australia? Are

there any alternative policy approaches which may benefit the people of Macarthur and, indeed, all Australians?

Mr COSTELLO—I thank the honourable member for Macarthur for his question and for the work that he does for the people of Macarthur. It is good to have good representation out there in the western suburbs of Sydney from a good member. Today I signed, with the British High Commissioner, Sir Alastair Goodlad, a new Australia-United Kingdom double taxation treaty. This follows on from the successful renegotiation of the Australia-United States double taxation agreement. It acts according to the recommendation that was given to the government by the Ralph Review of Business Taxation to modernise our tax treatment network. It reduces withholding taxes on interest, royalties and dividends. It gives Australian businesses that are expanding overseas a better opportunity to grow their markets—to find new markets and new profit centres so that they can bring income back to Australia. It will also help British companies that want to come and invest here in Australia—Britain being the second largest investor in Australia. We have to recognise that in the modern world, as our companies want to go and become world size, we have to give them a fair go out there growing job opportunities for Australians. I commend the Australia-UK double tax agreement to the parliament and to the Joint Committee of Public Accounts and Audit—I know the member for Curtin, as chair of the committee, will be looking at it shortly—for their consideration.

This is part of this government's proposals to cut tax, to reduce tax on business and to create jobs. What is the benefit of a successful business sector in this country? It is this: since the government has been elected, one million new jobs have been created in the Australian economy. You cannot create new jobs without having successful businesses.

There is no employee without an employer. Unless you have a business that can make a profit, there is not a person who can actually offer a job—and we want to offer jobs to people in Macarthur and elsewhere.

One thing we know of the Labor Party, of course, is the Labor Party wants taxes in this country to be higher. I have remarked already on the ominous silence we get when we raise the question of stamp duty in this parliament—not a whimper over stamp duty from the Australian Labor Party. I have alerted the House to the heinous campaign of the ACTU, which is complaining that tax is too low in this country and that we are the sixth lowest-taxing country in the OECD. I have alerted the House to the fact that they want to put up a Medicare surcharge. But do you know that the Australian Labor Party has announced a tax increase of \$470 million on the mining sector in Australia? That is an increase of 2c a litre on every mining company that operates in Australia. So who is going to lose out? Those people who work in mining companies—the kinds of people that the Labor Party used to pretend it looked after: people who were miners, who went down the mines and wanted to know that they had a job at the end of the day. And yet we find the federal Labor Party is proposing to increase tax in this country. What does the member for Hunter say about that? The Hunter used to be a proud mining area. We say to the miners of the Hunter, 'This member no longer represents you.' He does not represent the miners of the Hunter anymore—\$470 million in diesel fuel rebates.

Mr Speaker, I can inform the House that not all Labor is as stupid as federal Labor. The mining minister in the Tasmanian government was asked today about how his concern for the mining industry sits with federal Labor's policy to reduce the diesel fuel rebate by 10 per cent. In the Tasmanian parliament today, Mr Lennon said—and I com-

mend him to his comrades, the minister for mining down in Tasmania:

On the issue of the Diesel Fuel Rebate let there be no doubt at all the Tasmanian government does not support the position being advanced by Federal Labor on this issue.

One-nil Tasmanian Labor over federal Labor.

DISTINGUISHED VISITORS

The SPEAKER (2.22 p.m.)—I inform the House that we have present in the gallery this afternoon Mr Jilal Talabani, a member of the Iraqi governing council, one of the nine rotating presidents and Secretary-General of the Patriotic Union of Kurdistan. On behalf of the House, I extend to Mr Talabani a very warm welcome.

Honourable members—Hear, hear!

The SPEAKER—The Prime Minister was seeking indulgence and I indicated I would extend it to him and the Leader of the Opposition.

Mr HOWARD (Bennelong—Prime Minister) (2.23 p.m.)—Mr Speaker, I request your indulgence on two matters. Firstly, I would like to take the opportunity on behalf of the Australian government to welcome our distinguished visitor from Iraq. In particular, I convey to him and to all the citizens of his country our profound condolences on the outrage that claimed the lives of not only some distinguished servants of the United Nations but also people of Iraq—and not only in that outrage but in many others. The thoughts of all Australians are very much with the Iraqi people and we wish them the full opportunities of freedom within the world, the opportunity at the earliest possible occasion to govern themselves and the right to live in peace and harmony with their neighbours.

On another note, and a very important note, I would like to acknowledge the presence in the gallery of the victorious Aus-

tralian school debating team which has just won the world championships.

Honourable members—Hear, hear!

Mr HOWARD—I might say, Mr Speaker, that they defeated Singapore, affirming the proposition ‘that governments should remain tough on drugs’. The team comprises Chris Croke of New South Wales, who is the captain; Sasha Boder-Smith of New South Wales; Eleanor Bensley of Western Australia; Frances Bevan of Tasmania; and Julia Featherston of the Australian Capital Territory. They are accompanied by many of their proud and supportive parents. They are great young ambassadors for our country. Debating is an important life skill and I wish all of them well in their future careers.

Mr CREAN (Hotham—Leader of the Opposition) (2.25 p.m.)—On indulgence, Mr Speaker, I too would like to welcome to the House Mr Jilal Talabani. I join with the Prime Minister in expressing personally to you and to your people, on behalf of the Australian people, the condolences reflected in a motion carried by this parliament yesterday. Not only are our condolences with you but also our sincere hopes for the rebuilding of peace and a democratic country as soon as is possible. Not only are our prayers with you, but our best wishes for your future as well.

With great pleasure I too would like to welcome the Australian debating team. World champions—congratulations. Having seen what you have seen in your first couple of minutes in this place, you will know you do not have a lot to learn in here and that you have a lot to teach us—and in that regard I speak for the whole House but, more significantly on this occasion, the other side of the House! I was interested to see some comments made by the team at the time of their victory. One winner said they loved debating because they could hold an audience in the palm of their hand. We would like to learn

that skill! Chris, from the victorious team, said, 'It culminated in the love of arguing.' I am sure that we join you in that, because with the amount of time we spend in this place doing just that, we can clearly identify with you. It is a great achievement to be world champions. You have been up amongst the best of them but you are the best. Our congratulations go to you. I have no doubt that we will be following your careers with great interest in years to come. The very best from the House.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Minister for Regional Services, Territories and Local Government

Mr CREAN (2.27 p.m.)—I again ask the Prime Minister: is the Prime Minister seriously suggesting that it is appropriate for a minister in his government to use his ministerial office to urge a state police minister to take a course of action which, if adopted, would break the law?

Mr HOWARD—In answer to that question I repeat what I said before: it is perfectly proper and lawful for representations to be made. What the Leader of the Opposition is saying is analogous to saying that anybody who writes to a minister complaining about their tax return is urging him to break the law.

Workplace Relations: Public Sector

Mr BAIRD (2.28 p.m.)—My question is addressed to the Minister for Employment and Workplace Relations. How is the government driving workplace relations best practice in the public sector? Would the minister give examples of public sector workplace relations practices, particularly in local government in Sydney. What problems have been created and what is the government's response?

Mr ABBOTT—I thank the member for Cook for his question, and I can assure him that the government is committed to driving workplace relations best practice, particularly in the way Commonwealth government agencies operate. I am pleased that the level of industrial disputes in the Commonwealth Public Service has dropped significantly over the last few years, and that managers are making much better use of the freedoms and flexibilities available under the Workplace Relations Act, such as non-union certified agreements and Australian workplace agreements.

There is a right and a wrong way to drive workplace relations change. When he first went onto Liverpool council, the member for Werriwa described local government as 'a sheltered workshop'. As soon as he became mayor, the member for Werriwa tried to double the mayoral salary and to introduce a new \$60 allowance for every meeting he attended. He then put the senior staff on individual contracts and, according to the local paper, set up a hit list of senior officers who did not meet with mayoral approval. This was so popular that council workers passed a resolution of no confidence in Mayor Latham by a margin of 243 votes to two! In response, Mayor Latham accused council staff—this is the respect he has for the working people of Liverpool—of sleeping under trees during work hours, rorting RDOs and having a featherbedding and jobs-for-life mentality.

The member for Werriwa says that he is against crony capitalism, and he has been particularly agitated about people making representations on behalf of family members. When he was on the council, one councillor asked: 'Is it true that Mr Latham's sister was employed by council? If it is, was political influence used to get her a job?' That was the question put. According to the local paper, the member for Werriwa almost started a fist

fight over this question—until the then mayor, Craig Knowles, intervened. In 1992, when the member for Werriwa was the mayor—

Mr Latham—Mr Speaker, I rise on a point of order. I was never on Liverpool council when Craig Knowles was mayor.

The SPEAKER—The member for Werriwa will resume his seat.

Mr Latham—The minister opposite is misleading the House.

The SPEAKER—The member for Werriwa will resume his seat!

Mr Latham—I ask him to withdraw.

The SPEAKER—I ask the member for Werriwa to resume his seat! The minister was asked a question about workplace reform in the public sector with an emphasis on local government. If the member for Werriwa has been misrepresented, there are other forums of the House for dealing with that, and I will recognise him after question time.

Mr Latham—Mr Speaker—

The SPEAKER—Order! The member for Werriwa will resume his seat. I have not concluded my statement. There are other forums of the House for misrepresentation. I will recognise him after question time. What the minister said was not unparliamentary, nor did it require a withdrawal. The minister's remarks seem to me to be rather historic, but I will recognise him because he is consistent with the question.

Mr Latham—Mr Speaker, I take offence at the suggestion that somehow I have been involved in a fist fight, restrained by someone who was the mayor of the council, when I was not even there. I take offence—

The SPEAKER—The member for Werriwa will resume his seat, or I will be forced to deal with him! I have indicated to the member for Werriwa the facilities of the

House that are available to him if he is misrepresented. The minister has the call.

Mr ABBOTT—I can understand the member for Werriwa's consternation, but at the close of this answer I will table documents and that will put the member for Werriwa's mind at rest. In 1992, when the member for Werriwa was the mayor, Liverpool council gave the member for Werriwa's sister a job as a caretaker, including rent-free accommodation in a historic council property.

Ms Gillard—Mr Speaker, I raise a point of order on a question of relevance. I listened closely to the question. It was about work practices—that is, present tense—in local government in Sydney. This is material from the last century. It cannot possibly be relevant, and I ask you to bring the minister back to the question.

The SPEAKER—The member for Lalor will be aware that I had already made reference to that. The minister has the call; the minister's answer is in order. The minister will, however, bring his answer to something relevant to the parliament.

Mr ABBOTT—The job was given to the member for Werriwa's sister without proper disclosure and without advertising the position.

Ms Gillard—Mr Speaker, on a point of order: he is defying your ruling.

The SPEAKER—The member for Lalor will resume her seat. The minister has the call. He will bring his question to something relevant to the issue currently before the parliament.

Mr ABBOTT—Let me say this: if the member for Werriwa is against crony capitalism, what has he been practising? Crony socialism? In fact, he is not so much a crony socialist as a phoney socialist!

Mr Martin Ferguson—Mr Speaker, I raise a point of order, and it goes to a question of relevance and your previous ruling.

The SPEAKER—The member for Batman will resume his seat.

Mr Martin Ferguson—On a point of order, Mr Speaker—

The SPEAKER—I have listened to the member for Batman. He said—

Mr Martin Ferguson—No, you haven't. You haven't given me a chance to be heard.

The SPEAKER—I warn the member for Batman! Let me point out to the member for Batman: he said he had a point of order on the basis of relevance. I had deemed the answer was relevant, and it was for that reason that I interrupted him. The member for Batman.

Mr Martin Ferguson—Further to the point of order, Mr Speaker, you asked that the minister be relevant to the question asked, which was about work practices in the public sector. He is clearly defying the chair, and it is about time he treated you with some respect.

The SPEAKER—For reasons that will be self-evident, I listened very closely to the minister's response. The minister clearly was no longer making the reference he had been making and, for that reason, I allowed him to continue.

Mr ABBOTT—Mr Speaker, let me bring this answer to a close. In one of his books, the member for Werriwa said, 'The ALP has always been an ideologically confused party.' It is not so much that the Labor Party is ideologically confused but that the member for Werriwa is a socialist failure. That is what he is; he is a socialist failure. I table the relevant documents.

Mr Zahra interjecting—

The SPEAKER—The member for McMillan is warned!

Opposition members interjecting—

Minister for Regional Services, Territories and Local Government

Mr GAVAN O'CONNOR (2.37 p.m.)—My question is to the Minister for—

Mr Downer interjecting—

Mr Martin Ferguson interjecting—

The SPEAKER—The Minister for Foreign Affairs and the member for Batman, the member for Corio has the call and is entitled to be heard.

Mr Downer—Mr Speaker, I rise on a point of order. I ask the Leader of the Opposition to withdraw an interjection which referred to the family of the Minister for Employment and Workplace Relations—

Opposition members interjecting—

Mr Downer—I actually do not regard it as funny; I regard it as profoundly offensive. This is the Leader of the Opposition who wanted to raise the standards of the parliament but who is plumbing new depths.

Honourable members interjecting—

The SPEAKER—Order! The member for Wills!

Mr Latham—I was saying I know my son.

The SPEAKER—The member for Werriwa is only compounding the complications here enormously. I did not hear any remarks made by the Leader of the Opposition. There were inappropriate remarks made on both sides of the House. I do not believe this is going to be assisted by any further action from the chair at this stage. I ask all members to exercise more restraint. I call the member for Corio.

Mr GAVAN O'CONNOR—Thank you, Mr Speaker. I will speak loudly so that members opposite can hear. My question is to the Minister for Regional Services, Territories and Local Government. Can the minis-

ter explain why he falsely claimed to the South Australian police minister and to the House during his ministerial statement yesterday that he was merely pursuing 'natural justice' for his son? Isn't it the case that the minister's son got natural justice, just like any other citizen, but that the minister refused to accept this and pursued a special deal by writing to the South Australian police minister?

The SPEAKER—The member for Corio will come to his question.

Mr GAVAN O'CONNOR—Wouldn't real natural justice be for the minister to now resign?

Mr Pyne—Mr Speaker, I rise on a point of order. The question clearly was an entire argument. There was no question in that. I cannot see how that is in keeping with the standing orders of the House, and I would ask you to rule it out of order.

The SPEAKER—I listened closely to the question. The member for Sturt is correct in that there was argument in the latter part of the question. At that point I asked the member for Corio to come to his question, and he did so.

Mr TUCKEY—There is clearly a misapprehension as to my position on these matters, as was just demonstrated. Accordingly, I want to deal with those issues raised to date. First, as I indicated to the House, I made it plain in my letter to the then South Australian state police minister that I was writing on behalf of my son. Second, I referred to it as a constituent inquiry. In any representations I make on behalf of others, wherever they reside, I have always treated such letters as a constituent matter to differentiate them from other official business.

During my time as a member of parliament and a minister, I have received numerous requests from many parts of Australia, and WA in particular, from people seeking

my representations. Many of these people reside in Labor electorates—as does my son, in the electorate of Swan. My policy has always been to make such representations wherever possible, and I have always categorised such representations as constituent work, irrespective of the address of the individual involved.

However, as indicated in my statement to the House yesterday morning, I want to make it clear that, if my words were construed as indicating my son is an elector in the seat of O'Connor, then I wish to again make it clear he is not a resident in the electorate of O'Connor. Third, as I also advised the House yesterday, I wrote two letters to the South Australian state police minister on ministerial letterhead. The third was written on my electorate stationery. I have apologised for the use of the ministerial letterhead and do so again now.

I deal directly with claims of misleading the House that have been raised by the opposition. In my answer to the member for Corio on Tuesday, my reference to not pressing the matter any further was a reference to the three letters he mentioned in his question. I can understand why some people might put a different construction on the *Hansard* record, and perhaps I should have made myself more clear. I am sorry that in the swirl and fog of question time I did not do so.

With respect to the allegation that I misled the House when I said, 'I did not ask that it be changed,' my initial letter makes it clear that I asked for the matter to be reconsidered, not changed. Subsequently, I called for the minister to reconsider the additional costs imposed. This is clear from my letter of 16 January 2003. All I could do, and all I did, was to make a representation. It was a matter for the South Australian authorities to examine the matters put to them and come to a conclusion. I sought to have the matters ex-

amined and to be advised of the outcome, which the South Australian minister eventually did after referring the matter to the police department in the way representations of this sort are, I presume, normally handled.

The two subsequent letters were about the way the matter was handled, rather than the initial infringement. Indeed—and this may be of some interest to the opposition—the South Australian authorities have remedies available to them to have the matter reconsidered. My son was advised by letter on 15 May 2003 that he could lodge an application to have the enforcement order revoked. This letter came from the Courts Administration Authority of South Australia. In the letter from the Courts Administration Authority he is advised that once the application—the application they sent to him—had been completed and lodged he would be notified of the hearing date to attend court and, if successful in his application, the enforcement order would be removed and the fine reinstated to the original amount.

While I acknowledge that I should have handled aspects of the matter differently in terms of the letterhead, I have tried at all times to be frank and honest with the parliament and hope this answer and earlier statements resolve any misunderstanding or lack of clarity. In my almost 23 years in the House of Representatives I have never sought to mislead the House and I did not intentionally do so in dealing with these matters.

Mr Crean—I ask the minister to table the document from which he just read.

Mr TUCKEY—I am happy to table it.

Trade: Iraq

Mrs MAY (2.46 p.m.)—My question is addressed to the Minister for Trade. Would the minister inform the House how the Australian government and Australian companies

are helping Iraq restore its economy? What role will trade play in reconstructing Iraq?

Mr VAILE—I thank the member for McPherson for her question. Obviously, increased trade and investment flows as the Iraqi people take control of their country, and the resources in their country will play a crucial role in the ongoing development of Iraq for the benefit of the Iraqi people.

This morning I had the opportunity of meeting with the Hon. Jalal Talabani, the member of the Iraqi Governing Council who was here in the chamber a short while ago, to have a discussion on these issues with regard to the sorts of things that the Australian government and Australia as a nation trading in the region can do with Iraq and the future administration of Iraq. This was the first visit to Australia by an Iraqi political leader since the fall of Saddam Hussein's regime.

During our discussions this morning, Mr Talabani thanked me and the Australian government and people for their participation in the liberation of Iraq. I made it clear to him that the deplorable terrorist attack earlier this week in Baghdad will not deter the coalition or the international community from our shared commitment to help the Iraqi people achieve peace, democracy and economic development. Australia is continuing to work together with the Iraqi people to assist with Iraq's rehabilitation.

We agreed in those discussions that trade and investment will in fact be key drivers in the rebuilding of the Iraqi economy. Mr Talabani said to me that he is keen to see Australian companies build closer ties with their Iraqi counterparts. That is already happening. There are a number of Australian companies that are active in the region that have sought out joint venture arrangements to participate in the rebuilding of Iraq—companies like AWB, Worley, Sagric, GRM, Multiplex and

APW have already made contact with their counterparts in Iraq.

As far as the government is concerned, we are providing an Australian expert to act as an adviser in the establishment of an Iraqi trading bank. We are helping to rebuild the Iraqi ministry of trade and are providing agricultural experts, led by Trevor Flugge, to the Iraqi Governing Council to rehabilitate Iraq's agricultural sector. It is well known that we have established a mission headed up by Ambassador Neil Mules in Baghdad. We have a senior trade commissioner at the moment in Kuwait working with Iraqi companies looking to make contact with Australian business. It is interesting to note that Australia has helped feed the people of Iraq by delivering 400,000 tonnes of wheat since hostilities ended.

What we want to see is Iraq governed by Iraqis in a manner that upholds the basic principles of democracy and leads to sustained economic development. We will continue to work on behalf of Australian companies and with Iraqi authorities to see this achieved.

Minister for Regional Services, Territories and Local Government

Mr GAVAN O'CONNOR (2.50 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government. I ask the question in light of his answer to the previous question relating to the 'swirl and fog of question time' and his lengthy explanation to the House, which ignored the question that I asked in relation to natural justice. Why has the minister repeatedly and falsely claimed in this House that his son was denied natural justice? Isn't it the case that full natural justice—

Mrs Bronwyn Bishop—I rise on a point of order, Mr Speaker. Mr Speaker, I draw your attention to standing order 76, which says:

All imputations of improper motives and all personal reflections on Members shall be considered highly disorderly.

It does also require you, Mr Speaker, to intervene under standing order 77 and, if the member persists, under 303 he should be named by you. I ask you to uphold the standing orders and ask him to desist or indeed to name him.

The SPEAKER—The member for Corio will start his question again and not use the term that he used. I agree with the member for Mackellar. I cannot even recall the word, precisely, but he knows what I am referring to.

Mr GAVAN O'CONNOR—I will rephrase the question. My question is to the Minister for Regional Services, Territories and Local Government. Why has the minister repeatedly and falsely claimed in this House that his son was denied natural justice? Isn't it the case that full natural justice was granted to the minister's son but the minister sought a political fix to get the outcome he wanted? Given that the minister has seriously misled the House on the pursuit of the natural justice issue, will he now resign?

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. The member for Corio still used the word 'falsely' in the question which was supposed to be reworded. I would again draw your attention to standing order 76. There is imputation continually coming from the member opposite and personal reflections on the minister, and I would ask that you ask him to desist from so doing, in accordance with standing order 76.

The SPEAKER—The member for Mackellar is right that the question contained an imputation. Unfortunately it is not new. I will allow the question to stand. I ask the member for Corio to reconsider the way in

which he phrases future questions. The question stands.

Mr TUCKEY—The answer I gave previously does identify issues relating to natural justice, and I do not have any more to add.

Small Business: Employment

Mr CHARLES (2.53 p.m.)—My question is addressed to the Minister for Small Business and Tourism. Would the minister inform the House of any proposals for an arbitrary across-the-board cap on working hours for Australian workers? Where else has this proposal been tried? What impact would this have on Australia's 1.1 million small businesses?

Mr HOCKEY—I would like to thank the member for La Trobe, himself an experienced small businessman. He set up his own business as a carpenter and built it into a very large building company. Now he has built up a great Liberal seat in La Trobe, and we look forward to his Liberal successor building on that hard work. There is a consistent message from Australia's 3.3 million small business—

Mr Latham interjecting—

Mr HOCKEY—That message is for governments to get out of the way and for there to be less regulation—'Please do not restrict us; please do not overtax us.'

Mr Fitzgibbon—You said it was 1.1 million.

The SPEAKER—I warn the member for Hunter!

Mr HOCKEY—I was alarmed when I recently heard that the President of the ACTU, Sharan Burrow, wants to introduce a cap on working hours—more regulation and more red tape for small business. I thought I had heard of this idea somewhere. I married it with the fact that I know that the Leader of the Opposition has a great fondness for Bordeaux. So one plus one equals—

Mr Gavan O'Connor—You're not sure.

Mr HOCKEY—One plus one—it had better add up. One plus one equals a French example of the Labor Party's policy being put into practice. A simple search of the Internet found headlines such as 'French workaholics beware: the law is moving in', 'Making hard work illegal' and 'Only in France: Government fines companies for overtime'. Small businesses in France say that labour inspectors are hiding in bushes on stake-out looking for lights on in offices, counting cars in company parking lots and photographing licence plates.

So you can imagine: Sharan Burrow at five past seven at night, holding a clock at the window—tap, tap, tap, 'Out; all out!' Or how about Craig Johnston, the AMWU boss—we remember him; Skilled Engineering fame—using some of his riot, affray and criminal damage and aggravated burglary skills to get people out of the office at five past five? How about some of the ETU boys asking staff to take a trip down to Trades Hall for some questioning about just how long they might be working? How about the CFMEU? They have a history of entering buildings. We remember them entering Parliament House a few years ago. They do not need excuses such as this. So how are the small businesses in France coping with this?

Get a load of this—this is the red tape the Labor Party wants for small business. According to the French media, employees are smuggling laptops and cellular phones under their raincoats to get past the labour inspectors; businesses are renting hotel rooms for staff to work in secret; and small businesses are reintroducing punch cards. Of course, all of this costs money. So to pay for it, the French government will have to raise more than \$5 billion in new taxes next year. We know the Labor Party is very fond of taxes—very fond of higher taxes. Well, here is an

excuse. As one French business operator put it, 'If we're obligated to go to 35 hours, it would be like requiring French athletes to run the 100 metres wearing flippers.' If the member for Hotham and his friends in the ACTU keep attacking small business, they are going to put all of Australia's 1.1 million small businesses in a decompression chamber.

Minister for Regional Services, Territories and Local Government

Mr CREAN (2.57 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government, and it refers to the explanation he just gave to the House, in particular his argument that he did not mislead the House when he said to it, 'I did not ask that it be changed'—that is, the fine. What you had asked, Minister, according to your statement, was that the matter be 'reconsidered' not 'changed'. Minister, didn't you state in your letter dated 25 September 2002 to the police minister that, instead of the fine imposed—I quote you—'in the circumstances, I consider a warning would have been appropriate'? How can the minister seriously claim that he did not seek to get the decision imposing the fine changed, when he writes a letter like that?

Mr TUCKEY—I have already stated and covered these matters in my recent answer—

Mr Bevis interjecting—

The SPEAKER—The member for Brisbane is warned!

Mr TUCKEY—and I stand by that in every respect.

Heritage: Preservation

Mr DUTTON (2.59 p.m.)—Time for a real question. My question is addressed to the Minister for the Environment and Heritage.

Mr Tanner—Mr Speaker, I rise on a point of order. You regularly admonish opposition

questioners for such comments. Why don't you admonish the member for Dickson?

Mr Ripoll interjecting—

The SPEAKER—The member for Oxley is warned! The member for Melbourne is right—on the other hand, if I had dealt with the matter of preambles for questions then there would have been a number of others which would have been dealt with today as well.

Mr DUTTON—My question is addressed to the Minister for the Environment and Heritage. Would the minister advise the House on the progress of the Howard government's programs to protect and preserve our environment and built heritage? What support has the government received for its heritage initiatives?

Dr KEMP—I thank the honourable member for Dickson for his very substantial question. The government believes that Australia has a quite remarkable heritage. We have places of triumph and tragedy, buildings that have witnessed great events, machines that led the world in their day and an Indigenous heritage important in the whole human story. It is a heritage of which Australians are very proud. It underpins our national identity as a democratic, confident, inventive nation. Today the Senate has passed the Howard government's landmark heritage legislation that will establish, for the first time, a truly national scheme for the identification and preservation of our nationally important heritage. On the basis of this legislation, the government will be engaging the Australian people in a national effort to identify our most significant national heritage. Every major heritage organisation in Australia supported this legislation, which was negotiated, in the end, between the government and Senator Meg Lees's Australian Progressive Alliance. The Australian Council

of National Trusts has called this legislation a major step forward for heritage.

Mr Tanner interjecting—

The SPEAKER—The member for Melbourne is warned!

Dr KEMP—There is only one organisation which has consistently opposed this legislation, and that is the Australian Labor Party. The Australian Labor Party was deaf throughout this process to the pleas and support of Australia's heritage organisations. I think the problem is that many in the Australian Labor Party have a completely different view of our national heritage: they think that our national heritage is a cause not for pride and celebration but a cause for shame. The member for Melbourne has been good enough to put his views on national heritage on the public record in his book *Open Australia*. What does he think about national heritage? He thinks that our national identity is 'laden with uncertainty, doubt and inferiority'. In a speech to a Young Labor conference the member for Jagajaga opined this opinion:

Australia, a nation that once embraced people in distress, has become a captive of encouraged prejudice.

The Left of the Labor Party meet every Saturday morning in their wine bars and coffee shops and tell each other how prejudiced the rest of Australia is and how ashamed they ought to be of their national heritage.

Mr Rudd—Mr Speaker, I rise on a point of order on relevance. What does this have to do with national heritage, the environment or anything faintly connected with the minister's portfolio?

The SPEAKER—The member will resume his seat. The minister has the call.

Dr KEMP—This is a problem that the Labor Party face: they have a left wing which believes that this country should be

ashamed of its heritage and its history, and we have members who are putting this on the public record. They are even out of touch with their own grassroots, and indeed with some of the state premiers. I had a letter from the Tasmanian Premier Jim Bacon urging me to include the historic Port Arthur site on the new national list under this legislation. He made his request based on the fact that this legislation would release some \$13.4 million of new funding for the preservation of Australian heritage. So while we have state premiers supporting the legislation, we have the federal Labor Party opposing it right down to the wire because they do not have that pride in Australia which most Australians have and which the government has. Mr Speaker, Labor's opposition to these bills and to the distinctively Australian program just shows how out of touch they are. They are opposed to it.

Ms King interjecting—

The SPEAKER—The member for Ballarat is warned!

Mr Kelvin Thomson—Mr Speaker, I rise on a point of order. The minister is anticipating debate on the Senate amendments which are due to come back before the House. Given that he refused to allow debate on this bill when it came here the first time, he should at least—

The SPEAKER—The member for Wills has made his point of order and will resume his seat. I will listen closely to the minister's response. He is aware of the anticipation rule.

Dr KEMP—This government is proud of Australia. Crean Labor have no understanding of Australia's past, no idea of where we are now and no idea about where they want to go in the future.

Fuel: Ethanol

Mr CREAN (3.06 p.m.)—My question is to the Prime Minister. I ask: now that he has had more than a week to reflect on his statements to the House last week, will he apologise for misleading the House about the contents of his meeting with Mr Honan on 1 August last year? In particular, will he apologise for his claim: ‘when I met Mr Honan, we did not discuss pending imports of Brazilian ethanol either generically or the specific Trafigura shipment’? Prime Minister, isn’t this claim directly contradicted by the minute of your meeting with Mr Honan on 1 August 2002 which outlined the Prime Minister’s discussions with Mr Honan about ‘cheaper Brazilian product’?

Mr Cameron Thompson interjecting—

The SPEAKER—The member for Blair is warned!

Mr HOWARD—The answer to the Leader of the Opposition’s question is the same as the answer that I have given persistently, and that is that I do not believe that I have misled the House. I simply repeat to the Leader of the Opposition that the context in which I answered questions, the context set by the member for Chisholm when she asked the question, clearly indicates that I did not mislead the House. I therefore will not be acceding to the invitation so graciously extended to me by the Leader of the Opposition.

Ms Burke interjecting—

The SPEAKER—The member for Chisholm will withdraw that remark.

Ms Burke—I withdraw the remark, ‘The Prime Minister lied.’

Drought: Assistance

Mr BRUCE SCOTT (3.08 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Has the minister seen recent reports concerning state

based drought payments? How do these payments, Minister, compare with the Australian government’s continuing assistance package to drought affected farm families and small businesses?

Mr TRUSS—I thank the honourable member for Maranoa for the question. I know he will be pleased to know that the farmers in the Stanthorpe and Inglewood area in his own electorate are amongst those who have recently been declared eligible for exceptional circumstances. He has lobbied long and hard on behalf of those farmers. He has had to battle, like many other Queensland farmers, with state applications from a government that could not care less about the plight of farmers.

In fact, the Queensland government was not even prepared to involve itself in the preparation of applications up until it was shamed into it a few months ago. The agricultural organisations in that state have had to take the task upon themselves and people like AgForce have had to do the work. But at last these farmers are now to receive benefits along with quite a large number of other Australian farmers. In fact, 65 per cent of the landmass of Australia—the agricultural areas—is now covered by exceptional circumstances or interim assistance. So the Commonwealth is making a deep and significant commitment to drought assistance. As I mentioned to the House earlier in the week, around \$1 billion is committed to provide support for farmers at the present time.

That contrasts very sharply with the efforts of the state governments. I have noticed lately, on a number of occasions, state governments telling everybody about their achievements. The Queensland minister boasted about having provided \$4.8 million in assistance to Queensland farmers through the state subsidy scheme—a mere \$4.8 million. The Commonwealth takes only three

days to provide that amount of assistance to Australian farmers, and that is all that the Queensland government has been able to manage for its producers for the drought. Its effort is indeed shameful.

In the Victorian rural press, there was boasting from the Victorian government that it is giving close to \$50 million worth of assistance. I have often given credit to the Victorian government for doing more than other states. Indeed, Victoria has spent more than all the other states put together. However, as far as the Victorian state Labor government is concerned, the drought was over as soon as the election was over. So this amount is also its total expenditure, because it does not believe there is any drought in Victoria any more—except that it keeps lodging applications with the Commonwealth for exceptional circumstances. There is not a drought there that is bad enough for the Victorian government to offer any assistance, but it keeps demanding that the Commonwealth do more and more. Frankly, that kind of hypocritical approach brings no credit on that government whatsoever.

But it is worse than that. Many of these state governments are not only providing paltry help to farmers in need and withdrawing what little assistance they have got but also, in most instances, imposing new taxes and charges on drought stricken farmers—at a time when they can least afford it. The Treasurer has often spoken about the 300 increased taxes in the last Victorian state budget; many of those fall heavily on farmers. A recent report in Queensland has spoken about over 800 new taxes and tax rises that the Queensland government has introduced since the arrival of Premier Beattie on the scene, and many of those are particularly targeted at farmers. Now the state government has introduced a new charge for farmers moving their cattle from one property to another, and so drought stricken farmers are

affected by a new tax when they want to move their stock. There are increased freight rates for moving precious hay and fodder to drought stricken areas. What about their incredible new tax on farm dams? Farm dams, many of which are stone empty in the drought, are now subject to a new Queensland government tax. Not only are they providing no assistance; they are eroding the value of the billion dollars worth of assistance that the Commonwealth is providing to farmers. That is not the kind of partnership we need in these sorts of circumstances. Never once have I heard a member opposite bring to task their state government for the lousy performance it has put up in this drought.

If that has not added insult to injury, a real shudder went around the farms of Australia when farmers heard that Labor was going to abolish the excise rebate, the diesel fuel rebate, for the mining industry—abolishing the rebate for miners. The real concern is that, if they can do it to miners, the next call will be farmers; next time there is a spending spree by Labor, farmers will lose the diesel fuel rebate as well. Labor has no commitment to farmers; Labor in state governments has demonstrated it—and here in the federal House it has been just as bad.

Minister for Regional Services, Territories and Local Government

Mr CREAN (3.14 p.m.)—My question is again to the Prime Minister. Isn't it the case that the Prime Minister is unable to take action against the Minister for Regional Services, Territories and Local Government for his repeated breaches of the ministerial code of conduct and his repeated misleading of this House because to do so would expose the Prime Minister's double standards in relation to his own misleading over Manildra?

The SPEAKER—No—

Mr Howard—Mr Speaker, I am very happy to take the question.

The SPEAKER—The Prime Minister might be happy to take the question, but I am not happy that a question that includes the term ‘double standards’ should stand. The Leader of the Opposition is aware of the fact that imputations in questions should not stand. If the Leader of the Opposition cares to rephrase the question, I will allow it to stand.

Opposition members—He was okay with schizophrenia.

Mr CREAN—The Prime Minister’s own actions—it seems strange that ‘schizophrenia’ can stand and ‘double standards’ cannot.

The SPEAKER—The Leader of the Opposition will resume his seat or I will deal with him.

Mr HOWARD—Was that a rephrased question?

The SPEAKER—That was the rephrased question.

Mr HOWARD—I will answer the first one; I did not catch the rephrased one. Let me say to the Leader of the Opposition: nothing has changed my view about the context in which I made those answers in September 2002. I do not believe that I misled the House. In the time that I have been in this place I have always set out to be truthful and candid with this parliament. As to the position of the minister for regional services, I have already indicated my view of the wisdom of the action that he took, but he has endeavoured to cover the matters in a detailed answer to a question. I indicated to the House yesterday that in the material I had studied I was unpersuaded that the circumstances warranted my withdrawing his commission, and thus far I have not heard or seen anything to alter that provisional view.

Mr Crean—I seek leave to move a motion of censure against the government.

Leave not granted.

PRIME MINISTER

Censure Motion

Mr CREAN (Hotham—Leader of the Opposition) (3.16 p.m.)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Leader of the Opposition moving: That this House censures the Prime Minister for allowing the complete erosion of ministerial and parliamentary standards.

Mr Nairn interjecting—

The SPEAKER—The Leader of the Opposition is entitled to be heard in silence.

Mr CREAN—By any standards, the Minister for Regional Services, Territories and Local Government must resign or be sacked—that is, by any standards other than those applied by the Prime Minister of the day. The Prime Minister has so debased his ministerial code that his ministers can do or say anything, and he lets them get away with it. Wilson Tuckey did, and so far he is being allowed to get away with it. But we on this side of the House say that the government should be censured for allowing this circumstance to happen. The real problem of course is that the Prime Minister cannot move on his minister, because he himself has breached the same code. He himself has misled this parliament. Both the Prime Minister and the minister for territories have misled the parliament.

I ask the gallery to understand that we use the term ‘misleading parliament’, and indeed it is a serious offence—one of the most serious that can be committed in this parliament. It results in resignation. That is what misleading the parliament does. However, in normal parlance it means that they are not telling the truth. If they are not telling the

truth to the parliament, they are not telling the truth to the Australian people. Now more than ever before, people need to be able to trust and believe in what their government tells them. This fortnight shows how that trust has been betrayed yet again.

Yesterday, the member for Corio posed the question, 'Where's Wilson?' because a censure motion was attempted against that minister and the government would not take that censure either. Just as it is not taking the censure now, it would not take it yesterday. The question, 'Where's Wilson?' was posed, and I want to give the answer. He sits there. He sits disgraced, he sits isolated and he sits gagged. He has been called a fool and an embarrassment by his own side. These are not criticisms any more, they are qualifications. These are the very qualifications that now pass for sitting on the frontbench of the Prime Minister's ministry. This is a person who the government has admitted did wrong, a person who is a fool and a person who is an embarrassment, yet he is allowed to stay in Prime Minister Howard's—

Mr Ross Cameron—Mr Speaker, I rise on a point of order. The moving of a censure motion does not alleviate the requirement to use parliamentary language.

The SPEAKER—Neither of the terms used by the—

Ms Roxon interjecting—

The SPEAKER—When I next need the advice of the member for Gellibrand I will call on her—if she is still in the House. The Leader of the Opposition has the call.

Mr CREAN—The other day, the minister for territories came into the parliament to give his explanation—his apology. His defence was pathetic then, and it remains pathetic and flawed today. But understand that what he did was apologise for two things: one, using his ministerial letterhead and, two, the fact that he held his son out to be a con-

stituent of his when he was not. But these explanations are simply not good enough. It is not just how he did it, it is what he did. This goes to the very core of why this minister has breached the code of conduct and why he must resign. The reason the minister must resign is that he used his office to get a special deal for his son and, if that special deal had been agreed to, it would have broken the law. The Prime Minister says his minister did not break the law, but the fact remains that he sought to break the law, because he wrote to the Minister for Police in South Australia—not once, but on three occasions—urging the minister to a course of action which, if adopted, would break the law. The minister urged that not once but on three occasions, and he used his ministerial office to do it.

Now, he argues that the third letter was on his electoral office letterhead. It was, but it still had him listed as minister. I might also say it is very interesting to look at the sequence: why did he put the last letter on his electoral letterhead? Because it followed the Helen Coonan fiasco in the other chamber, when the Prime Minister warned his ministers that they should not use ministerial letterhead. Why didn't the minister go to the Prime Minister then and fess up to this indiscretion? The fact of the matter is that it does not matter how it was done; it was what was done.

Let us just go to his explanation today in the House—the three excuses. When he spoke in this House, he said—misled—that he did not press the matter. He did. He pressed it on three occasions, and it is worse now because he pressed it on all three of those occasions after his son had exhausted the mechanism for review himself—after he had got a letter back from the South Australian police saying, 'We've looked at it and the penalty stands.' The minister did not write until his son had been knocked back.

So he not only pressed it; he pressed it after the penalty was imposed and he pressed it on three occasions.

His second point today was that he asked that the matter be reconsidered, not changed. I ask people in the audience: what is the point of writing to ask for reconsideration if you are not expecting a change? Do you really treat the people as fools, Minister? In any event, I just refer you to your own letter, in which you specifically said, when the penalty had been imposed, 'Don't do it. Give a warning instead.' That is change—and you nod in acknowledgement. And then, in a further letter, you wrote again. Having made the point that your two subsequent letters were only about the conduct of the proceedings, not seeking a change, you specifically asked for the costs to be waived. Minister, you have misled again today. You cannot help yourself. You are a serious misleader. You cannot tell the truth.

The SPEAKER—The Leader of the Opposition will address his comments through the chair.

Mr CREAM—Insofar as the situation concerns his final explanation, that the court's administration authority provided an opportunity for his son to get the matter reviewed, of course they did—but that was through the court system. What he sought to do was to get it changed through the police minister, and that was improper, that was unlawful and that is what the police minister of South Australia told him. Yet this minister persisted. The Prime Minister's code of conduct is quite specific. It says:

Ministers must be honest in their public dealings and should not intentionally mislead the Parliament or the public. Any misconception caused inadvertently should be corrected at the earliest opportunity.

It goes on to say:

... it is important that ministers and parliamentary secretaries avoid giving any appearance of using public office for private purposes.

And:

Ministers should not exercise the influence obtained from their public office, or use official information, to obtain any improper benefit for themselves or another.

You have breached this code on three occasions, Minister, and the Prime Minister should dismiss you. This is his code of conduct, but we may as well tear it up because, as far as you are concerned, he has torn it up. The minister has breached this on three occasions and he stands condemned. Worse, the Prime Minister stands condemned because he is not only overseeing this government and allowing ministers to do and say what they like, to use their ministerial office to advantage their sons; the Prime Minister is using it to advantage his mates, and he is misleading the parliament as well.

We have the circumstances of not 'helpem fren'; we have 'helpem son', 'helpem mate' and 'helpem brother'—John Howard's brother, Minister Tuckey's son and John Howard's mate Dick Honan. Special deals if you are on the inside. Secret deals in breach of the Prime Minister's code of conduct. Matters that should be condemned. The Prime Minister should dismiss the minister, and he himself stands condemned. This House must censure this government in the strongest possible terms. What they have done is an outrage. (*Time expired*)

The SPEAKER—Is the motion seconded?

Mr Latham—I second the motion and reserve my right to speak.

Mr ABBOTT (Warringah—Leader of the House) (3.27 p.m.)—Mr Speaker, don't they hate the Prime Minister? Doesn't it cloud their judgment!

Mr Kelvin Thomson interjecting—

The SPEAKER—The member for Wills is warned!

Mr ABBOTT—Hasn't their hypocrisy been shown up again and again, today especially, Mr Speaker? Here we have a Prime Minister who has just been in New Zealand fighting for our country, fighting for our country's values, and who has achieved a mighty coup for our country, establishing our leadership of the South Pacific. Then the Prime Minister went to China to cement the relationship with that great nation, a relationship that has recently produced a \$25 billion deal of benefit to Australia.

Mr Latham interjecting—

The SPEAKER—The member for Werriwa may have seconded the motion, but he will be excused from the House if he persists with his interjections. He knows that. The minister has the call. He will be extended the same courtesies I expected extended to the Leader of the Opposition.

Mr ABBOTT—The Prime Minister, as always, has been supplying outstanding national leadership to this country, not just at home but abroad. And what has been happening amongst members opposite? They have been brooding on their bitterness, they have been nursing their resentment, and the best they could come up with was to recycle the failed tactics of last week. That is the best thing they could come up with—recycling the tactics that got them nowhere last week, as demonstrated by the recent Newspoll, which shows that the Leader of the Opposition is more unpopular than ever and, particularly, more unpopular with his own backbench because of yet another tactical failure in this House today. I can understand why members opposite hate the Prime Minister; it is because he has put them to shame again and again and again. In seven years, this government and this Prime Minister have achieved for Australia things that members

opposite in their 13 years could only dream of. They hate the Prime Minister because—

Ms Gillard—Say something nice about Wilson, Tony!

The SPEAKER—The member for Lalor is warned!

Mr ABBOTT—he has been responsible for achieving gun control in this country, something that had evaded state and federal governments of both political persuasions for decades. They hate the Prime Minister because he has achieved tax reform in this country—a reform that the former government, the former Prime Minister and the then Treasurer tried desperately to achieve, only to have their ambitions torpedoed by their Siamese twin, the ACTU.

They hate the Prime Minister because he has achieved workplace relations reform in this country—workplace relations reform that members opposite started to edge towards in 1993 but were not able to bring to fruition because of their Siamese twin, the ACTU. Thanks in part to that workplace relations reform, there are more than one million new jobs, there are higher wages, there are fewer strikes and there are greater protections for the workers of Australia. And doesn't it embarrass members opposite that this is the government which has been the true worker's friend in this country? This is a government which has helped the average Australian worker. This is a Prime Minister who has done the right thing by the average Australian worker in a way that the failed union hacks opposite have never been able to do.

They hate the Prime Minister because he was able to bring in Work for the Dole. He was able to achieve something akin to a revolution in the way this government delivers employment services—and members opposite did their best to sabotage it; members opposite did their best to stop him—and he

achieved it to the tremendous benefit of the job seekers of Australia. He has established the principle that in this country we do not focus on what you cannot do but on what you can do, and we give people an opportunity to show what they are made of.

They hate him because he has been the liberator of East Timor, and doesn't that embarrass them. For many years they had to live with their guilty consciences over East Timor—a poor, suffering, persecuted nation under the heel of a form of colonialism. It took this Prime Minister, this great Prime Minister, to set those people free. They hate the Prime Minister because he has introduced proper border protection into this country. For years, if you could get here, you could stay here. And didn't so many people get here because we had no proper border protection? But this Prime Minister, assisted ably by the minister for immigration, put proper border protection in place and, in so doing, he has re-established support for our immigration system, re-established the social consensus, restored social stability and enabled all Australians to feel proud of the rich diversity of our people and our country.

And above all else, they hate him because, in the conflict over Iraq, this was a Prime Minister who was prepared to stand by Australia's friends and stand up for Australia's values in a way that members opposite just could not do. They let down Australia and they are rightly ashamed of themselves. That is why they hate this Prime Minister and this government. This is the greatest Prime Minister since Bob Menzies; he is the greatest Liberal since Bob Menzies. He has had them on the run for the last seven years, and he will keep them on the run. That is why they hate him and that is the real reason for this spurious censure motion that they have moved today.

Let us deal briefly with this question of ministerial standards. On the question of the meeting with Dick Honan, that was not the question that members opposite asked. If they asked the wrong question, they cannot expect anything other than an answer which does not—

Mr Crean interjecting—

The SPEAKER—The Leader of the Opposition would expect me to interrupt if he were being interrupted.

Mr ABBOTT—If they ask a question which specifically refers to the Trafigura Brazil ethanol shipment and the Prime Minister's answer refers to the Trafigura Brazil ethanol shipment, they cannot complain if they do not get all the information they want. The Prime Minister has not misled this parliament, as the Prime Minister has said again and again in answer to question after question from members opposite. If you look at the context of the questions and the context of the answers, what he has said is perfectly in order, perfectly appropriate, and certainly not a misleading of the parliament.

Then we come to the Minister for Regional Services, Territories and Local Government. There is no doubt, no doubt at all, that the minister for regional services made a mistake. There is no doubt at all that the minister for regional services did something that was inappropriate—perhaps even foolish. The minister for regional services has been more than abundantly rebuked privately and publicly, and I will say this for the minister for regional services: he has taken it; he has taken it appropriately, contritely and humbly. He will continue to be an outstanding minister in an outstanding government. The minister for regional services has owned up to his mistake. It is a significant mistake but it is not a mistake that justifies his dismissal.

I am absolutely certain that when the minister for regional services reflects on this

week, it probably will not be that week which he remembers with the most affection. I suspect that the minister for regional services will leave this parliament tonight feeling pretty low. But the fact is that this is a good minister; this is a minister who has done outstanding work to protect his portfolio constituents. This is a minister who is a fine Australian. He is a great fighter for the people of his electorate and he is passionate about his values. When he made his mistake he was big enough to apologise and he was big enough to come into this parliament, humble and contrite. When have we ever seen the Leader of the Opposition being big enough to apologise for anything? The Leader of the Opposition talks about ministerial standards. What about the standards of the Leader of the Opposition? The Leader of the Opposition has on his frontbench someone who assaulted a taxi driver—

Mrs Irwin interjecting—

The SPEAKER—The member for Fowler!

Mr ABBOTT—who broke a taxi driver's arm and who appears to have driven this taxi driver onto the disability support pension. And what does the Leader of the Opposition do? He makes him shadow Treasurer and now he has made him de facto Leader of the Opposition.

The SPEAKER—The member for Fowler will excuse herself from the House. That was unacceptable.

Opposition members interjecting—

Mrs Irwin—You grub!

Mr ABBOTT—No shame—he has no shame.

The SPEAKER—The minister will resume his seat. The member for Fowler will withdraw that remark.

Mrs Irwin—I withdraw it.

The member for Fowler then withdrew from the chamber.

Mr LATHAM (Werriwa) (3.37 p.m.)—There is a smell about this government, and it is called cronyism. First there was Stan Howard, then there was Karim Kisrwni, then there was Dick Honan and now there is Michael Tuckey. All these people have virtually been invited in to have a seat at the cabinet table. All of them have been given special deals, special treatment, special intervention by the Howard government. And what does everyone else in this country get? They get higher taxes, loss of bulk-billing, more to pay at the chemist shop and \$150,000 university degrees for their children. Talk about a double standard! The insiders are in the cabinet room, and the outsiders are paying more and getting less from the Howard government.

This double standard needs to be recognised in this debate. But the debate is not only about double standards; it is about the fundamental misleading of the Australian parliament. Yesterday the Minister for Regional Services, Territories and Local Government was exposed for not one, not two, not three, not four but five misleadings of the House of Representatives. Today there have been another three. At this rate, we are going to need the scoreboard from the Melbourne Cricket Ground to keep up with the misleading by the minister for regional services.

Today, the minister answered a question with a prepared statement. And what did he say? He said:

In my answer to the member for Corio on Tuesday, my reference to not pressing the matter any further was a reference to the three letters he mentioned in his question.

He went on to say that 'in the swirl and fog of question time' this might have been misunderstood. So what did the minister for re-

gional services say in this House on 19 August? He said:

When they were fined—

that is, his son and his son's mate—

I wrote to the minister saying that I thought a warning should be appropriate. I did not press the matter any further.

It could not be any more clear cut. The minister said that, when the fine was issued, he wrote and then he did not press it any further. Press it any further? He wrote another two letters, and the third letter asked for the costs to be waived and the matter to be relisted for a hearing with a magistrate. That is a straight misleading of the House of Representatives. The minister went on in his statement to say:

With respect to the allegation that I misled the House when I said, 'I did not ask that it be changed,' my initial letter makes it clear that I asked for the matter to be reconsidered, not changed.

The minister for regional services' defence today is that, when you ask for something to be reconsidered, you are not actually asking for it to be changed. We had champion debaters in the gallery earlier on. They would have heard this and thought, 'Hang on—"If you ask for something to be reconsidered, you are not asking for it to be changed." Is that what the minister is really saying? In our debates and our school work, we would probably defer to a higher source. We would go to the *Macquarie Dictionary* to test this proposition.' Then they would look up the word 'reconsider' and see that the definition reads 'to consider again with a view to a change of decision or action'. It is signed, sealed and delivered. The debating class knows it, the gallery knows it, the Australian people know it and the *Macquarie Dictionary* knows it. The only people who do not know it are those two over there, the minister for regional services and the Leader of the House, plus the Prime Minister. Talk about fog and swirl and acts of delusion. Let me

read it out again from the *Macquarie Dictionary*: to reconsider is 'to consider again with a view to a change of decision or action'. Too right that is what the minister was doing in his letter to the South Australian police minister. He was asking for reconsideration—a change of the decision. He wanted to have the costs wiped and the matter relisted for a hearing before a magistrate.

That was the third misleading today. They are rolling the numbers, down at the MCG. We are up to eight misleadings. The final misleading today was when the minister said:

... I called for the minister to reconsider the additional costs imposed. This is clear from my letter of 16 January 2003.

He said that all he did was to ask for the reconsideration of the costs imposed. Minister, didn't you leave something out—the fact that you also asked for the relisting of the matter for a hearing with a magistrate? This minister has misled eight times; he should be sacked eight times and sent packing back to Western Australia, never to come here ever again. The minister is a disgrace!

The SPEAKER—Order! The time allotted for the debate has expired.

Question put:

That the motion (**Mr Crean's**) be agreed to.

The House divided. [3.46 p.m.]

(The Speaker—Mr Neil Andrew)

| | |
|---------------|----|
| Ayes..... | 53 |
| Noes..... | 77 |
| Majority..... | 24 |

AYES

| | |
|------------------|----------------|
| Bevis, A.R. | Burke, A.E. |
| Byrne, A.M. | Corcoran, A.K. |
| Cox, D.A. | Crean, S.F. |
| Crosio, J.A. | Danby, M. * |
| Edwards, G.J. | Ellis, A.L. |
| Emerson, C.A. | Evans, M.J. |
| Ferguson, L.D.T. | Ferguson, M.J. |

Fitzgibbon, J.A.
Gibbons, S.W.
Grierson, S.J.
Hall, J.G.
Jackson, S.M.
Kerr, D.J.C.
Latham, M.W.
Livermore, K.F.
McFarlane, J.S.
Melham, D.
Murphy, J. P.
O'Connor, B.P.
Plibersek, T.
Quick, H.V. *
Roxon, N.L.
Sercombe, R.C.G.
Smith, S.F.
Swan, W.M.
Thomson, K.J.
Zahra, C.J.

George, J.
Gillard, J.E.
Griffin, A.P.
Hoare, K.J.
Jenkins, H.A.
King, C.F.
Lawrence, C.M.
McClelland, R.B.
McLeay, L.B.
Mossfield, F.W.
O'Byrne, M.A.
O'Connor, G.M.
Price, L.R.S.
Ripoll, B.F.
Sciacca, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Vamvakinou, M.

Secker, P.D.
Smith, A.D.H.
Southcott, A.J.
Thompson, C.P.
Tollner, D.W.
Tuckey, C.W.
Vale, D.S.
Washer, M.J.
Worth, P.M.

Slipper, P.N.
Somlyay, A.M.
Stone, S.N.
Ticehurst, K.V.
Truss, W.E.
Vaile, M.A.J.
Wakelin, B.H.
Williams, D.R.

PAIRS

Beazley, K.C. Macfarlane, I.E.
* denotes teller

Question negatived.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Workplace Relations: Public Sector

Mr ABBOTT (Warringah—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.53 p.m.)—Mr Speaker, I wish to add to an answer.

Mr Abbott—The minister may proceed.

Mr ABBOTT—In the interests of strict accuracy, I should have said, in the answer I gave today, 'Ex-mayor Craig Knowles' not 'Mayor Craig Knowles.'

PRIVILEGE

Mr LATHAM (Werriwa) (3.53 p.m.)—Mr Speaker, I raise with you a matter of privilege. The *House of Representatives Practice*, at page 708, makes available to the House the facility to treat the making of a deliberately misleading statement as a contempt. In question time today, we heard the Minister for Regional Services, Territories and Local Government put the proposition to the House that, when he wrote his initial letter to the Minister for Police in South Australia, he made it clear that he:

... asked for the matter to be reconsidered, not changed.

NOES

Abbott, A.J.
Anthony, L.J.
Baird, B.G.
Barresi, P.A.
Billson, B.F.
Bishop, J.I.
Cameron, R.A.
Charles, R.E.
Cobb, J.K.
Draper, P.
Elson, K.S.
Farmer, P.F.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hartsuyker, L.
Hockey, J.B.
Hunt, G.A.
Jull, D.F.
Kelly, D.M.
Kemp, D.A.
Ley, S.P.
Lloyd, J.E.
McArthur, S. *
Moyle, J. E.
Nelson, B.J.
Panopoulos, S.
Prosser, G.D.
Randall, D.J.
Schultz, A.

Andrews, K.J.
Bailey, F.E.
Baldwin, R.C.
Bartlett, K.J.
Bishop, B.K.
Cadman, A.G.
Causley, I.R.
Ciobo, S.M.
Downer, A.J.G.
Dutton, P.C.
Entsch, W.G.
Forrest, J.A. *
Gambaro, T.
Georgiou, P.
Hardgrave, G.D.
Hawker, D.P.M.
Hull, K.E.
Johnson, M.A.
Katter, R.C.
Kelly, J.M.
King, P.E.
Lindsay, P.J.
May, M.A.
McGauran, P.J.
Nairn, G. R.
Neville, P.C.
Pearce, C.J.
Pyne, C.
Ruddock, P.M.
Scott, B.C.

We have a minister putting a proposition to the House that, in asking for the matter to be reconsidered, he was not asking for the matter to be changed. I think we can legitimately regard this as a contempt of the House. Nothing is more contradictory, nothing is more misleading and nothing is more designed to breach privilege and act in contempt of the good graces and good reputation of this House of Representatives. Mr Speaker, I again bring to your attention the *Macquarie Dictionary* definition of the word 'reconsider':

to consider again with a view to a change of decision or action.

Surely it is a contempt—a breach of privilege in this House—for a minister to so treat the House that he expects us to believe that, in asking for a matter to be reconsidered, he has not asked for the matter to be changed. It defies the English language. It defies commonsense. It defies every single standard of a parliamentary democracy. If we do not treat this matter with the utmost seriousness—

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. The standing orders are very specific that asking questions generally may not be used for the purposes of making a speech. That is precisely what is being done in this question to you, and I ask it to be ruled out of order.

The SPEAKER—I have heard the member for Werriwa and I invite him to wind up his remarks.

Mr LATHAM—I am seeking precedence for a motion. I am raising the privilege matter at the first available opportunity.

The SPEAKER—I understand precisely what you are doing. I am inviting you to wind up your remarks.

Mr LATHAM—I submit this matter to you, Sir. There have been eight misleads of the House. The one that I raise is by far the most blatant, the clearest and the most seri-

ous. As a representative chamber, if we do not regard this sort of contempt with absolute disgust and disgrace and we do not refer it to a hearing of the Privileges Committee, we will, Sir, be much diminished.

The SPEAKER—I have no choice but to respond to the matter raised by the member for Werriwa because, as I have said on at least two occasions in the last sitting fortnight, few things are as serious as any suggestion that the privilege of the House has been in any way contravened. I have heard the entire debate over the matters that have involved the House over the last fortnight. Privilege is a very serious matter. Privilege ought not to be raised in this House unless there is genuine belief that in some way the privileges of the House have been damaged. Having heard the entire debate, I could not entertain what the member for Werriwa said as a prima facie case.

MINISTER FOR REGIONAL SERVICES, TERRITORIES AND LOCAL GOVERNMENT

Mr LATHAM (Werriwa) (3.57 p.m.)—I move:

That so much of the standing and sessional orders be suspended as would allow the Member for Werriwa to move a motion referring to the Privileges Committee, statements made by the Minister for Regional Services, Territories and Local Government to the House on 21 August 2003, being in contempt and misleading the House.

I have moved this motion because this is a matter of the utmost seriousness. I do this with full gravity and seriousness in respect of—

Mr ABBOTT (Warringah—Leader of the House) (3.57 p.m.)—I move:

That the member be not further heard.

Question put.

The House divided. [4.02 p.m.]

(The Speaker—Mr Neil Andrew)

| | |
|---------------|-----------|
| Ayes..... | 77 |
| Noes..... | <u>55</u> |
| Majority..... | 22 |

AYES

| | |
|-----------------|-----------------|
| Abbott, A.J. | Andrews, K.J. |
| Anthony, L.J. | Bailey, F.E. |
| Baird, B.G. | Baldwin, R.C. |
| Barresi, P.A. | Bartlett, K.J. |
| Billson, B.F. | Bishop, B.K. |
| Bishop, J.I. | Cadman, A.G. |
| Cameron, R.A. | Causley, I.R. |
| Charles, R.E. | Ciobo, S.M. |
| Cobb, J.K. | Draper, P. |
| Dutton, P.C. | Elson, K.S. |
| Entsch, W.G. | Farmer, P.F. |
| Forrest, J.A. * | Gallus, C.A. |
| Gambaro, T. | Gash, J. |
| Georgiou, P. | Haase, B.W. |
| Hardgrave, G.D. | Hartsuyker, L. |
| Hawker, D.P.M. | Hockey, J.B. |
| Howard, J.W. | Hull, K.E. |
| Hunt, G.A. | Johnson, M.A. |
| Jull, D.F. | Katter, R.C. |
| Kelly, D.M. | Kelly, J.M. |
| Kemp, D.A. | King, P.E. |
| Ley, S.P. | Lindsay, P.J. |
| Lloyd, J.E. | May, M.A. |
| McArthur, S. * | McGauran, P.J. |
| Moylan, J. E. | Nairn, G. R. |
| Nelson, B.J. | Neville, P.C. |
| Panopoulos, S. | Pearce, C.J. |
| Prosser, G.D. | Pyne, C. |
| Randall, D.J. | Ruddock, P.M. |
| Schultz, A. | Scott, B.C. |
| Secker, P.D. | Slipper, P.N. |
| Smith, A.D.H. | Somlyay, A.M. |
| Southcott, A.J. | Stone, S.N. |
| Thompson, C.P. | Ticehurst, K.V. |
| Tollner, D.W. | Truss, W.E. |
| Tuckey, C.W. | Vaile, M.A.J. |
| Vale, D.S. | Wakelin, B.H. |
| Washer, M.J. | Williams, D.R. |
| Worth, P.M. | |

NOES

| | |
|----------------|---------------|
| Andren, P.J. | Bevis, A.R. |
| Burke, A.E. | Byrne, A.M. |
| Corcoran, A.K. | Cox, D.A. |
| Crean, S.F. | Crosio, J.A. |
| Danby, M. * | Edwards, G.J. |

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|------------------|------------------|
| Emerson, C.A. | Evans, M.J. |
| Ferguson, L.D.T. | Ferguson, M.J. |
| Fitzgibbon, J.A. | George, J. |
| Gibbons, S.W. | Gillard, J.E. |
| Grierson, S.J. | Griffin, A.P. |
| Hall, J.G. | Hoare, K.J. |
| Jackson, S.M. | Jenkins, H.A. |
| Kerr, D.J.C. | King, C.F. |
| Latham, M.W. | Lawrence, C.M. |
| Livermore, K.F. | McClelland, R.B. |
| McFarlane, J.S. | McLeay, L.B. |
| Melham, D. | Mossfield, F.W. |
| Murphy, J. P. | O'Byrne, M.A. |
| O'Connor, B.P. | O'Connor, G.M. |
| Organ, M. | Plibersek, T. |
| Price, L.R.S. | Quick, H.V. * |
| Ripoll, B.F. | Roxon, N.L. |
| Sciacca, C.A. | Sercombe, R.C.G. |
| Sidebottom, P.S. | Smith, S.F. |
| Snowdon, W.E. | Swan, W.M. |
| Tanner, L. | Thomson, K.J. |
| Vamvakinou, M. | Windsor, A.H.C. |
| Zahra, C.J. | |

PAIRS

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|------------------|---------------|
| Macfarlane, I.E. | Beazley, K.C. |
|------------------|---------------|

* denotes teller

Question agreed to.

The SPEAKER—Is the motion seconded?

Ms GILLARD (Lalor) (4.06 p.m.)—I second the motion. If the government has no standards then this House must enforce them.

Mr ABBOTT (Warringah—Leader of the House) (4.06 p.m.)—I move:

That the member be not further heard.

Question put.

The House divided. [4.08 p.m.]

(The Speaker—Mr Neil Andrew)

| | |
|---------------|-----------|
| Ayes..... | 76 |
| Noes..... | <u>55</u> |
| Majority..... | 21 |

AYES

| | |
|---------------|---------------|
| Abbott, A.J. | Andrews, K.J. |
| Anthony, L.J. | Bailey, F.E. |
| Baird, B.G. | Baldwin, R.C. |

| | | | |
|-----------------|-----------------|------------------|------------------|
| Barresi, P.A. | Bartlett, K.J. | McFarlane, J.S. | McLeay, L.B. |
| Billson, B.F. | Bishop, B.K. | Melham, D. | Mossfield, F.W. |
| Bishop, J.I. | Cadman, A.G. | Murphy, J. P. | O'Byrne, M.A. |
| Cameron, R.A. | Causley, I.R. | O'Connor, B.P. | O'Connor, G.M. |
| Charles, R.E. | Ciobo, S.M. | Organ, M. | Plibersek, T. |
| Cobb, J.K. | Draper, P. | Price, L.R.S. | Quick, H.V. * |
| Dutton, P.C. | Elson, K.S. | Ripoll, B.F. | Roxon, N.L. |
| Entsch, W.G. | Farmer, P.F. | Sciacca, C.A. | Sercombe, R.C.G. |
| Forrest, J.A. * | Gallus, C.A. | Sidebottom, P.S. | Smith, S.F. |
| Gambaro, T. | Gash, J. | Snowdon, W.E. | Swan, W.M. |
| Georgiou, P. | Haase, B.W. | Tanner, L. | Thomson, K.J. |
| Hardgrave, G.D. | Hartsuyker, L. | Vamvakinou, M. | Windsor, A.H.C. |
| Hawker, D.P.M. | Hockey, J.B. | Zahra, C.J. | |
| Hull, K.E. | Hunt, G.A. | | |
| Johnson, M.A. | Jull, D.F. | | |
| Katter, R.C. | Kelly, D.M. | | |
| Kelly, J.M. | Kemp, D.A. | | |
| King, P.E. | Ley, S.P. | | |
| Lindsay, P.J. | Lloyd, J.E. | | |
| May, M.A. | McArthur, S. * | | |
| McGauran, P.J. | Moylan, J. E. | | |
| Nairn, G. R. | Nelson, B.J. | | |
| Neville, P.C. | Panopoulos, S. | | |
| Pearce, C.J. | Prosser, G.D. | | |
| Pyne, C. | Randall, D.J. | | |
| Ruddock, P.M. | Schultz, A. | | |
| Scott, B.C. | Secker, P.D. | | |
| Slipper, P.N. | Smith, A.D.H. | | |
| Somlyay, A.M. | Southcott, A.J. | | |
| Stone, S.N. | Thompson, C.P. | | |
| Ticehurst, K.V. | Tollner, D.W. | | |
| Truss, W.E. | Tuckey, C.W. | | |
| Vaile, M.A.J. | Vale, D.S. | | |
| Wakelin, B.H. | Washer, M.J. | | |
| Williams, D.R. | Worth, P.M. | | |

PAIRS

Macfarlane, I.E. Beazley, K.C.

* denotes teller

Question agreed to.

Original question put:

That the motion (**Mr Latham's**) be agreed to.

The House divided. [4.11 p.m.]

(The Speaker—Mr Neil Andrew)

| | |
|---------------|-----------|
| Ayes..... | 55 |
| Noes..... | <u>75</u> |
| Majority..... | 20 |

AYES

| | |
|------------------|------------------|
| Andren, P.J. | Bevis, A.R. |
| Burke, A.E. | Byrne, A.M. |
| Corcoran, A.K. | Cox, D.A. |
| Crean, S.F. | Crosio, J.A. |
| Danby, M. * | Edwards, G.J. |
| Emerson, C.A. | Evans, M.J. |
| Ferguson, L.D.T. | Ferguson, M.J. |
| Fitzgibbon, J.A. | George, J. |
| Gibbons, S.W. | Gillard, J.E. |
| Grierson, S.J. | Griffin, A.P. |
| Hall, J.G. | Hoare, K.J. |
| Jackson, S.M. | Jenkins, H.A. |
| Kerr, D.J.C. | King, C.F. |
| Latham, M.W. | Lawrence, C.M. |
| Livermore, K.F. | McClelland, R.B. |
| McFarlane, J.S. | McLeay, L.B. |
| Melham, D. | Mossfield, F.W. |
| Murphy, J. P. | O'Byrne, M.A. |
| O'Connor, B.P. | O'Connor, G.M. |
| Organ, M. | Plibersek, T. |
| Price, L.R.S. | Quick, H.V. * |
| Ripoll, B.F. | Roxon, N.L. |

NOES

| | |
|------------------|------------------|
| Andren, P.J. | Bevis, A.R. |
| Burke, A.E. | Byrne, A.M. |
| Corcoran, A.K. | Cox, D.A. |
| Crean, S.F. | Crosio, J.A. |
| Danby, M. * | Edwards, G.J. |
| Emerson, C.A. | Evans, M.J. |
| Ferguson, L.D.T. | Ferguson, M.J. |
| Fitzgibbon, J.A. | George, J. |
| Gibbons, S.W. | Gillard, J.E. |
| Grierson, S.J. | Griffin, A.P. |
| Hall, J.G. | Hoare, K.J. |
| Jackson, S.M. | Jenkins, H.A. |
| Kerr, D.J.C. | King, C.F. |
| Latham, M.W. | Lawrence, C.M. |
| Livermore, K.F. | McClelland, R.B. |

Sciacca, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Vamvakinou, M.
Zahra, C.J.

Sercombe, R.C.G.
Smith, S.F.
Swan, W.M.
Thomson, K.J.
Windsor, A.H.C.

NOES

Abbott, A.J.
Bailey, F.E.
Baldwin, R.C.
Bartlett, K.J.
Bishop, B.K.
Cadman, A.G.
Causley, I.R.
Ciobo, S.M.
Draper, P.
Elson, K.S.
Farmer, P.F.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hartsuyker, L.
Hockey, J.B.
Hunt, G.A.
Jull, D.F.
Kelly, D.M.
Kemp, D.A.
Ley, S.P.
Lloyd, J.E.
McArthur, S. *
Moylean, J.E.
Nelson, B.J.
Panopoulos, S.
Prosser, G.D.
Randall, D.J.
Schultz, A.
Secker, P.D.
Smith, A.D.H.
Southcott, A.J.
Thompson, C.P.
Tollner, D.W.
Tuckey, C.W.
Vale, D.S.
Washer, M.J.
Worth, P.M.

Anthony, L.J.
Baird, B.G.
Barresi, P.A.
Billson, B.F.
Bishop, J.I.
Cameron, R.A.
Charles, R.E.
Cobb, J.K.
Dutton, P.C.
Entsch, W.G.
Forrest, J.A. *
Gambaro, T.
Georgiou, P.
Hardgrave, G.D.
Hawker, D.P.M.
Hull, K.E.
Johnson, M.A.
Katter, R.C.
Kelly, J.M.
King, P.E.
Lindsay, P.J.
May, M.A.
McGauran, P.J.
Nairn, G. R.
Neville, P.C.
Pearce, C.J.
Pyne, C.
Ruddock, P.M.
Scott, B.C.
Slipper, P.N.
Somlyay, A.M.
Stone, S.N.
Ticehurst, K.V.
Truss, W.E.
Vaile, M.A.J.
Wakelin, B.H.
Williams, D.R.

PAIRS

Beazley, K.C.
* denotes teller

Macfarlane, I.E.

Question negatived.

QUESTIONS TO THE SPEAKER

Question Time

Mr ABBOTT (4.15 p.m.)—Mr Speaker, are you aware that the current issue of *Who's Who* says that Mr Craig Knowles was the Mayor of Liverpool from 1986 to 1988 and that Mr Mark Latham was an alderman in Liverpool from 1987 to 1994? I thought I heard today a claim from the member for Werriwa that he was never on Liverpool City Council when Craig Knowles was mayor.

The SPEAKER—The Leader of the House will resume his seat. This is not a question for me to deal with seriously.

PERSONAL EXPLANATIONS

Mr LATHAM (Werriwa) (4.16 p.m.)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the honourable member claim to have been misrepresented?

Mr LATHAM—Yes, I do.

The SPEAKER—Please proceed.

Mr LATHAM—The first matter relates to Minister Abbott claiming in question time that Craig Knowles was the Mayor of Liverpool when I was a councillor. Then Minister Abbott, backflipping, made an explanation after question time that in fact he should have referred to Craig Knowles not as the mayor but as an alderman or a councillor. Now in another backflip he has just repeated the original misrepresentation by reading from *Who's Who*.

The SPEAKER—The member for Werriwa must indicate where he has been misrepresented.

Mr LATHAM—Mr Speaker, the facts of the matter are these: I was elected to Liverpool City Council on 26 September 1987. Craig Knowles was the Mayor of Liverpool from September 1986 to 1987 and retired

from council at the election when I was elected.

The SPEAKER—The member for Werriwa must indicate where he was misrepresented.

Mr LATHAM—He was not the Mayor of Liverpool after September 1987. The Mayor of Liverpool after September 1987, if my memory serves me correctly, was Casey Conway.

The SPEAKER—The member for Werriwa will resume his seat.

Mr ANDREN (Calare) (4.17 p.m.)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the honourable member claim to have been misrepresented?

Mr ANDREN—Yes, I do.

The SPEAKER—Please proceed.

Mr ANDREN—Yesterday in her contribution to the debate on the Telstra (Transition to Full Private Ownership) Bill 2003 the member for Dawson said:

It will be to the eternal shame of the Independents that they supported Saddam Hussein, and that will be used in the election against them.

This is clearly an outrageous slur. At no time in any speech in this place or in other comments have I supported Saddam Hussein. I have strongly supported UN sanction of any military involvement in Iraq—

The SPEAKER—The member for Calare is now advancing an argument.

Mr ANDREN—but I have condemned Saddam Hussein in the strongest terms. I request an apology and an unconditional withdrawal from the member.

The SPEAKER—The member for Calare cannot request an apology. He can indicate where he has been misrepresented.

Mr ANDREN—Additionally, on the *AM* program on ABC radio at 7.00 a.m. and 8.00 a.m. today the member for Dawson said:

... the Independents are opposed to border protection and they sided with Saddam Hussein. I don't think they have much respect.

Again, Mr Speaker, this was an egregious attack on my character and completely at odds with the facts.

The SPEAKER—The member for Calare has indicated where he has been misrepresented.

Mr WINDSOR (New England) (4.19 p.m.)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the member for New England claim to have been misrepresented?

Mr WINDSOR—Yes, I do.

The SPEAKER—Please proceed.

Mr WINDSOR—Yesterday in her contribution to the Telstra (Transition to Full Private Ownership) Bill 2003 the member for Dawson said:

It will be to the eternal shame of the Independents that they supported Saddam Hussein, and that will be used in the election against them.

This is clearly wrong and impugns my credibility. Any reading of *Hansard* would show that I have been very much opposed to Saddam Hussein. Additionally, on the *AM* program on ABC radio at 7.00 a.m. and 8.00 a.m. the member for Dawson said:

.. the Independents are opposed to border protection and they sided with Saddam Hussein.

Again, this is an egregious slight on my character and completely against the facts. I call for an apology or the appropriate action will be undertaken.

The SPEAKER—The member for New England would be aware that he is unable to use a personal explanation for that purpose. The matter has been dealt with.

Mr LATHAM (Werriwa) (4.20 p.m.)—Mr Speaker, I wish to make two personal explanations.

The SPEAKER—Does the honourable member for Werriwa claim to have been misrepresented?

Mr LATHAM—Yes, grievously so, by the same minister opposite.

The SPEAKER—The member for Werriwa may proceed, but I ask him to be somewhat closer to the standing orders than he was with his first personal explanation.

Mr LATHAM—In question time Minister Abbott said that something improper had happened with the employment of my sister at Liverpool City Council in the late 1980s. My sister is a trained child-care worker. All her adult life she has been a child-care worker. Having grown up in Liverpool—

The SPEAKER—The member for Werriwa must indicate where he was misrepresented.

Mr LATHAM—My recollection is that she was working for the council when I was elected in September 1987, and I certainly played no role in her employment.

The SPEAKER—This is not a matter that is covered by personal explanations. Does the member for Werriwa have a further matter to raise?

Mr LATHAM—Yes, I do. The same Minister Abbott said there was something improper in the way in which my sister and her partner were appointed by Liverpool council as caretakers of the historic Collingwood House. He tabled a newspaper clipping that is so old and tatty that it has no date on it.

The SPEAKER—The member for Werriwa will come to the personal explanation.

Mr LATHAM—I draw to the House's attention that, from what I can see from this newspaper clipping, it reports that as mayor

at that meeting I declared a pecuniary interest and took no part in the discussion or council decision that led to the appointment of my sister at Collingwood House. My final point is that there were Liverpool councillors who were in the Liberal Party. If there had been something wrong it would have been referred to ICAC, and of course it never was.

The SPEAKER—The member for Werriwa will resume his seat. I call the Leader of the House, the Minister for Employment and Workplace Relations.

Ms Gillard—Come to apologise?

The SPEAKER—The member for Lalor has clearly a very surprisingly short memory. The Leader of the House has exactly the same rights as everyone else.

Mr ABBOTT (Warringah—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.22 p.m.)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the Leader of the House claim to have been misrepresented?

Mr ABBOTT—Yes, I do.

The SPEAKER—Please proceed.

Mr ABBOTT—In question time today I tabled a series of newspaper clippings from the *Liverpool Leader*, including one which states that the member for Werriwa—

Opposition members interjecting—

The SPEAKER—I am listening closely.

Mr ABBOTT—and Craig Knowles served on council together. Mr Speaker, I put it to you—

The SPEAKER—The Leader of the House must be aware—

Mr ABBOTT—that the member for Werriwa looks to have inadvertently misled the House.

The SPEAKER—I have just witnessed an abuse of personal explanations. In the

case of the member for Werriwa, I listened closely to his personal explanation and was troubled about the fact that it was his sister who had been misrepresented, until in the latter part of his explanation he indicated the point at which he had been misrepresented.

Dr Emerson interjecting—

The SPEAKER—The opportunity to conclude my statement would be appreciated, member for Rankin. The Leader of the House cannot claim a matter of personal explanation which does not directly involve him.

Mr LATHAM (Werriwa) (4.23 p.m.)—Mr Speaker, the Minister for Employment and Workplace Relations and Leader of the House, in the aborted personal explanation, accused me of misleading the House.

The SPEAKER—I need some clarification.

Mr LATHAM—Sorry, Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the member for Werriwa claim to have been misrepresented?

Mr LATHAM—Yes, by the minister, who accused me of misleading the House.

The SPEAKER—The member for Werriwa may proceed.

Mr LATHAM—Thank you, Mr Speaker. The minister opposite, the Leader of the House, just a few moments ago, accused me of misleading the House on the basis that I served on Liverpool Council with Craig Knowles. Yes, I did, and the circumstances were these: the minister in question time accused me of some sort of ruckus when Craig Knowles was the Mayor of Liverpool. Craig Knowles was the Mayor of Liverpool from September 1986 to September 1987. I was not elected until 26 September 1987. Craig Knowles stood down at that election and did not come back onto the council until the by-

election following the unfortunate and untimely death of Frank—

The SPEAKER—The member for Werriwa will resume his seat. He has indicated where he has been misrepresented.

Mr LATHAM—I ask the minister to apologise—for the second time.

The SPEAKER—The member for Werriwa will resume his seat.

Mr LATHAM—For the second time!

The SPEAKER—Order—or I will deal with the member for Werriwa!

Mr LATHAM—He's got it wrong again.

The SPEAKER—I warn the member for Werriwa! I had already indicated to both the member for Calare and the member for New England that the facility for an apology could not be advanced during a personal explanation.

QUESTIONS TO THE SPEAKER

Hansard Report

Mr HOCKEY (4.25 p.m.)—Mr Speaker, I have a question for you. I cite *Hansard* page 18714 from yesterday. At 6.08 p.m. yesterday, the Parliamentary Secretary to the Minister for Finance and Administration, the member for Fisher, moved that the question be now put. The words as recorded in *Hansard* are:

Mr Price interjecting—

The following words are:

The DEPUTY SPEAKER (Hon. B.C. Scott)—I ask the member for Chifley to withdraw those offensive remarks. They are unparliamentary.

And then:

Mr Price—I withdraw.

The interjection at the point—

Mr Leo McLeay—What did he say?

The SPEAKER—Member for Watson! The minister has the call.

Mr HOCKEY—The interjection which was noted as ‘*Mr Price interjecting*’ was, ‘Thanks a lot. Thanks a’—and then an expletive—‘lot, Martin,’ clearly in reference to the member for Batman. At the time I asked for a withdrawal of the remarks, particularly the expletive, as it was rude and offensive to the House. I handed a note to the Hansard reporter, covering the entire interjection, and the Hansard reporter noted to me that she had heard the full interjection. Noting and respecting the fact that the expletive perhaps should not be recorded in *Hansard*, I would ask that you ask the chief reporter in Hansard to have a look at why the remainder of the words were not recorded in *Hansard*—there is a simple line ‘*Mr Price interjecting*’—when everyone heard those words.

The SPEAKER—I will take up the matter raised by the minister. I will discuss this with the Hansard chief reporter. All of the House is indebted to Hansard for the way in which they manage to accurately record what happens in the parliament. I do not think that a major sin has been committed in this instance, but I will take it up with the Hansard chief reporter.

PAPERS

Mr ABBOTT (Warringah—Leader of the House) (4.27 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the *Votes and Proceedings* and I move:

That the House take note of the following papers:

Department of the Environment and Heritage—Office of the Renewable Energy Regulator—Annual Report 2002— section 105 of the *Renewable Energy (Electricity) Act 2000*. (2 July 2003/8 July 2003)

Debate (on motion by **Mr Latham**) adjourned.

Mr ABBOTT (Warringah—Leader of the House) (4.27 p.m.)—I present papers on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House.

Requesting reconsideration of a decision made by the Department of Immigration, Multicultural and Indigenous Affairs—from the member for Bennelong—392 Petitioners

Seeking an increase in number of wheelchair taxis in Mornington—from the member for Dunkley—112 Petitioners

Protesting the cessation of the television programme “Behind the News”.—from the member for Ballarat—34 Petitioners.

MATTERS OF PUBLIC IMPORTANCE

Howard Government: Parliamentary Propriety

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

The failure of the government to enforce any standards of ministerial or parliamentary propriety.

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

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

Mr CREAN (Hotham—Leader of the Opposition) (4.28 p.m.)—Mr Speaker, I can see by the time that this will be a very brief debate but, I tell you what: there is a litany of deceit in this government that really needs to be brought to heel. We have seen the Minister for Regional Services, Territories and Local Government today defended by the Leader of the House and he could not even bring himself to meet the point of accusations that have been made on this side of the

House. They have given up defending Minister Tuckey.

That is how low the standards have sunk in this place—because the Prime Minister has allowed them to sink. This is a Prime Minister who came in on the promise of ‘truth is everything’—truth is supreme; we have to be honest in our dealings with the public. That is his code of conduct, yet he has allowed a minister to urge a police minister in a state to do something which, if achieved, would be unlawful. Why? For a special deal for that minister’s son.

The Prime Minister has already done a special deal for his brother. His brother’s company protected 100 per cent of workers’ entitlements when no other company in the country and no other worker has the same level of protection. This is a government of cronyism.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 4.30 p.m., I propose the question:

That the House do now adjourn.

McGinness, Mr Joe

Mr SNOWDON (Lingiari) (4.30 p.m.)—I cannot imagine why members are leaving the House, Mr Speaker!

The SPEAKER—I reassure the member for Lingiari that the chair is staying and that the member has the call.

Mr SNOWDON—In contrast to the events of this afternoon, let me make this observation: I am about to talk about a significant Australian who would, I think, be perplexed by the attitude adopted by the Prime Minister and his ministers in relation to the issue of honesty in this place. I am referring to Mr Joe McGinness. Joe died recently in Cairns. He was a person who experienced the trauma of living at a time when Indigenous Australians were vilified and had

their rights taken away. When Joe was only four years of age his father died and Joe was taken to Darwin’s notorious Kahlin Compound for so-called half-caste children. His experiences there were nothing short of terrible. He was left without formal schooling or regular meals and in some instances had to steal food to survive. Given Joe’s start to life, it is truly extraordinary what he managed to achieve. His life as an activist was influenced by his friends, such as the authors Frank Hardy and Xavier Herbert—the latter encouraged Joe to get involved in the fight for Indigenous rights in the 1930s. Joe first took this fight to the streets of Darwin during the Great Depression, where he was actively involved in protests against mass unemployment and the poor treatment of Indigenous workers. He fought for Australia in World War II, serving overseas in the Pacific in the army field ambulance unit.

After the war Joe moved to Thursday Island and then to Cairns, where he began his involvement in the trade union movement as part of the Waterside Workers Federation of Australia. The union movement was very important to Joe and to the campaign for Indigenous rights, as it supported him and other advocates where governments would have failed to do so. Joe went on to help found the Cairns Aborigines and Torres Strait Islanders Advancement League in 1958. Gladys O’Shane, the mother of Terry O’Shane, was its president and Joe was its secretary. This organisation was a crucial advocate for the Indigenous residents of Cairns, who faced daily discrimination and abuse and survived on occasional underpaid work. Through the Cairns league, and later the Federal Council for the Advancement of Aborigines and Torres Strait Islanders—of which Joe was president from 1961 to 1973—Joe constantly pushed the fold in some of the 20th century’s defining battles for Indigenous rights.

History will record Joe McGinness's name proudly alongside other heroes of Indigenous campaigns such as Pastor Doug Nicholls, Charles Perkins, Faith Bandler, Stan Davey and Gordon Bryant. I might say that this gentleman, Joe McGinness—and a gentleman he was—was the head of the advancement group, FCAATSI, and, through it, a driver for the 1967 referendum. He was a significant Australian, a very significant Indigenous Australian. I am pleased to be able to say that, although he died recently approaching his 90th year in the Cairns hospital, I was able to visit him in the week that he unfortunately died. I want to pay tribute not only to Joe but to his family and friends and to those who supported him throughout his life. I want to celebrate his life—mourn his passing but celebrate his life. He was a great gift to Australia—a great Australian by any definition and one whose name will go down in the history books as playing a significant role in the advancement of Indigenous rights in this country at a time when it was not popular. I say to those who might listen to this debate or read this *Hansard*: if you do get the opportunity, you should read Joe's book *Son of Alyandabu*. His childhood friend Tom Sullivan wrote in the foreword of this book:

Joe has always worked for our people, it has been his whole life.

He has done this because he needed to and not for money, praise or glory.

He always turned his bitterness around into good and useful paths in his endeavour to advance every Aborigine of Australia.

He is a remarkable and honourable Aborigine.

Roads: Scoresby Freeway

Mr PEARCE (Aston) (4.36 p.m.)—I would like to take this opportunity to update the House on recent developments on the Scoresby Freeway project which, as you know Mr Speaker, is vital for my electorate of Aston, for all the eastern suburbs of Mel-

bourne and, indeed, all of Victoria. The latest demonstration of the Bracks government's gross mismanagement of the Scoresby Freeway was reported in the *Herald Sun* on Tuesday this week. Once again the Bracks government has failed to meet its own deadlines when it comes to delivering on this important project. Only this year the Bracks government released an updated time line for the project, but it is already out of date. That is because the Bracks government has missed its July deadline for issuing the request for proposal documents. The problem stems from the failure of the Bracks government to secure more than two interconnected bidders for the project.

While transport minister Peter Batchelor claims to have attracted 'strong private sector interests' for the project, the current situation in regard to the bidders tells a very different story. The article also referred to current speculation about the future of the whole project. This speculation relates to growing concerns about the potential need for additional taxpayer funds for the project and the possibility that tolls will be much higher than expected since Steve Bracks broke his election promise and betrayed the people of the eastern suburbs of Melbourne. Local residents in my electorate, and those who have followed this very important project, are no strangers to bad news from the Bracks government. Although construction is yet to start, costs have already blown out under the mismanagement of the Bracks government and now it seems that trend will continue.

The other issue that was raised this week was the Bracks government's breathtaking hypocrisy over the right of the local community to know the facts about the Scoresby Freeway project. This hypocrisy was demonstrated by the Bracks government's refusal of a freedom of information request by the *Age* newspaper. This request simply asked for details of the funding options considered for

the project. It seems the Bracks government believes that local residents have no right to know the truth about their betrayal on the issue of the Scoresby corridor—a betrayal led by Premier Bracks and Minister Batchelor. I disagree and so does the RACV, Victoria's peak motoring body, among others. It seems likely to me that the Bracks government will not release the details because they will show that its attack on the people of the Scoresby corridor through the imposition of tolls was planned well before its announcement—its disgraceful backflip—in April this year. In fact, during the last election campaign Premier Bracks promised there would be no tolls on the Scoresby Freeway, and these developments are merely the latest addition to the Bracks government's appalling track record on this vital infrastructure project.

These developments once again prove that Labor cannot be trusted—and it cannot be trusted. Quite simply, together with my family and friends and the rest of my constituents in Aston, and indeed those in the eastern suburbs, we know that it is important not to listen to what Labor says but to actually look at what Labor does, because they are two very different things. It says one thing, but does an entirely different thing.

The strong and ongoing support against tolls, the campaign which together with my federal colleagues and state colleagues I have been leading in the eastern suburbs of Melbourne, is clearly starting to have some real effect and impact on the Bracks Labor government. I guess that this is demonstrated by the community's strong commitment to continuing the local campaign for a better and a fairer deal on the Scoresby Freeway—a fairer deal for the people of the eastern suburbs of Melbourne. They should not be punished, and Steve Bracks and Peter Batchelor have betrayed them. This is a campaign that I will continue fighting for.

Howard Government: Policies

Mr MARTIN FERGUSON (Batman) (4.39 p.m.)—This evening I want to speak about cronyism and the very important story about the three Dicks who have the Howard government in their pockets. It is a story about Dick, Dick and Dick and their reach into infrastructure, transport and safety policy-making in Australia. Their power is derived because they are mates of the Prime Minister or the Deputy Prime Minister. Not just any Tom, Dick or Harriet can access this power; only the elites who have the Howard government in their pockets.

Let us look firstly at the influence of Mr Dick Estens on communications and infrastructure. Mr Estens is a fellow farmer and a very close personal friend of the National Party member who holds the seat of Gwydir. Who better to roll in to calculate how many pieces of silver it would take to change the views of National Party members on Telstra privatisation? Dick Estens, the loyal local Nat and mate of the Deputy Prime Minister, was given the power to determine what it would take to buy off his mate's colleagues. Mr Estens, a man who had had no prior communications experience to speak of, delivered the whitewash, as requested, ignoring hundreds of submissions decrying the quality of telecommunications.

Then we have a very special Dick: Dick Honan—another mate at the Liberal Party court. Mr Honan's company comprises about 90 per cent of the ethanol industry and has been selected for a leg-up of close to \$50 million from the taxpayer. Any other Australian businessperson unable to stimulate demand for their particular product would be told to fix it themselves—but not when you are a friend of the Liberal-National Party court. Dick Honan just visited his mate the Prime Minister and did a deal for a slug on the taxpayer to prop up his business. The PM

also threw in the services of his deputy to market his product; he was told to hold special meetings with fuel producers, retailers and fuel users to force them to ignore what their customers were saying and to use more ethanol.

Then we have the final Dick: Mr Dick Smith. Dick, to be fair, is an enthusiastic amateur pilot, adventurer and successful marketing man. Mr Smith and the Minister for Transport and Regional Services are not the best of mates. They had a very public stoush in the lead-up to Mr Smith's leaving the CASA board. Mr Anderson, as we were told then, was not going to work with him again. We then had Mr Smith embarking on a strategy to get back into the tent. He threatened to stand against the minister in Gwydir.

Before we knew it, Dick Smith visited the Liberal Party court and soon announced that he would not run in Gwydir. We do not know what happened in those discussions but, soon after the election, the minister put him in charge of airspace design and reform. The design and development of our airspace has been outsourced to Dick Smith. The result is that not one person on the Airspace Reform Group has air traffic control or airline pilot qualifications.

The proposed NAS system does not have widespread industry support and it will put the Australian travelling public at risk. It is one thing to lose ownership of Telstra, and it is another thing to spend millions of dollars to prop up a friend's industry; but to risk the aviation and the travelling public's safety to deliver a political outcome—in essence, to get Mr Dick Smith not to run or support a candidate in Gwydir at the 2001 election—is unforgivable.

I consider the Howard government to be shameless in its reach for political patronage. This week we have had the member for O'Connor, better known as 'Ironbar Tuckey',

now become known as 'Wee Willie Tuckey'—'Will he or won't he go Tuckey'. I simply say that the facts speak for themselves: he should go. He gives this House a new version of 'family assistance'. Forget the laws that ordinary Australians are expected to live by. We have seen the member for Berowra using his ministerial powers to fatten his campaign funds and to look after friends—forget the rules that others have to live by. They have lost perspective and they are a disgrace. They have ignored the integrity of the Australian political system.

Health: Commonwealth-State Health Agreements

Ms GAMBARO (Petrie) (4.44 p.m.)—This week I received a letter from Dr Steve Hambleton of the Australian Medical Association Queensland Council of General Practice which raised some rather alarming concerns. I will read parts of the letter. It said:

I am the Chair of the ... Australian Medical Association Queensland Council of General Practice ... and it has been raised by a number of members ... The issue ... of blatant 'cost shifting' where state hospitals manipulate public patients and their Doctors in order to gain additional funding through the federal system rather than that of state.

Currently our members are deeply concerned by requests from the Royal Women's Hospital at Herston requesting that GP's request the screening Ultrasound Scans for their share care patients as well as the early "morphology" scans to detect foetal abnormalities.

The request forms are posted out or given to the patient for endorsement by the GP. The cost becomes a federal "Medicare" issue rather than a State Health issue.

Further to the above GP's are being asked to request tests outside of their expertise. When they receive the results many do not understand their implications. Medicolegally whose responsibility is it to follow up on an abnormal result? Will the hospital indemnify GP's for their errors and omissions in relation to these tests? I think not. Will the State Government contribute to the increased

indemnity costs that requesting these test will not doubt bring? I think not.

The test will then appear on the GP's HIC profile costing the Federal Purse more money.

We recommend that you take this issue up at a Federal level with the Minister to safeguard our GP's and to prevent cost shifting.

It is signed 'Dr Hambleton'. This is another appalling case of cost shifting. This week I was also written to by the Queensland state Premier, Mr Beattie, asking that I, as a Queenslander, put my allegiance to Queensland above my allegiance to the Liberal-National Party and help persuade the federal government to increase, in line with the CPI, the level of funding that was agreed to be right and proper five years ago. All I have to say to Mr Beattie is that the Commonwealth is offering Queensland \$8 billion over five years for Queensland public hospitals. He should take that money before 31 August, and some of those blatant examples of cost shifting, such as I have just outlined, that keep going on in the Queensland state hospital system might stop.

This is \$2.1 billion more than they received under the previous health care agreements. It is not a cut in funding, as Mr Beattie states. How can a \$2.1 billion increase be a cut? The offer has been with Queensland since April. They have not signed, and they continue to grandstand on this issue. All that the Queensland government need to do is to commit, as the federal government has done. They need to tell the Queensland public how much they are going to spend on public hospitals, they need to match the Commonwealth's rate of growth and they need to commit to spending the money on public hospitals—which is not much of an ask. Under the last health care agreements, Queensland received \$5.9 billion for public hospitals from the federal government. This time, we are offering Queensland \$8 billion in funding for these

hospitals—\$2.1 billion more than the funding provided under the last agreements. This is an increase by any stretch of the imagination and is 20 per cent over and above inflation.

Yet here we have Premier Beattie trying to argue that a \$2.1 billion increase in funding is a cut. It is absolutely incredible. The forward estimates of the Commonwealth funding to which Premier Beattie refers in the letter which I have just read from makes no allowance for the fact that the load has been taken off public hospitals by the sharp increase in private hospital admissions and by demographic changes. Clearly, many more people have been having operations in private hospitals. So his cries about there being \$160 million less funding conveniently ignore the fact that Queensland has benefited by more than \$400 million from the Commonwealth's decision not to enforce the provisions in the latest health care agreements which centre on those private health insurance participation rates. Instead of wasting Queenslanders' time by trying to tell them that an extra \$2.1 billion is a cut, Mr Beattie should really be telling them exactly what funding he is going to be giving to Queensland public hospitals for the next five years, and he should be matching the rate of growth that the Commonwealth is giving. I ask Mr Beattie, for the sake of all Queenslanders, to match that growth and to do what the Commonwealth has been doing. (*Time expired*)

Indonesia: Terrorist Attacks

Health: Diabetes

Mr JENKINS (Scullin) (4.49 p.m.)—Yesterday, for a number of reasons, Parliament House was the venue for an outpouring of great emotion, which was a great test of our ability to step back and make important decisions in a cool, collected manner. The first event was the debate upon the motion to do with terrorist attacks, carried unanimously

after a debate of full, genuine emotion and passion. The outrage at, and condemnation of, the terrorist acts was well placed. The events deplored are a reminder of the difficulty of winning a sustainable peace in a number of areas in the Middle East. As I have said before, technology may have made winning the war an easier, albeit still dangerous, ask, but it perhaps has done little to assist the winning of the peace. That will require genuine goodwill and understanding. We owe it to great crusaders for peace, such as Sergio de Mello, his colleagues and other innocent victims of such senseless acts, to do all in our power to achieve such an outcome.

The second event that occurred yesterday was the extremely successful Kids in the House, organised by the Juvenile Diabetes Research Foundation. This was a very successful lobbying event in making members of parliament aware of type 1 juvenile diabetes. Type 1 juvenile diabetes is an autoimmune disease. The immune system attacks the beta cells of the pancreas, destroying the body's own ability to produce insulin. At this stage, researchers do not know the real causes of type 1 diabetes, but they are working on some of those factors. There is a belief that insulin is perhaps in some way a cure, but it is simply a medical discovery that assists in the management of the disease. Given that the disease can shorten life expectancy by 15 years, lead to more than 40 per cent of kidney failure cases and that it is the No. 1 cause of adult blindness and amputations, it is a serious medical problem.

I had the pleasure of having two young girls from my electorate visit me, eight-year-old Ella and 13-year-old Monique, both sufferers of juvenile diabetes, as delegates of Kids in the House. They visited me in my electorate office, along with their parents. They made me aware of the day-to-day factors that they faced in coming to grips with the disease. This is a disease that leads to

some of these young people having to show a maturity way beyond their years. They have to subject themselves to numerous blood tests a day and then, as a result, numerous shots of insulin. When we think of how we, in our older years, would cope with that, I think we have a greater understanding of the maturity that they have to display.

They have to come to grips with being told that there are things that their fellow students at school and their friends can do. Yesterday at the luncheon a boy said that one of the things he would just love to be able to do is go on a sleepover. These are things that these kids have to come to grips with. But also, importantly, we were made aware of the effect that this disease has on the whole family. I was thankful to the two mothers, Connie and Kellie, who accompanied their daughters, for the way that they were able to convey their concern about making sure that things were proper for their children.

Kids in the House had one simple aim: to try to get us as members of parliament to promise to remember them. I think that that is an easy ask. We will remember them. We have to remember them and we have to explain to them that this does not mean that there will be an immediate outcome; that when decisions are made about whether we use new technologies—no matter whether there are moral dilemmas or the like—that might lead to research that finds a cure, we will have the debates, in recognition of their request; and that when we make the decisions about allocating resources we will also remember their plight. I think that that is the important thing that comes out of a day like yesterday. (*Time expired*)

Environment: Water Management

Ms LEY (Farrer) (4.54 p.m.)—The next time this parliament meets, the 29 August meeting of COAG—the Council of Australian Governments—will have taken place. I

wish to draw the attention of the House to the critical importance of this meeting to my electorate of Farrer, given that water and environmental flows feature prominently on the meeting agenda. The water towns along the Murray River know only too well how the present water debate is shaping their future. Change is inevitable and well accepted by regional areas and industries that operate in a climate of constant variability. Farmers are used to change, whether it is in the value of the dollar, commodity prices, bank managers or yet another bureaucratic initiative producing yet another form waiting for your attention on the kitchen table at the end of a long day down in the paddock.

I have great faith in our Prime Minister as he takes his seat at the COAG table, and I greatly appreciate the work that the Deputy Prime Minister has done towards preparing this government's case for secure access rights to water and a robust water trading system that works for irrigators and other water users without fear or favour. I do not have the same faith in the state governments, and I have said many times that I see the agenda of the New South Wales government as working against the interests of agriculture and, in fact—in many cases—being quite antifarming. But I trust that on this issue there will be goodwill and positive outcomes will follow.

I bring to this place the heartfelt concerns of my constituents about what the new world might be like for them after the next round of changes to water access rules. Remember that they made significant although arguably necessary modifications following the introduction of the cap on extractions from the Murray-Darling Basin in 1995. But they feel that somehow in this whole debate the critical importance of the value of agricultural production from the Murray-Darling Basin has been either overlooked or relegated to second place. They feel that people who

work the land are no longer considered to be farmers; instead, they are 'natural resource managers'. The fact that they have to earn a living, send their kids to school and take their place in the local community does not seem to be as important as managing the natural resource—an activity that state governments often seem to want them to undertake at their own expense, with negative cash flows.

A series of meetings that recently took place in Moama, Barham and Tooleybuc in my electorate and in Mildura in the electorate of Mallee were a strong indicator of the concerns felt by irrigators. At these meetings various resolutions were passed, all of which reflected the high level of scepticism felt by these communities about both the debate to add environmental flows to the Murray and the need to now separate title to land from title to water. Interestingly, the Berrigan Shire made representations to me about the impact that this separation of land and water titles would have on their rate base, because as local government they can charge rates on land but not on water. So that is an example of something we may not have considered but that will have a significant effect on a small rural community. These meetings heard from those who have alternative scientific opinions about the health of the Murray and those who have made estimates of the social and economic impact on regional towns. I congratulate the Murray Darling Association and the Murray Valley Community Action Group for organising the meetings and for giving all those who spoke the opportunity to be heard. I congratulate the local government areas involved, including the Wakool and Murray shires.

One of the resolutions passed expressed lack of confidence in the conclusions of the Wentworth Group. I have to say that those who saw the full-page advertisement by the Wentworth Group in the *Financial Review* of

Tuesday, 12 August, 'Blueprint for a national water plan', could be forgiven for thinking that farmers had again been left out of the equation. Nowhere on this full page advertisement that I can see are the words 'farming', 'agriculture' or 'rural community' mentioned once. Quite frankly, I would like to see our own agriculture department detach itself from the environmental debate somewhat and conduct some critical analysis of exactly what these proposals mean to agriculture and what threats they may pose to agriculture. There is talk from the Wentworth Group of the environmental needs of Australia's rivers—having guaranteed first priority call on water—and there is talk of 100 gigalitres each year being guaranteed to be returned to the Murray. I would like to have seen a clear statement about the value of agriculture to this economy and to rural communities and, therefore, the need for whatever measures we take to be built around protecting that.

Many of my constituents feel they are being sold down the river. They are not. The Living Murray process has brought the debate out into the open and demanded that governments come up with sensible public policy in this area. The community advisory committee has faithfully recorded the hopes and fears of those affected, and these will be a valuable resource after COAG's meeting, when state governments and regional communities will have to sit down together to work out the detail. Thanks to the efforts and the vigilance of these rural communities, I believe the message is getting through. Farmers are taking action to protect the future, such as direct drilling and minimum cultivation to protect our fragile soils. (*Time expired*)

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

House adjourned at 5.00 p.m.

NOTICES

The following notices were given:

Mr Johnson that this House:

- (1) recognises the success of the Federal Magistrates Service since its establishment by the Commonwealth Government in 2000;
- (2) in particular, recognises the contribution of the Federal Magistrates Service to:
 - (a) providing a quick and accessible forum for litigants involved in less complex family law and other general federal law disputes;
 - (b) increasing access to justice for Australian families, particularly those going through relationship breakdown; and
 - (c) providing an alternative and less formal court option for litigants and encouraging the use of conciliation, counselling, arbitration and mediation in appropriate cases; and
- (3) notes the Government's recent announcement that four new Federal Magistrates are to be appointed in south-east Queensland, Newcastle, Adelaide and Melbourne to further enhance the operation of the Federal Magistrates Service. (*Notice given 21 August 2003.*)

Thursday, 21 August 2003

The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Health and Ageing: Aged Care Facilities

Mr ZAHRA (McMillan) (9.40 a.m.)—I want to take the opportunity today to mention in the House the excellent work that the Greenhills Aged Care Centre does in Loch in what will be the new electorate of McMillan. I met with the centre's committee and some of its staff last Friday, the 15th of this month, and talked to them about the service they provide and the importance of that centre to the local community. I was very impressed by the commitment of the local committee of management, headed very ably by Ms Jennie Deane. I also met with Trish McCraw from the fundraising committee and Fay Beverley, who is the vice-president of the committee of management.

Greenhills is a little aged care centre with about 20 beds. It provides that service to people not just from Loch but from the entire district. It also runs a community centre, which was recently established with the support of the state government. Greenhills staff are a very committed and wonderful group of people who are very dedicated to the community that they serve. The committee raised with me their concerns over the inadequacy of the funding increase to aged care that has been provided by the federal government. They are very concerned, indeed, that the pitiful one per cent increase that the Howard government have granted to aged care centres will not cover the increases in costs associated with running an aged care centre. They are very worried about what this means for the future viability of aged care in the Lochend district. I said to people there that I could not imagine Lochend district without Greenhills aged care. This is how people in that district feel. We could not imagine not having the Greenhills Aged Care Centre and the community centre that they have now successfully established.

I say to the Howard government today: if you do not listen to me about aged care and the inadequacy of the aged care funding increase that you have provided to people who are running these types of services, listen to people like Jennie Deane, Trish McCraw and Fay Beverley from Greenhills aged care in Loch—ordinary people from their community doing an excellent job, trying to make sure that they continue to provide an important service to people in their local districts. If it was good enough for the federal government to vary their policy in relation to fuel indexation—to recognise that they made a blue, a mistake, and then to change it to try to remedy that mistake—it should be good enough for the federal government to acknowledge that they have made a mistake in relation to the inadequacy of the one per cent increase they have allocated to aged care funding and to fund aged care at an appropriate level so that important services like Greenhills can continue to do their important work in our community. *(Time expired)*

Australian Defence Force: Parliamentary Program

Mr FARMER (Macarthur) (9.43 a.m.)—Members in this House are often accused of being out of touch with ordinary Australians and failing to understand their needs. We are told that when we are working here in this House and in our electorate offices that we have no idea of the challenges faced by ordinary working Australians. That is why I was honoured last month

MAIN COMMITTEE

to take part in the Australian Defence Force Parliamentary Program. This program was launched three years ago by the Howard government—the member for Wannon's idea—to show politicians the ADF first-hand by letting us live and work alongside those who serve in the ADF.

The NORFORCE unit is located in the Northern Territory and was my home for five days last month. We slept on the ground and in trees and lived off the land. The NORFORCE unit is, to most, a ghost that moves undetected and has surveillance responsibility for Australia's northern borders. It plays a vital role in protecting our borders from the illegalities of island-hopping drugs and arms runners and illegal immigration. It provides vital surveillance to authorities like the Australian Federal Police; since 1997, literally tonnes of illegal drugs and arms have been stopped at the border. The NORFORCE unit has played an integral part in making this happen.

My experience at NORFORCE was a challenge. NORFORCE has the largest operation of any military unit in the world today. It works in an area covering 1.8 million square kilometres, which is equal to one-quarter of Australia's landmass. It is a rugged environment in the Top End. The unit relies on the commitment and knowledge of the local population of the Northern Territory. They are information gatherers. The Indigenous soldiers play a vital role in teaching survival skills and gathering information. They are completely undetectable and camouflaged to suit their environment. Our diet varied from green ants to long bums—a type of shellfish.

Aborigines and Torres Strait Islanders are well represented in the regular Army and the Army Reserve. The ADF is one of the biggest employers of Indigenous people in this country. Between 25 and 30 per cent of the NORFORCE unit are Indigenous. They play a vital role in the smooth operation of the unit and provide training and guidance to many of their colleagues. They form part of the hardworking and dedicated team that I would like to congratulate. After spending five days with them, I have a deep respect and admiration for them and the job that they do. They are completely mobile on land, in the air and on the ocean, and they are always ready. It is a tough job in a tough environment. It is a job which the whole country should be grateful is being done. The Australian Defence Force are the eyes, the ears and the protectors of our nation. I can say from first-hand experience that, while ever we have surveillance units such as NORFORCE, this country is being well and truly protected, especially on our northern border. These people are completely dedicated to their job. We are very happy to be served by them.

Second World War: Battle for Australia

Mrs CROSIO (Prospect) (9.46 a.m.)—I rise to speak on behalf of our brave men who showed unending courage and determination to fight a ruthless and bitter enemy so as to preserve the freedom of their country. The battle for Australia in 1942 is gaining greater prominence in the national psyche, and I argue here today that it should be paid the ultimate respect. I call on this parliament to commemorate the legendary battles of the Kokoda Trail and Milne Bay in perpetuity, as we remember each year the efforts of the original Anzacs at Gallipoli and, on 11 November, those who fell in the Great War.

The battle for Australia was fought against all odds. A rampant imperial Japanese army had annihilated the Chinese, defeated the French in Indochina and usurped the British at the so-called invincible bastion of Singapore in February 1942. Thousands of our troops were taken

prisoner at the fall of Singapore, with a great percentage of them losing their lives or suffering the most horrific conditions imaginable at places like Changi and Sandakan and on the Burma railway. The fall of Singapore and the subsequent bombing of Darwin within days presented Australia with the grim reality that there was a real threat of invasion. Many of us would have read the vivid accounts of our wartime Prime Minister, John Curtin, arguing valiantly and eventually successfully with the British Prime Minister, Winston Churchill, and, to a lesser extent, the US President, Franklin D. Roosevelt, for the return of the 7th Division of the AIF to protect Australia. The images of Curtin walking around the grounds of the Lodge late at night, worrying that the troops might not make it back, should be forever etched in our minds.

However, nothing was more courageous than the soldiers who fought in the most inhospitable conditions against an invisible enemy, showing a tremendous will to win. What we must remember is that many of those soldiers were essentially boys and had received a minimum amount of training. General MacArthur, in a very arrogant manner, at that stage dismissed the efforts of our militia force, claiming that they were inefficient. The incredibly brave fight by the Maroubra force at Isurava on the Kokoda Trail between 26 and 30 August, and at Brigade Hill between 8 and 10 September, was crucial and delayed the Japanese advance toward Port Moresby. The battle of Milne Bay, between 25 August and 6 September 1942, saw the Japanese army suffer their first defeat. The Japanese planned to capture the airstrip at Milne Bay so that they could launch bombing missions on Port Moresby and shipping en route to Australia. The heroic efforts of Australians on the Kokoda Trail and at Milne Bay meant that the Japanese were never able to capture Port Moresby, which was critical for Japan's attempts to isolate or invade Australia.

Commemorating these battles is critical in our attempts to educate our young about where we came from and how we maintain the freedom that we enjoy today. The boys in New Guinea should be remembered forever by Australians. They saved this country. I call upon all Australians to commemorate their efforts every year, and I ask that it be on the first Wednesday of every September. If that is not possible then a definite date should be set. My RSL in Smithfield started the movement in New South Wales to respect this day. The idea is gradually moving across Australia. I thank the ministers for the actions being taken, but we need to do more. We need to commemorate these valiant young men. (*Time expired*)

Health and Ageing: Aged Care Facilities

Mr NAIRN (Eden-Monaro) (9.49 a.m.)—I wish to raise a very important health matter for the Queanbeyan area of my electorate. Pepper Tree Lodge in Queanbeyan is a facility for confused and disturbed elderly people. It is called a CADE unit. It was opened in 1987 by a New South Wales Labor government during the term of a federal Labor government and it is totally run by, funded by and the responsibility of the New South Wales government. About two years ago the Southern Area Health Service announced that it would be closing Pepper Tree Lodge. That announcement was certainly very poorly received within the community because the lodge does an excellent job for those people as part of the mental health system, which is clearly the responsibility of the New South Wales government. After a lot of pressure from me and the then state member for Monaro, Peter Webb, all of a sudden the closure seemed to go off the agenda and we heard nothing more until about two months ago, when once again it was announced that it would close by 31 December this year. A number of constituents in my

electorate have contacted me. They include Rita Claringbold, Elaine Moore and Robert Randall, who have relatives staying there. They are very concerned about this move.

The New South Wales government says that it is closing the unit because it is really aged care—which is the responsibility of the federal government—which flies in the face of what it has done over a long period of time. It totally goes against the whole purpose of that unit being there. The New South Wales Department of Health has never applied for any aged care places, for instance, for Pepper Tree Lodge, which it could have done. The current state member, who is just running the party line and supporting the closure of the unit, says, ‘No, we couldn’t apply for any federal funding because we are the New South Wales government and it wouldn’t get accredited.’ All the information shows that that is absolute rubbish; it could have applied but it never has.

The federal government raised this issue with the New South Wales government. We heard about it in the press. It said that it was our responsibility but it was not prepared to talk to us. Finally, at the insistence of the federal government, a meeting was scheduled for 29 July. The meeting was cancelled at New South Wales Health’s request; it was rescheduled for 13 August and it cancelled it again. Where is the commitment to sort out this issue? The state member, Steve Whan, is saying that nobody will be shifted until places are found. The Southern Area Health Service has told New South Wales Health that it will close it by 2003 but, at the same time, it has given New South Wales Health no plans for how the funding that it is currently using will be allocated. It is an absolute disaster. The people of Queanbeyan deserve a lot better than this from the New South Wales government. (*Time expired*)

Telecommunications: Mobile Phone Towers

Ms VAMVAKINO (Calwell) (9.52 a.m.)—With the bill to sell off Telstra—the Telstra (Transition to Full Private Ownership) Bill 2003—currently being debated in the chamber it is perhaps timely for me to raise a local issue for my electorate of Calwell. It concerns Telstra’s proposal to build a 30-metre mobile tower in Ardlie Street within the Attwood Estate. Attwood is one of the more well-to-do suburbs of my electorate, with a high level of home ownership, high individual and family incomes and comparably high levels of education. Attwood is also a culturally diverse, aspiring estate made up of a fairly young population. Two-thirds of households are couples with children, and one-third of residents are under the age of 18. So it should be no surprise to us that residents have banded together to oppose this proposed tower. The residents are well-organised, articulate and very reasonable people, and they are led by local residents David Daniels and Joe Hafner, who are becoming increasingly vocal on behalf of the Attwood residents in opposing the erection of this 30-metre tower in their neighbourhood.

Naturally, they are concerned about the risks. Much has been written and not much has been proven about the risks of electromagnetic radiation and the effect that it may have on the health of people who live within the vicinity of a mobile tower. In particular, there has been concern over the years about the effects that radiation may have on children’s health. The residents are also concerned about the effect this cumbersome and somewhat unattractive 30-metre tower will have on the appearance of the estate. Their concerns are no different from those of residents of other places when Telstra decides to build a tower in their region or neighbourhood, but the residents of Attwood have been dealt an additional blow in this process because they have not been properly consulted about the proposal.

The residents claimed that only eight out of some 1,500 households received a letter about the plan. Of course, responsibility for inadequate consultation must also rest with Hume City Council, which, together with Telstra officials, seems to have considered consultation with residents as a secondary concern. The actions of local residents should be applauded. They have taken up the fight for their community. They have organised public meetings and petitions, and they have taken their plight to the local media. I am certain that the battle against the proposed mobile tower will make their community stronger, as it has led to the very first discussions concerning the creation of an Attwood residents' association, which, in all communities, is a very worthy initiative. Telstra and Hume City Council should take some time to talk to residents to address their concerns and, by all means, allay their fears about the effects of this project on their community. They should consider the fact that these people overwhelmingly reject the installation of the tower. (*Time expired*)

Health: Commonwealth-State Health Agreements

Queensland Government Ambulance Levy

Mrs MAY (McPherson) (9.55 a.m.)—I recently received a letter from the Premier of Queensland, Peter Beattie, regarding the federal government's new health care agreement with the states. In his letter, Mr Beattie says:

We must work together on behalf of all Queenslanders to fight for our rights.

As a federal member, I say to you, Mr Beattie, that I fought for the rights of all Queenslanders and in particular for my constituents on the Gold Coast for their share of Commonwealth funding for health care. I received another letter from the Queensland state Minister for Health, Wendy Edmond, and she referred to 'the lousy deal' being offered by the Commonwealth.

It is time to set the record straight. The Commonwealth government is offering record funding: \$8 billion over five years for Queensland public hospitals. This is \$2.1 billion more than the Beattie government received under the previous health care agreement. How can a \$2.1 billion increase be a cut or even be considered a 'lousy deal'? The people in my electorate of McPherson on the Gold Coast should know that this offer has been on the table since April and the Queensland government still has not signed. The Premier is not being honest with Queenslanders, nor is the Minister for Health. Both these people have a responsibility to tell the Queensland public what they will spend on public hospitals. For the first time, all states and territories are being asked to give a five-year commitment to their public hospitals and to match the Commonwealth contribution. Peter Beattie and Wendy Edmond are being dishonest and they are playing politics. Instead of wasting taxpayers' money by taking out one-page advertisements in the *Courier-Mail*, the *Australian* and all regional newspapers, the Premier should be signing the agreement—and signing it now. He should be putting his money on the table and signing up to an agreement that will deliver \$8 billion of Commonwealth funding to the public hospitals of Queensland. He is posturing on this agreement and if he does not sign it will be the people of Queensland who will suffer.

To add insult to injury, the Queensland government has now slugged Queenslanders with another unfair tax—the Queensland ambulance levy. This new ambulance tax will be levied on all electricity accounts in the state. It is a completely unfair means of dividing the cost of the ambulance service. This approach is double-dipping. It is going to hurt small business and

those businesses that operate from a number of premises. It is a lazy way of collecting the new tax. Make no mistake: this is just another new tax for Queensland. This new levy of \$88 per annum levied on all electricity account holders will raise another \$105 million for the Queensland government coffers. Even with that added money, it still cannot balance its budget. It recently brought down its third budget deficit. The people of Queensland deserve the truth and they deserve the Commonwealth funding for their public hospitals and health services. The premier should sign the agreement now.

The DEPUTY SPEAKER (Hon. I.R. Causley)—Order! In accordance with standing order 275A, the time for members' statements has concluded.

ACIS ADMINISTRATION AMENDMENT BILL 2003

Cognate bill:

CUSTOMS TARIFF AMENDMENT (ACIS) BILL 2003

Second Reading

Debate resumed from 5 June, on motion by **Mr Entsch**:

That this bill be now read a second time.

Dr EMERSON (Rankin) (9.59 a.m.)—The ACIS Administration Amendment Bill 2003 provides assistance to the automotive industry amounting to \$4.2 billion by extending the Automotive Competitiveness and Investment Scheme arrangements to the year 2015. It provides welcome certainty for the industry, which is one of the success stories of Australian manufacturing. I want to take this opportunity to provide a brief historical perspective on the progress that the automotive industry has made in this country over the last couple of decades. In the very early 1980s the automotive industry in Australia was in deep trouble. It was heavily dependent on high tariff barriers, with a base tariff of 57½ per cent, and the restriction of imports to just 20 per cent of the local market. Notwithstanding those high levels of protection against imports, the automotive industry was in deep strife. It was producing vehicles that were not by any means world class; in fact, they were substandard. In addition to that, the component manufacturing sector was only a small part of total manufacturing in this country. So an industry that was in desperate need of some sort of vision, some sort of plan for the future, is the best way to describe the Australian automotive industry at that time.

Upon the election of the Hawke Labor government, serious early consideration was given to the future of the industry. A number of reports had already been prepared and the Hawke Labor government began an extensive consultation process with employers in the industry and trade union representatives. As a result of that extensive consultation process and the commitment of the Labor government to developing a long-term view of the automotive industry, a plan was put in place for the industry. It became known as the Button plan because Senator John Button, the industry minister at the time, had put a lot of good hard work into charting a future for the Australian automotive industry. Essentially, it involved gradual and predictable reductions in tariff protection over time. But the view within the Labor government was that this industry could survive those reductions in tariff protection and could be a viable industry. As a consequence, positive assistance was put in place in the form of payments, in particular through the export facilitation program.

That program was directed both to the assembled motor vehicle sector and component manufacturers. The whole purpose of it was really to see if government could reorientate the

industry away from one that was reliant on a small, fragmented domestic market to one that could be globally competitive, and there was every confidence that this was possible. But it could not have been done without a long-term plan and without bringing along in that process the workers in the automotive industry. That was done and, as a consequence, the plan was put in place. The gradual reductions in tariff protection took place and the export facilitation program produced sensational results. It is fitting to pay tribute to all those who were involved in developing that plan, especially those who were involved in implementing it: the working men and women of Australia who were employed in the automotive industry, both in the car-making sector and the component-manufacturing sector. Over time, that industry did flourish. It did turn around from an inward focus on this narrow domestic market to the reality that it could have the confidence to compete internationally.

Upon the election of the present government in 1996, the thrust of that industry plan was maintained, and I am very happy to acknowledge that. The export facilitation program was replaced by this particular scheme, the Automotive Competitiveness and Investment Scheme. As I understand it, the export facilitation program was ringing alarm bells in terms of our obligations under the World Trade Organisation, and as a result the export facilitation program was replaced by the ACIS arrangements. They have remained in place up to the period of 1 January 2005 and this legislation extends them from 2005 right through to 2015, providing a decade of certainty for the industry. It is true that the funding for ACIS phases down over that period but, again, in very predictable ways and in ways that have been accepted by the industry and also by employee representatives in the industry.

It is a success story. We do have concerns about the other aspect of the arrangements that will apply post-2005—that is, the tariff regime that is proposed in this legislation. The Productivity Commission report into the Australian automotive industry involves some modelling that was commissioned from Econtech and the Centre of Policy Studies at Monash University. There were two different models but they basically produced the same conclusion—that is, there were not any significant net national benefits from tariff reductions post-2005. Tariffs will fall from 15 per cent to 10 per cent in 2005. The industry commission examined different scenarios of ongoing tariff reductions thereafter, but it is fair to say the modelling questioned the net national benefits of those ongoing tariff reductions.

Nevertheless, the government has gone ahead with the plan to reduce tariffs to five per cent in 2010, but I do acknowledge that it has put in place a further review in 2007-08. We think that that review is very important because a lot can change in an industry in a relatively short time. Certainly between now and 2010 a lot can change. External market conditions can change. So we had argued in our representations to the Productivity Commission that those ongoing tariff reductions had not been justified by the economic modelling and that, therefore, a further review was necessary. The government has picked up that suggestion and has committed to conducting a further review in 2007-08. Having said that, I would like to foreshadow a second reading amendment, which will be moved by the shadow minister in the Senate, which is in these terms:

At the end of the motion, add:

However, as the opposition indicated in reviewing the outcomes of the Productivity Commission inquiry into the industry last year, there was little or no justification provided by the government for re-

ducing the tariff levels in the industry from 10 per cent to five per cent in January 2010. As a result, the Senate is of the view that:

(a) any decision to make further reductions in industry tariffs post 2009 should be determined by the review process into the industry that is to be undertaken in the financial year 2007-08;

(b) the automotive industry is at the core of Australia's future as a knowledge nation with high levels of research and development, a skilled work force, strong upstream and downstream linkages, exports of \$5 billion and the prospects of doubling that by 2010—this is an industry that represents the future of manufacturing in this country; and

(c) as the automotive industry is also a global industry with high levels of excess capacity and significant levels of global support and intervention from government in other nations, it is appropriate that decisions on the industry's future post 2009 are determined following the review in 2007-08.

They are the reservations that Labor have about this particular piece of legislation before the parliament, but we are not opposing the legislation because, to a very significant extent, it picks up Labor's suggestions. As shadow industry minister at the time when the Productivity Commission was producing its interim and then final reports, I had argued strongly that there needed to be some reorientation of the positive assistance through the ACIS arrangements to facilitate and encourage research and development in the automotive industry. It is only by going to the high-quality end of the market and constantly innovating that Australian automotive producers will continue to be successful. That is well acknowledged by the automotive industry.

The government picked that up in part by providing a separate fund of \$150 million. It is a research and development fund for motor vehicle producers, and that funding will be drawn from the motor vehicle producers pool of ACIS. So there is at least some recognition of the importance of research and development in the automotive industry. We have seen some of our producers certainly commit to that—for example, Mitsubishi in Adelaide and Toyota in Altona, Melbourne. Again, I am delighted to pay tribute to the success of the four car manufacturers in this country—Holden, Ford, Mitsubishi and Toyota—because they are all doing a fantastic job. But we do need to take the high road, and we do need to ensure that the industry continues to innovate. We know that, with a capital intensive industry like this and with Australia's relative geographic isolation, we need to produce world-quality vehicles to sustain the transport costs as we export vehicles and as we export components. While the domestic market is a good base for establishing the viability of the industry in this country, the industry cannot sustain itself and does not even seek to sustain itself on the basis of that domestic market alone. It is the springboard, and it is the base from which the real prosperity of the industry is developed—that is, the prosperity associated with the export of both assembled motor vehicles and components.

This is a spectacular success story. The export projections are really quite exciting for this industry, and it is the flagship of Australian manufacturing. It shows that, in a country like Australia, we can take the high road to high skills and high wages instead of seeking to compete constantly with the countries of East Asia on labour costs. It is quite obvious that China will be a manufacturing powerhouse of the world and certainly of this region in the coming two decades. China has very low wage costs, and it also has the capacity to produce on a massive scale. China is also becoming very good at logistics, inventory management and delivering on time. That is an advantage that Australian producers have had over China in the last decade or so, but even that advantage is being eroded over time as China becomes much more

adept at producing goods on time and of a high quality. The way of the future for Australian manufacturing is the highroad of high skills and high wages, constantly innovating and injecting funds into the skills development of the Australian work force.

I would like to make a few comments relating to that task of injecting extra effort into skills formation in the automotive industry because along with innovation they are the keys to success, the keys to the future of this industry. There has been some casualisation of the work force in the Australian automotive industry, and I would argue to the automotive producers that they know very well the value of a skilled work force. If you have a highly casualised work force, then it is very difficult to invest in the skills of that work force, because people come and people go. If you have a permanent work force that feels it has a lot to gain from the success of the enterprise, then it seems to me that that is the way forward: a permanent work force that is committed to the enterprise and committed to the production of high-quality vehicles and high-quality components for the export market.

How do we achieve that? We do that by on-the-job training and off-the-job training. I would urge the automotive companies to think very clearly about the future of their work force and to invest in their work force. There are very encouraging signs here but, as a general policy, we should consider the work force of this country to be an asset, not simply a cost. It worries me that this government is always into minimising the cost of labour instead of regarding working Australians as an asset into which investment should be made for the purpose of skills formation. Instead of that, we seem to have a government that is more intent on prophesying about a very poor industrial relations environment.

I turn directly to the issues in my current portfolio as shadow minister for workplace relations. During the Productivity Commission review, the Minister for Employment and Workplace Relations publicly stated time and time again—and also privately made strong representations to the automotive industry—that the industry was not doing enough in terms of muscling up to the automotive industry unions. He prophesied that there would be rampant industrial disputation in this industry, because at the time a bargaining round was imminent. The minister was saying that there were going to be all sorts of industrial disputes because Australia is afflicted with militant unions that are not interested in outcomes.

Of course, the minister would be disappointed that his prophecy has not come to bear. In the bargaining round, there were around 500 individual enterprise bargains directly in the automotive industry, and there were more than 1,100 in those industries that could be regarded as being associated with providing input into the automotive industry and the component manufacturers. So there were upwards of 1,100 enterprise bargains and virtually no industrial disputation. In enterprise bargaining, trade unions have a right to put forcefully the case for advancing the interests of the employees in the workplace. That is precisely what the trade unions did. They went into serious negotiation with the car makers and the component manufacturers, and the minister for workplace relations is disappointed that his prophecy of rampant disputation has not become fact. While I am here paying tribute, I would like to pay tribute to the trade union movement, to the unions that are involved in the negotiations, because the negotiations have been on the whole very successful and have not led to any significant industrial disputation whatsoever.

I was therefore very alarmed last week to learn through the media that, having got to the point of moving to the other side of this round of enterprise bargains, which will last for three

years, the minister has written to the four car makers on the basis of a report from the Institute of Public Affairs that says that there is not enough flexibility in the automotive industry. You would think that the experts on flexibility in the automotive industry would be the employers and the employees in the automotive industry. You would think that the minister would spend some time speaking to the employers and the employees of that industry discussing the flexibility arrangements that they have so that the industry is capable of meeting the challenges of the tough international market over the next decade. Of course, the industry and the employers are acutely conscious of these challenges. But instead of conducting that dialogue, instead of trying to be a minister who understands and works with the employees and employers of an industry, the minister shot off four letters to the car manufacturers saying, 'You're not flexible enough, and I have a report from the Institute of Public Affairs that says so.'

As far as I have been able to ascertain, this report from the Institute of Public Affairs is a desk job: someone has just gone through agreements and bits of paper and made their own judgments about whether there is enough flexibility in the workplace. That was good enough for the minister—a shoddy piece of work from the Institute of Public Affairs, some sort of exercise that could be described as little more than a desk job. On the basis of getting that, the minister wrote to the four car manufacturers saying, 'You haven't got enough flexibility. You haven't muscled up against the unions.' That shows his disappointment. It is unnecessarily provocative, because we are virtually at the end of this bargaining round and the minister is disappointed. So he shot off a letter saying how disappointed he is and that the car makers ought to muscle up to the trade unions. If the minister for workplace relations is going to intervene in anything, he should do so to resolve conflicts or to avoid conflicts. But, instead, he intervenes to inflame conflicts and, where there is no conflict, to create one.

Tony Abbott would have to be one of the most partisan ministers for workplace relations that this country has ever seen—and that is saying something, because his immediate predecessor, the infamous Peter Reith, was heavily partisan himself. In a speech, Mr Reith said, 'We are on the side of capital.' You would think he would be on the side of Australia. The former minister was on the side of capital in some sort of class war against the working men and women of Australia. That was his pitch to the business community—a very chilling pitch indeed.

You would think that when Mr Reith went down the gurgler with his uniquely Liberal approach to the use of telecards the Prime Minister would say, 'We've had enough of this divisive approach to workplace relations,' and put in someone who is a bit balanced and a bit moderate. But of course the Prime Minister of this country did not want to do that, because workplace relations—or industrial relations, as it was then known—is his baby. He wants to see, and for 25 years has wanted to see, the trade union movement of this country crushed. He wants to see large employers negotiate individually with workers. I use the word 'negotiate' quite liberally, because through the Prime Minister's favoured device, Australian workplace agreements, AWAs, there will be no negotiation at all. It will be a take it or leave it document: 'If you want to work here, you sign this agreement.'

The Prime Minister's nirvana is a situation where there is no collective bargaining in this country. Already the 1996 legislation has removed the right to bargain collectively and removed any requirement to bargain in good faith. The government has been very systematic in what it has been doing. The Prime Minister did not, therefore, replace Mr Reith with a moder-

ate. He replaced Mr Reith with the current workplace relations minister, who is positioned over on the far Right in a 'them and us' battle. By 'them and us' I am not simply referring to Liberal versus Labor, I am referring to employers versus unions.

Fortunately in the automotive industry the employers have greater vision, greater foresight and a good work force. By and large the automotive industry enjoys a good relationship not only with the employees but with the employees' representatives—the trade unions—who have coverage of the automotive industry in this country. I urge the employers—the big four car manufacturers—not to succumb to the bullying tactics of the workplace relations minister, who seeks only to create industrial disputation where no industrial disputation to speak of has occurred. He is very disappointed with the outcome of the 1,100 enterprise bargains because they have not produced the sort of industrial chaos that he so enthusiastically predicted.

Labor support this legislation. We consider that the future of this industry is very heavily in the export of both assembled vehicles and components. The industry has done very well in that regard, but further reductions in overseas trade barriers must occur. There are countries that have restrictions on imports, such as Thailand with an 80 per cent tariff. The government is trying to get those import restrictions down through individual bilateral agreements—so-called free trade agreements—with Thailand, the United States and, as has most recently been foreshadowed, China.

Labor's position is that the Doha round is where all the action is. The Doha round can result in 144 free trade agreements. It can result in all of the other countries to which we are seeking market access reducing their manufacturing tariff barriers. That is our approach. We see the Doha round as the main game. We do not like the idea of pursuing negotiations individually where those negotiations can detract from the Doha round—that is the real risk of bilateral deals that are preferential by nature. They are preferential to the countries that are party to the deal but lock out those countries that are not party to the deal.

I call on the government to reorient its efforts towards the Doha round of multilateral trade negotiations. There is a meeting in Cancun in Mexico very soon and I would like to see this government put real effort into that multilateral forum, because that is where you can have 144 free trade agreements. The fact is Australia has already done the hard yards in reducing tariff barriers. It did it over the last two decades. We really do need better access, where other countries follow suit. That is where the effort must now go. We have done the hard yards.

We have serious reservations about the scheduled reductions in tariffs in 2010 for the automotive industry of this country, from 10 per cent to five per cent. That is why we wanted the inquiry in 2007-08—an inquiry that the government has agreed to—but I have to point out that tariff reductions that would occur after that inquiry have already been legislated. That seems to be a highly pre-emptive way of dealing with an inquiry: announce one for 2007-08 but legislate for its outcome in 2003. We would argue that the government has got that the wrong way around.

Nevertheless, in respect of other key components of the package of legislation that is here before us, we fully support the \$4.2 billion that has been allocated through ACIS in this policy. We support the creation of two pools. Again, it was a recommendation from Labor to the Productivity Commission that there should be one ACIS pool for the car makers and another for the component manufacturers. That has been picked up. We argued strongly, for the reasons I have outlined here today, for research and development to be a key consideration, a key

criterion, in the allocation of the ACIS funding. The government has picked that up but in part only. Nevertheless, we will not oppose it. It has picked it up through the identification of \$150 million for the car makers as a subcomponent of ACIS of that pool for the car makers.

Overall it is a reasonable effort. We are concerned about the reductions in tariffs that seem to have been preordained for 2010. I say to this government: go for the main game. Go for Doha. Get the other countries to reduce their tariff barriers. Could the minister, just for a moment, relax a bit and acknowledge the fact that there are good workplace relations overall in this industry, and please stay out of it. If you cannot say anything constructive, do not say anything at all.

Mr McARTHUR (Corangamite) (10.28 a.m.)—Firstly, I acknowledge the importance of this debate on the ACIS Administration Amendment Bill 2003 and the Customs Tariff Amendment (ACIS) Bill 2003. I have no doubt there will be some comments about the member for Corangamite at a later stage in this debate. It would be most unlikely if that did not occur. I am delighted that the member for Rankin, as the shadow spokesman, is supporting the legislation, apart from his tirade on the industrial relations part of the industry. Of course, the opposition are taking a second guess to have yet another review of the automobile industry in, I think, 2008, or at some later date, when most of this legislation will be in place. The member for Corio will no doubt make allegations that I have a ‘zero’ attitude towards tariffs, which he has said on a number of occasions. That is not true. I have been supportive of the view that tariffs have a downward trend, and this legislation is a manifestation of that outcome.

I place on the public record the good work of Senator Button, for whom the member for Corio worked. So, ironically, the member for Corio was an architect of a very good automobile plan, which concentrated the manufacturers to the big four and resulted in a reduction in tariffs from 57 per cent to the now lower levels. I commend the Button plan because, under considerable opposition from unions, vested interest groups, car manufacturers and others, Senator Button pursued this objective.

However, I note that the opposition at that time supported the plan to reduce tariffs in the automobile industry across the board and supported that gradual reduction without a political bunfight in the parliament and in the public domain. Unlike some changes of heart by the Keating government when there were some arguments about tariffs in 1993, when Prime Minister Keating changed his stance, we have been consistent. I have been consistent in the face of quite strong opposition to the argument on car tariffs, and these two bills today are a manifestation of the good work on both sides of the parliament in reducing the level of tariffs in a gradual way to reach, ultimately, a five per cent level across the board so that the car industry and, hopefully, the TCF industry, which is somewhat closer, in world trade terms will have about a five per cent tariff barrier.

The ACIS Bill 2003, as it is known, is part of the government’s competitive liberalisation policies and it implements the post-2005 government package of assistance for the transitional tariff reform. So it is on the downward trend; it is moving the tariff regime to that ultimate five per cent with the provision of ACIS in helping the car industry to make these changes. It is an extension of ACIS until 2015 and, if the fundamental thesis is correct, there will be money allocated to the car industry in research and development to assist it to make these changes. It will assist the imported motor car and related vehicle components industry. The tariff will be reduced from 10 per cent to five per cent, again reaching the ultimate level of

five per cent. The assistance will be phased out in December 2015. Members opposite and critics of the lower tariff regime may say that phasing tariffs out totally would be a terrible thing, but 2015 is a fair way away. It will be the ultimate for those of us who have advocated this reduction of tariffs in those two industries which have made it difficult for other industries around Australia to compete.

This bill amends the ACIS Administration Act 1999 and it commits \$4.2 billion over 10 years. Those opposite and those in the industry should be aware of that amount of money: \$2.8 billion from 2006 to 2010, and \$1.4 billion from 2011 until the phase-out period of 2015. That is additional to the \$2.8 billion that has been provided for 2001 to 2005. They are very big amounts of money provided by the government to an industry which is certainly becoming more competitive, becoming quality oriented and certainly improving quite dramatically. Motor vehicle producers will have access to this uncapped assistance from ACIS. As I have said, it will cease in 2016, having received \$1.2 billion over the 10-year period. This is quite an interesting position, as I have been advocating publicly and in this place that tariffs should gradually be reduced over time. ACIS helps manufacturers to meet a new internationally competitive world.

The capped assistance will be divided into two funding sectors, giving fair representation to the components sector. That is the important part: the 55 per cent for vehicle producers and the 45 per cent for the components sector and the supply chain. So we have not only the assemblers and car manufacturers but also the component manufacturers, which are now very much part of the vehicle industry. As anyone who knows anything about the industry would understand, component supply to the assemblers is a critical part of the way in which the car industry operates in Australia.

The final package will provide funding for innovation, research and promotion. Again, that is a step in the right direction, moving away from the age-old debate of tariff support and tariff protection to emphasising quality, innovation and the research component of the car industry, which is now a worldwide industry. They are getting assistance from the government to be competitive in a worldwide environment—and from Detroit, which makes these investment decisions for Ford and GMH—to ensure that, in this transitional stage, they are able to compete with their home based operators and on a worldwide basis, and so become self-reliant.

The companion bill, the Customs Tariff Amendment (ACIS) Bill 2003, relates to the reduction in tariffs. The existing legislation provides for automotive tariffs to be reduced from 15 per cent to 10 per cent on 1 January 2005. Those of us who have been around this debate for some time would realise the significance of that. As I mentioned earlier, car tariffs were in the range of 57 per cent not that many years ago, but we have now reached the stage where, by 2005, they will be 10 per cent. As I will explain later, the impact of currency fluctuations has a much greater impact than the tariff regime. The bill also provides for the reduction to five per cent from 1 January 2010.

There we have it. The legislation is the culmination of many years of debate on both sides of parliament, within the industry, and with the Productivity Commission, arguing about the tariff debate and the impacts on employment and industrial relations, and about the impact of imports, which, it was alleged, were unfairly competing with Australian products. In 2010 we will have a tariff barrier that is compatible with those in the rest of the world. That will give us a very good position in the World Trade Organisation and in the free trade discussions with

America. In those two industries where we have had difficulties in the past and where we have had high protection levels, we are moving towards a world free trade position here in Australia which will be most helpful to our commodity exporters in the rural and mineral industries.

The bill also allows for a further Productivity Commission inquiry in 2008. I must say that the car industry has had so many inquiries that one worries about what the next one will discuss. Details of propositions have been put forward, not so much last time but the time before, when there was a great debate in South Australia and Victoria about the impact of tariffs. Those arguments are yesteryear arguments now, and hopefully in 2008 the Productivity Commission will look at the state of the industry—its productivity and quality—and at industrial relations.

The shadow spokesman talked a fair bit about industrial relations and the arguments that the AMWU was putting forward about industrial relations in the car industry. From my personal observations of Ford and GMH, I would have to say that industrial relations within the car industry are improving. Generally speaking, because of the competitive pressure, the unions have been doing a much better job.

Mr Gavan O'Connor—That's a change!

Mr McARTHUR—The real problem with industrial relations lies outside the car industry.

Mr Gavan O'Connor—It's your minister.

The DEPUTY SPEAKER (Mr Lindsay)—Order! The member for Corio!

Mr McARTHUR—The member for Corio would know this. He has been to some car factories, although not recently. He would know that the pressure of Dougie Cameron and the AMWU is still alive and well. They are out there pressing their claims. Now that we have the just-in-time process, it is critical for those component manufacturers, with one- and two-hour delivery times to the car plants, to continue to deliver on time with equality and not be held up by industrial action. We see a small element of the trade unions in some of these small component suppliers—and even the member for Corio would concede this—which holds up the whole of the car industry. The four major operators can be held up by a small component supplier because of an industrial strike.

We have included a \$1 million contingency fund to ensure that there is an improvement in this industrial relations process so that some of the big car companies and some of the smaller component operators cannot be held hostage to unfair and difficult industrial action by a few militant members. It is fair to say that the unions now fully understand that the Australian car industry needs to be internationally competitive, that it needs to implement the just-in-time process and ensure that it works and that they are acting irresponsibly if they interfere with that production chain. We got support for these measures. The car industry received \$4 billion worth of help. The Australian Industry Group said:

The greater emphasis on R&D spending in this package will further encourage the industry to become more competitive and continue to be a pace-setter in export growth.

We see that competition, these bills and this support for the industry have changed the whole face of the car industry. As I have been saying, the car industry's import quotas have been reduced from 57 per cent to 20 per cent. In those dark years of 1978 to 1987 we had tariff barriers and quotas in an attempt to protect the car industry.

We now have a \$17 billion industry and employment has gone up, as I understand it. It now employs 55,000 people—mainly in Victoria and South Australia. Those forebodings of doom where people thought that the industry would lack jobs have come to nothing; in fact, we have improved job opportunities in the car industry. The Ford Motor Co. in the Geelong area have made a major turnaround. They are now profitable, and I compliment the managing director, Mr Geoff Polites. They have changed their model and a number of their production line processes, they have improved their productivity and their industrial relations practices, and they are now back on the road to profitability. They have sold more models, they have improved their profitability and, whilst they do not export, it is clear that they are in a much stronger position than they were.

It is interesting to look at some of the figures that we have. Exports have increased from seven per cent of production in 1995 to 32 per cent today. So not only do we have an internal industry that was formally protected by tariffs; we now have, in some cases, an export industry oriented towards the world market. In 1995, with a tariff of 27 per cent, Australian manufacturers produced 312,000 vehicles and exports totalled 23,000 vehicles. In 2001, with a lower tariff of 15 per cent, production was nearly 350,000 vehicles and exports totalled 111,000 vehicles. We see tariffs coming down, exports going up and production increasing, which is very much a different scenario to that which was argued by many people, including the member opposite. The declining tariffs in the industry have made the industry much more competitive.

Those export success stories are now going to be influenced by the exchange rate. Certainly, as the Australian dollar appreciates against the American dollar, it does make it more difficult to remain competitive. In the *Australian* on 20 May 2003, an article by Neil McDonald entitled 'Car exports face bingle, imports appeal', said:

The rising dollar, combined with strong consumer confidence and a low interest-rate environment is likely to push sales to an all-time record of 850,000 vehicles this year.

The article also said:

... a sustained strong dollar could have a negative widespread affect across the automotive manufacturing and component sector.

Companies like Holden and Mitsubishi yesterday agreed they were in a win-some, lose-some situation.

"A stronger dollar makes imports cheaper but at the same time it hurts exports," said Mitsubishi spokesman, Charles Isles.

The exchange rate has a bigger impact on the car industry than tariffs, which we have had so much argument about over the years. The shadow spokesman mentioned the impact on the Doha Round and the arrangements for free trade with Thailand and free trade with the US, and that we should be more proactive with the US FTA. Some of the export success stories to Thailand and to the Middle East by Toyota and by GMH are to be commended. They are certainly seeking access to those markets. There are difficulties even with their own parent companies where they wish to support their operations in the US or in Japan.

This is a seminal debate and, in many ways, it comes to a conclusion with the passage of this legislation. There are allocations of government support on a declining basis. There is a downward trend in the tariff regime so that by the year 2015—I might still be here but the member for Corio will be long gone by then—the car industry will be competitive like the

rural industries. They will be exporting around the world. The Geelong and Broadmeadows Ford factories will be world class—which they are reaching now. GMH at Fishermens Bend will be really very good. Toyota are developing their research and development capacities. Hopefully, Mitsubishi will have improved some of their industrial relations and the four big companies will remain very much part of Australia's manufacturing sector. Hopefully, the impact of enterprise bargaining will make sure that the quality and the industrial relations will have improved. When I am in the parliament in 2015—when the member for Corio is playing football for his team—we will have a wonderful car industry, and I will send a letter to the member for Corio just drawing to his attention that the very good policies of his former boss, Senator Button, are coming to fruition, and that the strong advocacy of the member for Corangamite brought about a new era in the car industry in 2015.

The DEPUTY SPEAKER (Mr Lindsay)—I thank the member for Corangamite. Comments about being in the parliament in 2015 could be taken as misleading the parliament!

Mr GAVAN O'CONNOR (Corio) (10.47 a.m.)—I rise to speak in this cognate debate on the ACIS Administration Amendment Bill 2003 and the Customs Tariff Amendment (ACIS) Bill 2003. The ACIS Administration Amendment Bill 2003 gives effect to the government's set of assistance and development measures for the car and component industry over the next decade. The bill contains two discrete aspects: firstly, measures relating to future tariff levels; and, secondly, direct assistance measures aimed at encouraging investment, research and development and innovation. The opposition do not intend to oppose this bill. We accept and understand the broad industry support for the assistance measures contained in it. However, we do take some exception to the government's programmed tariff reductions. As I understand the bill, on 1 January 2005 tariffs on passenger motor vehicles and components are scheduled to fall from 15 per cent to 10 per cent. Of course, in addition to this particular bill, there is another bill that provides for similar tariff reductions in 2010. The tariff levels are scheduled to stay at 10 per cent until 1 January 2010, when they will be reduced to the general manufacturing tariff level of five per cent. We certainly agree with the Productivity Commission review in 2008. We certainly do take exception to the legislated tariff drops that are the focus of government policy.

With regard to the more general assistance measure side, we certainly do support continued assistance to the car and component industry to improve its competitiveness and to encourage it to invest in new plant and equipment. We have seen the fruits of a long policy history—first started with Labor governments—of steering the car industry in a new direction. That particular policy has borne fruit under both governments, I think it is fair to say. I do not see anything exceptional about the assistance measures that are being delivered to the car and component industry in this country. When I look at how easily governments in the past have made assistance available to rural industries, for example, I do not think it is beyond the pale to expect that governments would support a manufacturing industry that is quite central to economic activity in Australia and forms the basis of many regional economies—and I note the presence of the honourable member for Corangamite, the squatter from the Western District, who every now and then ventures into the urban areas of Geelong to make some statements about the importance of the car industry to Geelong.

It is important that I remind the House just how important this industry is. There are about 20 businesses that are directly involved in car and component manufacturing, and the honour-

able member for Corangamite has mentioned Ford, which forms the central core of Geelong's total manufacturing effort, not just in cars and components. The industry in Geelong employs directly about 3,800 people—an enormous contribution that is made to the regional economy. The multiplier effect of that has been estimated at about 1.5. That simply means another 5,800 people have their businesses and incomes directly linked to the car and component industry in Geelong. The turnover is quite substantial. In Geelong it is about \$857 million. That is quite in excess of the \$680-odd million that the financiers and bankers are going to get from the sale of Telstra when this government finally does put it on sale, if it gets half a chance. That is a substantial turnover, and the wages and salaries component is some \$210 million. A cursory look at the statistics as far as the Geelong economy is concerned will indicate just how important the spending power of car- and component-making employees is and how important the industry is to the Geelong area. So we do not take this bill lightly and we certainly do support the measures in the bill that are directly aimed at encouraging those car and component manufacturers to continually update their processes and to invest in new capital equipment and processes so that at the end of the day we have an industry that can compete.

The honourable member for Corangamite mentioned my involvement with the car industry. I should declare that it goes back even further than my involvement with Senator Button, that visionary Labor industry minister who has won the accolades of all sides of politics and the general community for his foresight as far as this particular industry is concerned. It goes back to the old days when I worked with the Industries Assistance Commission, and one of the particular references that I worked on was passenger motor vehicles, so my involvement with this industry goes way back into the dim distant past, as the honourable member for Corangamite will appreciate. We in government understood that it was going to be very important to focus on this key manufacturing industry and set it in a new direction, and part of that of course was a lowering of the tariff regime. The Geelong community's point of view had a very simple philosophy: better that we have a manufacturing facility and industry in Geelong than none at all. I think the union movement, the labour movement generally and indeed the Geelong community appreciated that the tariff levels were not sustainable at 57 per cent. I do not think you have to be a genius to accept that, but of course it is the way you engage in the reduction of tariffs and the way you interpret the economic circumstance at points in time to give effect to the policies that you wish to implement. This is where the government fails, because it does have an ideological obsession with continually lowering tariffs regardless of the circumstance that the industry might find itself in, and that is why we have these legislative changes.

The industry appreciates that it has to continually invest, innovate and conduct research and development to progress both domestically and internationally. It did that under Labor governments, but we were very sensitive to general market conditions when these measures were put in place. The honourable member for Corangamite has stretched the elastic band in the Main Committee here today. Down in our community, we call him Captain Zero. Back before the turn of the century—back in the 1990s—when the honourable member for Corangamite was a Hewson man, he was an advocate of zero tariffs. Of course, now we see a subtle shift—'I was never Captain Zero; I was Captain Zero-plus-five-per-cent'. I say to the member for Corangamite: you cannot have your cake and eat it—not in this place.

We do appreciate the belated support of the honourable member for Corangamite and his latent interest in the car industry in Geelong. He has finally come to the understanding that this industry is absolutely critical to Geelong's manufacturing future and that the measures that are contained in this bill will assist firms to innovate, invest, engage in research and development, and engage in export market development. That is important and I am not going to be so foolish on the floor of this particular House to criticise a set of assistance measures which are well targeted and are designed to encourage the industry along that path.

The honourable member opposite mentioned the Ford Motor Co. in this debate, as I have. It is a very important company to Geelong's manufacturing future. I am very pleased that, as shown by the recent lift in sales, Ford has improved its position in the marketplace. I congratulate those workers and managers at the Geelong plant and at the plant in Melbourne for the way that they have put their shoulders to the wheel in the face of significant market adversity to turn an unprofitable situation around to one where the company is looking with greater optimism to its future. We have seen the sales of the company increase significantly in July. For example, Ford sales in July totalled 11,578 units, which represents the company's best July results since the year 2000. That total figure is up 2,359 units on last year's number, which represents a 25.6 per cent increase. The Falcon passenger sales in July totalled 6,729. That is up 1,944 units, or a 40.6 per cent increase on the July 2000 figures.

The company is looking forward to a better market position. It is looking forward to increased sales, as other car manufacturers are. We are looking at sales that may well go over the 830,000 units mark, which is a credit to the industry and a credit to the work force in the industry. We are all looking forward to Ford's release of its new Territory. It has invested quite heavily in this new product. From the discussions that I have had with Ford executives both here and in the United States, I must say that we are looking at a very optimistic scenario as far as this particular product is concerned. So I congratulate all those involved with the design and I congratulate the workers and managers for their efforts in bringing this new product to the marketplace.

While I am on the subject of Ford, I wish to thank Ford for their hospitality when I was recently in Detroit. I visited their plant in Detroit earlier this year, and I had discussions with top executives in the Ford Motor Company. The overwhelming impression that came through in those discussions was the fact that they had an enduring respect for the Australian operations and the Geelong plant. That was expressed in the confidence of head office in making those investments in Geelong and in the Victorian operations. We thank them for that, because without that continuing investment the company would not be able to sustain its position in a competitive market—that is the reality. We note that the company does not have a large export performance, so it must rely on the successful introduction of new models into the marketplace to sustain the employment levels over time.

I also want to congratulate the Ford company on its sponsorship of the Geelong Football Club. Recently they tied up another five-year deal. It is the world's longest-running sports sponsorship, and I congratulate both the Ford Motor Company and the Geelong Football Club on the 78 years that they have been together. It is an extraordinary partnership between a club and a major corporate sponsor, and I think the parliament should acknowledge these sorts of initiatives because they are important to the local community.

The honourable member for Corangamite, as we know, has a foot on both sides of the fence. I also note the presence in the parliament today of the honourable member for Franklin, who happens to be a die-hard Melbourne supporter. He would be comforted to know that there is another Melbourne supporter in the House at this point in time: the honourable member for Corangamite. However, the member for Corangamite has had a late conversion to the Geelong Football Club. Obviously, that was done for political reasons, but I guess we will have to forgive him for his sins. We just hope that, when Geelong does play Melbourne, he does not have difficulty with the barracking.

However, there is a more serious issue I want to raise with the honourable member for Corangamite, and it goes to this whole issue of industry policy. In his contribution to the debate, the member was quick to blame the union movement: it is always the unions' fault, isn't it! Going back in time, we know that the Ford plant in Geelong and the industry did have a difficult industrial relations relationship. That was not just the problem of the unions; it was the problem of management as well. Thankfully, today we have a more enlightened management. We have changed the culture of industrial relations.

What we have in the car industry today is this: an enlightened union movement and an enlightened management of the car and components sector, but we still have a government back in the dark, dim industrial relations days. The member for Corangamite demonstrated that today, peddling the same old hoary myths. Let me remind the House that on 23 June 2003 he got up in the House of Representatives and asked a dorothy dixer to the Hon. Joe Hockey—I am not quite sure of the minister's title at the time; perhaps he was the acting industry minister. This is what the minister said in regard to the member for Corangamite:

That is because in his electorate, in Geelong, we have seen the impact of union thuggery at the Ford plant, on the components industries, on delivery drivers, on truckies and on all the small businesses that rely on the automotive industry, from the sandwich suppliers right through to the components businesses. They are all affected by industrial thuggery.

This was an insult not only to the union movement but to the management of Ford. The honourable member for Corangamite ought to come into this House and fess up to the fact that he asked the dorothy dixer that let this dog loose on the industry, because he belled the cat on his real attitude to this industry.

You are not interested in a rational industrial relations relationship between the management of this industry and the union movement. What you are interested in is provoking the union movement, provoking the management and doing all you can to get an industrial relations climate that belongs in the 1950s—that is the reality of your position. How you can come into this House and argue that this is a wonderful package and a wonderful industry then via the back door go out and seek to undermine the efforts of the union movement and the managers to get on with the job because of your confrontationalist industrial relations policies and your deception, I really do not know.

The opposition have a very clear policy with regard to manufacturing industry. We seek commitment from industry to securing existing employment levels and improving them. We want adherence to core labour standards, including relevant awards and legislative protection. We want new jobs. We want new investment, increased exports and a continuing commitment to skill development, research and high-quality design performance in Australia. You really do

not get all of that particular policy in the coalition government—you only get it when Labor are in power.

Mr BILLSON (Dunkley) (11.07 a.m.)—I rise to speak in this cognate debate on the ACIS Administration Amendment Bill 2003 and the Customs Tariff Amendment (ACIS) Bill 2003. I am pleased this is such non-contentious legislation that it has come here to be debated. My message is that it sounds like we all need to take a bit of a cold shower. The member for Corio can wax lyrical about all the things that the Labor Party would do, but it has not done them. He seeks to criticise what the government has done and then gives an account of what Labor would do that looks amazingly similar to what the government is doing. What a great mystery it is to try and work out where the point of difference is. I do understand the tensions down in Geelong and the debate on domestic consumption—there should be—between the right honourable member for Corangamite and the member for Corio, who is ducking off to let Geelong media know he has had another spray at the member for Corangamite over the car industry.

The issue today is another instalment in a menu of government policy reforms that has given life to a car industry. The car industry—domestic sales and manufacturing—is as strong and as robust as it has ever been, and there is no one element that has delivered that. It has been a combination of things, including the sound advocacy of the member for Corangamite for a sensible and sober review of tariff and protection policies; encouragement from governments to invest in innovation and research and development; programs like ACIS that we are discussing today; improved productivity from the labour force of the major manufacturers; and continuing innovation, not just at the manufacturers' level but at the componentry level—those small to medium businesses that provide the pieces that go into vehicles that are now being exported to all corners of the globe.

I remember the first time I had the opportunity to speak about the car industry. I think that during that year Ford exported one car, and I believe that was the one Jac Nasser took with him when he went to the US. Thankfully the picture has changed. We are seeing all four manufacturers exporting vehicles. On my recent visit to Toyota in Melbourne I found that the majority of their production is now exported. I found that quite a remarkable statement. A global company, Toyota, with a very clear focus on business performance and outcomes has recognised that a plant in Melbourne—a boutique plant by international standards—is producing world-class vehicles for this region and beyond. The story is a good story, and this is another chapter in that story which provides the automotive industry 10 years of certainty; a decade of certainty.

What a great government it is to provide that kind of comfort, clarity and forward thinking to give an important sector of the economy, the Australian automotive industry, a clear understanding of what the picture looks like and what the domestic environment will be in 10 years. That is the key benefit of these packages that we are debating here today. To support an ongoing, robust and vibrant automotive industry, the government will continue to provide not only certainty of policy but also a supportive general economic environment. We know the trilogy: low interest rates, a pro-investment climate and strong employment opportunities. That is something that all Australians are benefiting from, but industry also benefits from it.

Industry benefits from having an environment that is conducive to its performing well and then, through its endeavours, the broader economy, the work force and their families benefit.

Here we have 10 years of sunshine—another 10 years to go forward and see the car industry expand its domestic capability and reach out further with exports and, hopefully, take a larger share of the domestic market.

The ACIS Administration Amendment Bill 2003 makes some changes to the ACIS program that was implemented through the 1999 act, and they follow rather extensive and very public consultations. It is novel—that is the nicest thing I can say—to hear the member for Corio talk about a government with blind ideology supporting the car industry. Nothing has had more light shone on it than this industry, and no more exhaustive process of consultation and review has been carried out for any industry, so the whole nation gets to hear about these reviews for the car industry. We are adopting a no-surprises position so that all participants know exactly what the sound footing is from which they can move forward.

As a result of the most recent review and another examination of how we can best support an important industry in an increasingly liberalised trade environment, the government is going to provide generous support through the ACIS program estimated at \$4.2 billion between 2006 and 2015—\$4.2 billion not just in handouts or corporate welfare but incentives that say to those producers, ‘If you partner with the other factors of production in this country and work with the government, we will encourage your innovation and your high-end research and development activities and we will support an even stronger industry.’ The good news is that we have some finetuning of the package. The package will see automotive tariffs over time align with the general manufacturing tariff. The package also puts forward in advance implementation dates which give the certainty that I spoke of.

The tariff picture is an interesting one. There are many people who think that making people pay more for cars than they need to is somehow helpful. If they are spending more on their cars they are spending less on something else. It is easy to understand how other sectors of the economy and our overall standard of living can be undermined by recklessly large tariffs. We also understand, though, that sometimes tariff regimes can be counterproductive in supporting an industry where high tariffs have not supported innovation, have not supported improved competitiveness and have not supported improved quality. The important thing about the tariff regime is that it is phased down while the industry tools up. That is exactly what the package provides for.

To put the matter into historical context, in 1995 we had a tariff of 27.5 per cent and our Australian car manufacturers produced 313,000 vehicles and exported 23,940 of them. In 2001, with the tariff at 15 per cent, just under 350,000 vehicles were produced, with over 111,000 exported. These are bumper times for the car industry. We are seeing record production and record sales year upon year. Our test, though, is to make sure that the domestic market gets a fair share of that growing volume of sales, and the best way to do that is to produce quality products that respond to consumer demands and deliver for customers. What we have is a package that will support that and will provide assistance to industry and complement a further reduction in the tariff regime.

Some innovations in the package were incorporated at the request of industry. Again, entirely contrary to what the member for Corio would say, blind ideology is not driving this; we had collaboration and consultation with industry. Industry said that it would like some splitting of the available funds, with 55 per cent for the major motor vehicle producers and 45 per cent for other ACIS participants. That proposition was put forward by the industry and it was

supported by the government. It not only provides a clear picture into the future; it also recognises that there are various elements within the car industry that deserve to know where they fit into the picture.

The other issue I would like to talk about today is support for research and development and innovation. There is funding available in this package to support industry research and development. There are incentives for those who are doing the right thing, putting their own energies, know-how and experience towards a better vehicle production industry into the future. There is support for high-end research and development activities and there is a living, breathing example of the very best of that kind of activity in Melbourne. The General Motors design facility in Melbourne is outstanding. It is world class. You can go in there and see a hologram of a new vehicle. You can see what it looks like, the finish and the shape, and the way it sits on the road. You can apply some of those high-end computing capabilities that we know are very much a part of contemporary manufacturing. You can actually see what it looks like. You can see what new vehicles look like and that certainly would not put you to sleep if you were at that facility.

The opportunity to have that kind of capability in our country to complement a global corporation could, into the future, see 24-hour production as a fact of business. As the time zones move, you could kick into the Melbourne design and research facility and you could show how a contemporary car industry could conceive of, design and construct world-class vehicles, and that could be done in a shorter time. That is the big challenge. That is something that the member for Corio seems to overlook.

There is little point going on without recognising that a hostile industrial relations climate is counterproductive to the car industry. I do not know anybody who believes that hostility, lockouts, shutdowns, wildcat strikes and disruption to supply chains are somehow going to help a world-competitive business where we need to be smarter, sharper, more productive and produce high-quality vehicles. Nobody could suggest that would happen. I stand here today not necessarily spruiking for those in the union movement who want to look after their members; I am here to represent the people who are not in those jobs yet and who might like to be union members down the track. They are the people who do not have jobs in the car industry. I am here to see if we can grow that industry and expand the employment opportunities. Even those who are here as mouthpieces of the unions, as fully owned subsidiaries of the union movement, might even see benefits in what I have said. There would be more people to rip money off to support the Labor election campaign. It is a win-win for everybody. The key is to make sure that there is a productive, collaborative climate to let those evolutionary improvements go forward and get better products into the marketplace faster with fewer defects and better quality, representing great value for money. That is the combination that is needed and that is what is reflected in the government's approach.

Another issue I want to consider today relates to the whole setting of the car industry. We know and understand that a domestic market is central to providing a capacity to export. We need some reason for being here. The car industry is a multinational industry and it has excess capacity around the world. There are no signs which say, 'This segment of the car industry is reserved for Australia.' There is nothing like that. There are no walk-up starts. We need to show that this is the sensible place to invest and we can do that by the kind of performance

that has been nurtured and supported by the Howard government since it has been elected, as reflected in the figures I mentioned briefly earlier.

However, there are other factors. It is a little-known fact that some of the top three or four producers of technology for LPG vehicles are here in Australia. Just as we understand that we need a domestic base to produce vehicles and use that as a foundation to move into the export market, we need to recognise that the same applies with the LP gas industry. We have probably the second largest fleet of LP gas vehicles per head of population anywhere in the world. We have some of the finest component manufacturers and our people in Australia are producing LP gas technology for Toyota. For example, Apollo Gas in Melbourne produces an LP conversion kit which has been endorsed by the manufacturers of the Mercedes van. That is being produced in Australia. It is world-class technology. But if we do not have a domestic base, why should they continue with that innovation here?

The excitement that you are reflecting, Mr Deputy Speaker Lindsay, is what I reflected when I launched the Toyota LPG Camry, where you have a world-competitive car, produced in Australia, using Australian produced LP gas technology. It is a great story. Just as we need to support and provide a sound domestic foundation for the car industry, we understand that the component market also needs a similar foundation. Let me point to another example: LG Equipment Pty Ltd and the team in Sydney, under the leadership of Philip Treloar, produce gas guard nozzle technology. It is remarkably outstanding technology which is used worldwide, is produced in Australia, and is supporting and earning export dollars for this country. They need a domestic base here.

My concern is that the producers of LP gas in the country do not care where they sell the stuff. It does not matter if it goes out on a big ship to our trade competitors; it does not matter if other countries recognise that it is a first-class, here now, transition fuel. These producers will just sell it overseas. So we need a domestic base for LP gas driven transport systems that actually supports this world-class production. I mention Apollo Gas. I also mention Ausmart, in my own electorate, which is exporting LP gas technology to China. It does not just happen because we want it to. You need a capability domestically and you need a domestic market to refine the technology and to sell it in those international markets.

Ebsray Pumps Pty Ltd produces 98 per cent of all of the LP gas service station technology. So, whenever anybody pulls up at an LP gas pump to fill up their car, there is Australian made world-class technology there. It wiped out the competition in France and Thailand in the late eighties. They gave away their domestic LP gas commitment, so they have shut down. Now there are so-called equivalent competitors in the United States, Germany and the UK looking at Australian made technology and saying, 'This stuff is the bee's knees.' Why? Because we have such a large domestic fleet that is powered by LP gas.

I mention that because these are component industries that are involved in local design, development, manufacture and marketing of what is world-class, leading-edge technology for the auto gas industry worldwide. They have had some encouragement from government through excise regimes, but we know that subject is up for discussion now. What I am saying, though, is: do not just look at the use of the gas when you are considering what is an appropriate excise regime; look at the industry that sits behind what is a remarkable story. If we poorly handle the excise question, it will become a story of missed opportunities.

LP gas is the new fuel, the clean fuel of the future. It is not something that people lie awake at night and dream about; it is here now and it is being embraced by one in 17 cars in this country. It is little wonder that we have the world's best technology. We need to support that by making sure there is a domestic demand for the gas and that there is some encouragement for everybody involved in that chain to make their contribution. Support for the car industry must be focused not only on selling world-class, completed units—motor vehicles—domestically and internationally but on recognising that there are component manufacturers. Australian Arrow in my electorate make some of the world's best electronic technology. They do not make the harnessing anymore. They do not sit there and make the long strings of wire—that is made in Samoa. The contribution made at Australian Arrow in Carrum Downs is to make sure there are no big spiders in the kit as it comes over from Samoa. Australian Arrow make the high-end applications that plug into either end of the trains that run through all motor vehicles. My message today is that the car industry story is a fantastic story, but it has not happened by chance. Successive governments have recognised the importance of collaboration with this crucial industry and appropriately targeted government support. Some agitation to make sure the industry is the best that it can be has produced a world-class industry. It is a little boutique by world standards, but it is still world class.

So I say we should support this legislation today. Remember it is not just about the fully completed vehicles; it is about the component manufacturers. I would like to give a message to anybody who is remotely interested: there is world-class capability in the auto gas sector, and how we handle the changes to excise in the near future is crucial to see whether we give away an international edge, give away and trash a domestic production capability that is exported around the world, and give away the environmental, social and economic benefits of LP gas. We are smart on this. We understand the multifaceted nature of a solution. We need to be equally as clever and smart on LP gas and excise changes to make sure that all the good gains that are there are not given away for no return.

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (11.25 a.m.)—I would like to thank all the honourable members who have contributed to the debate on this very important legislation, the ACIS Administration Amendment Bill 2003 and the Customs Tariff Amendment (ACIS) Bill 2003. I particularly thank the member for Corangamite and the member for Dunkley, two very fine Victorians who are clearly very strong and passionate supporters of the automotive manufacturing sector. I also welcome the opposition's support of the legislation and their recognition of the strength of our automotive industry. In particular I welcome the opposition's recognition of the export success of the Australian automotive manufacturers. I would, however, like to remind the member for Rankin and the member for Corio that, while the tariff will fall from 15 per cent to 10 per cent in 2005, the ACIS extension to 2015 is going to provide an additional \$4.2 billion to assist industry adjust to the reduction of that tariff to five per cent in 2010. It is giving a certainty to the industry, and this is what the industry has been looking for. This is why the industry has welcomed this initiative.

I think the member for Corio was suggesting that an amendment may well come out of the Senate, proposing that we do not phase out that tariff. I think we would have great difficulty in supporting that. In the first instance, we have not put the planned 2008 review into the legislation. I think it is inappropriate for government to bind later governments to actions by leg-

isolating a review now. Not reviewing it allows flexibility so that, if circumstances were to change—and we see that the world certainly changes at dramatic speed—there would be the opportunity to do that review sooner or later, and decisions could be made at that point in time. I do not believe that they have any justification for that proposed amendment, and we certainly would have difficulty in supporting it.

It is interesting to note that back in 1995, when the tariff rates were 27.5 per cent, Australia produced about 313,000 vehicles, including 24,000 cars for our export markets, yet in the space of only a few short years, as the member for Corangamite noted, by 2001—when tariffs had fallen to 15 per cent—Australia produced some 350,000 cars, including 112,000 cars for export. The members for Dunkley and Corangamite spoke about the Ford plant in Geelong and how it turned around its manufacturing performance in recent years. Just by way of comparison, earlier this year I had the pleasure of representing the government for the launch of Holden's third shift, at the manufacturing plant in Elizabeth in South Australia. That introduction of the third shift meant an extra 1,000 jobs for Elizabeth, manufacturing motor vehicles more or less 24 hours a day. Holden alone is aiming to reach, by 2008, production levels of 200,000 vehicles, including some 70,000 vehicles for export. This is a huge step forward from where we were back in 1995-96, and the ACIS Administration Bill 2003 will help to drive forward that success and growth well into the future.

This bill makes a number of important amendments to the ACIS Administration Act 1999. It extends the existing Automotive Competitiveness and Investment Scheme to 2015 and allows for the establishment of a research and development fund, specifically to encourage high-end research and development by Australian motor vehicle producers. Significantly, the bill provides a decade of certainty, as I said earlier, to over 200 firms in the Australian automotive industry by providing policy certainty. Firms will be able to have confidence in investment and innovation.

This package will deliver assistance estimated at \$4.2 billion to the Australian automotive industry. This assistance is of a transitional nature designed to assist the industry in moving to greater efficiency and competitiveness. The Customs Tariff Amendment (ACIS) Bill 2003 is a companion bill to this bill. Passage of the tariff bill will legislate for the reduction of the automotive tariff from 10 per cent to five per cent in 2010. This will bring the Australian automotive industry in line with the general manufacturing tariff, thus ending what might be considered special protection for the automotive industry. While the lead time given for this tariff reduction is generous, it provides the automotive industry with certainty and time to adjust to new competitive regimes. To date, as we have seen those reductions occur, we have certainly seen those very effective adjustments taking place. This bill was drafted after consultation with industry, and I wish to place on record my thanks to those in the industry who assisted in the development of this legislation.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

CUSTOMS TARIFF AMENDMENT (ACIS) BILL 2003**Second Reading**

Debate resumed from 5 June, on motion by **Mr Entsch**:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

LEGISLATIVE INSTRUMENTS BILL 2003

Cognate bill:

**LEGISLATIVE INSTRUMENTS (TRANSITIONAL PROVISIONS AND
CONSEQUENTIAL AMENDMENTS) BILL 2003****Second Reading**

Debate resumed from 26 June, on motion by **Mr Williams**:

That this bill be now read a second time.

Mr McCLELLAND (Barton) (11.33 a.m.)—I rise to speak in this cognate debate on the Legislative Instruments Bill 2003 and the Legislative Instruments (Transitional Provisions and Consequential Amendments) Bill 2003. By implication from its title, one would consider that the Legislative Instruments (Transitional Provisions and Consequential Amendments) Bill 2003 was rather a dry piece of legislation, but it has significant practical benefits. The bill establishes a regime for the making, registration, scrutiny and sunseting of Commonwealth legislative instruments. The ultimate source of this bill was a 1992 report of the Administrative Review Council entitled *Rule making by Commonwealth agencies*, which was followed by three previous versions of the bill introduced into the parliament in 1994, 1996 and 1998. So a lot of work has been done in this area by the previous government and, in fairness to him, the current Attorney-General. We are aware that in reintroducing the bill, the government has sought to address some concerns previously voiced by the opposition, as well as concerns expressed by Commonwealth agencies about the consultation requirements contained in those earlier bills. The opposition continue to support this legislation and were pleased the Senate supported a motion to refer the bill to the Senate Standing Committee on Regulations and Ordinances to run a final ruler over the bill and ensure it meets outstanding concerns.

As this legislation has been extensively debated before, I will not detain the committee longer than is necessary to comment on what have been controversial aspects of previous bills and the broader issues raised by the current bill. As a fundamental issue, the initial point is about the range of instruments covered by the bill. The bill applies to all instruments of a legislative character made in the exercise of a power delegated by parliament except instruments expressly excluded by legislation. In the case of uncertainty, the Attorney-General is given the power to certify whether or not an instrument is legislative. However, the certificate is subject to judicial review and is itself a legislative instrument subject to the act but not subject to parliamentary disallowance.

There has been extensive debate about this mechanism in the other place on whether this provides an adequate check on the Attorney-General's exercise of discretion. In the spirit of compromise, the opposition are prepared to accept the mechanism of judicial review, recog-

nising that the Federal Court has considerable experience in answering the legal question which arises in various contexts of whether something is legislative or administrative in character. The Attorney-General's decision under this legislation to seek judicial review on the ground of error of law would effectively be to ask the Federal Court to conclusively answer this question of law. If the court were to disagree with the Attorney-General, it is difficult to see how the Attorney-General on a reconsideration of the matter could reach a different legal conclusion from that which the court had indicated.

The area of consultation is an important area but one that is in further contention. The main concerns were not so much those of the parliament as those of government agencies, which were concerned that the mandatory consultation process in previous versions of the bill would have exposed important legislative instruments to legal challenge on the basis, of course, of arguments that appropriate consultation had not occurred. To avoid that, the new bill provides that, while an absence of consultation does not affect the validity or enforceability of a legislative instrument, before a rule maker makes a legislative instrument they must, nonetheless, be satisfied that all appropriate and reasonably practicable consultations have been undertaken. They must do so particularly where the proposed instrument is likely to:

- (a) have a direct, or a substantial indirect, effect on business; or
- (b) restrict competition;

The aim of the bill is that the rule maker should, among other things, ensure that persons likely to be affected by the instrument have an adequate opportunity to comment on its proposed content. The government must table and register an explanatory statement describing these consultation processes. The Attorney-General has said that this is already government policy and that the government does consult before making legislative instruments. The implication is that this bill reflects existing government policy, culture and practice. However, it is worth testing that in reality and I refer to a recent, albeit controversial, instance that demonstrates why this bill is necessary. As an example, I take the Excise Tariff Proposal No. 4 (2002), made under the Excise Tariff Act 1921, and the Customs Tariff Proposal No. 3 (2002), made under the Customs Tariff Act 1995, which are both legislative instruments that in future, if this bill is passed, would be subject to the Legislative Instruments Act.

The legislative instruments that I have referred to were tabled in the House of Representatives on 16 September 2002 and they came into effect at 12 a.m. on 18 September 2002, a matter of a little over 48 hours. They implemented a policy change announced without warning, it appears, by the Howard government just four days earlier, on 12 September, that excise and customs duty would be imposed on ethanol. I ask: did the government comply with the principles expressed in the Legislative Instruments Bill in respect of appropriate consultation? On any view, I think it should be accepted that the government's package of changes had a direct effect on business and restricted competition, to use the language of the Legislative Instruments Bill, to which I have earlier referred.

It directly damaged businesses in Australia seeking to import ethanol, and in particular Neumann Petroleum and Trafigura Fuels, which were waiting on a shipment of ethanol from Brazil, and directly benefited the Manildra Group of Companies which has, as I understand the position, a near monopoly on domestic ethanol production. But who did the Howard government consult before making these two significant legislative instruments? We know that they consulted Mr Dick Honan. There was, apparently, quite frenzied contact and correspon-

dence between the Howard government and the Manildra Group before these instruments were made but they did not, it would seem, consult with Neumann or Trafigura, who stood to lose and indeed, as we understand the position, did lose hundreds of thousands of dollars on their shipment of ethanol as a result of these legislative instruments—that is, unless you view the apparently, again, substantial and quite frantic calls from the Australian embassy in Brazil to Trafigura inquiring about the planned ethanol shipment as consultation.

Regrettably, it seems that embassy officials forgot to mention the impending legislative instruments to which I have referred. Likewise, the Australian Customs Service, which prepared the Customs Tariff Proposal No. 3 instrument, on 14 May this year, in answer to a question on notice from Senator O'Brien, admitted:

Customs was not involved in consultations with companies or industry organisations prior to the imposition of the new duty rate on ethanol.

Again, that is contrary to the principle of consultation which will now be legislatively entrenched in the Legislative Instruments Bill. But returning to the example, if, as the Attorney-General claims, the Howard government does have a policy of consulting before making legislative instruments, it appears that it was completely ignored by the Prime Minister and indeed literally every other minister during what has become known as the Manildra scandal. Not surprisingly, Mr Paul Moreton, the Chief Executive Officer of the Australian company Neumann Petroleum was quoted in the *Sydney Morning Herald* on 16 August this year as describing the process leading to the making of these legislative instruments as:

... pernicious and treacherous. The way that they did it was absolutely meant to punish Trafigura and Neumann's. They weren't just changing the law to protect Manildra, but were setting out to cause us a financial loss.

Mr Moreton, I believe, was particularly justified in feeling aggrieved as he had in fact accompanied the Minister for Trade on a trip to Teheran in early September last year, during which time no mention was made of the impending legislative instruments. In a letter to the Prime Minister on 18 September last year, literally when the instruments came into effect, Mr Moreton wrote:

There was plenty of time to warn us of your intended action. Had we been advised, we would not have made the decision to import, which I may add was made in good faith and intended to develop a blended fuel market in Australia.

In summary, while I appreciate that that example was controversial, it starkly demonstrates why the Legislative Instruments Bill 2003 is sorely needed to raise what appears in this case to be an appalling standard with respect to consulting with affected interests before making significant delegated legislation. As I have indicated, hopefully this bill will avoid another Manildra-type scandal from arising.

Another area of contention in previous debates has related to the exemptions in the bill from the consultation requirements. The terrain of this debate is somewhat different now that the government has replaced the mandatory consultation processes with the mechanisms in the current bill. We note that the bill now proposes an indicative list of circumstances in which a rule maker may be satisfied that consultation may be inappropriate. We would expect that rule makers would not make a practice of justifying a failure to consult by including a bare reference in their explanatory statement to one of the paragraphs in clause 18 of the bill. To again use the controversial ethanol example, it would have been unacceptable in our view

to simply have referred to clause 18(2)(b)—that the instrument was required as a matter of urgency—to justify the failure to consult before making those legislative instruments imposing excise and customs duty on ethanol. This is what happened—the Howard government was obviously intent on helping out Manildra by sabotaging the ethanol shipment from Brazil before it arrived, but plainly such a contrived urgency should not be used to justify a failure to consult other Australian businesses who are about to sustain economic damage because of the Howard government’s decision to introduce those legislative instruments.

In relation to the drafting of legislative instruments, the bill requires the secretary of the Attorney-General’s Department to cause steps to be taken to promote the legal effectiveness, clarity and intelligibility of legislative instruments. The secretary must also cause steps to be taken to prevent the inappropriate use of gender specific language and the parliament must be notified of any occasion where existing instruments are found to contain inappropriate gender specific language. We are pleased that the government has picked up that recommendation of the Senate.

The bill also formally established the federal register of legislative instruments which will be publicly accessible via the Internet and will be maintained by the Attorney-General’s Department. In reality, the department has maintained a federal legislative instruments database for some years which will now be significantly enhanced and given a statutory foundation. Any legislative instrument made after the commencement of the bill must be registered to be enforceable and the register must also contain explanatory statements and compilations of legislative instruments. There is also a mechanism for back capturing existing legislative instruments for inclusion in the register. Effectively a one-stop shop will be created for legislative instruments making it much easier for individuals, businesses and of course advisers to access the relevant law as set out in these instruments.

The bill also provides that all registered legislative instruments must be tabled in parliament and are subject to substantially the same disallowance regime as currently applies to regulations and disallowable instruments under the Acts Interpretation Act 1901. The bill provides for a number of exemptions to the disallowance regime. I note that the Attorney-General has undertaken that no new exemptions from disallowance are however created by this bill. The bill provides for sunseting or automatic repeal of legislative instruments after 10 years, again to avoid our system being clogged by irrelevancies that can only cloud the community’s understanding of legal obligations. However, there are a number of exemptions. This mechanism was previously objected to on the ground that it gave no automatic capacity to the parliament to extend the life of instruments that should endure beyond the sunset period.

The new bill requires the Attorney-General to table in each house of parliament a list of each instrument scheduled to sunset 18 months ahead of the sunseting date. While that will impose some understandable administrative burdens on relevant departments, it is significant. It will enable either house of parliament by resolution to exempt further nominated legislative instruments from sunseting. Again, we record our appreciation that the government has responded to the concerns of the parliament about those sunseting provisions. Finally and appropriately, the bill provides for a review of legislation after three years and a review of sunseting provisions after 12 years.

I would like to make some comments on the issue of scrutiny of legislation generally. It has been more than a decade since the Administrative Review Council recommended an improved

federal regime for delegated legislation. I suspect that after extensive debate and amendment we are almost there. While this legislation deals with scrutiny of delegated legislation, it is a good opportunity to look to the future and ask what should be done about scrutiny of legislation generally. I note that this government—and I have previously praised the initiative—has created what is known as the treaties committee, which effectively undertakes a role of scrutinising proposed treaty action before Australia commits itself to a treaty. I believe that committee has been tremendously valuable not only in ensuring that treaty action is in the interests of the country but also in involving members of the public in the process of treaty action by inviting them to present submissions and often inviting them to attend hearings to give evidence as to how they, their interests, their community or their organisation will be affected by proposed treaty action. In a sense it is a form of participatory democracy, with the treaties committee hearing from the public before making a recommendation.

That system, as a result of initiatives of former Senator Murphy and the development of the committee system—in particular in the Senate and in the parliament more generally—is evolving into what is increasingly becoming a consultative mechanism in respect of crucial bills. I believe that is also an encouraging thing for democracy and something that over time, if implemented genuinely, will result in the public being involved again in the legislative process at least in respect of crucial pieces of legislation that are frequently referred to a committee process by one of the houses of parliament.

The Australian Labor Party sees these steps towards greater transparency in executive rule-making as part of a necessary movement towards greater transparency and accountability in law-making more broadly in those instances that I have referred to—both treaties and, in some instances, legislation. All members of the House would be acutely aware that, more than ever, Australians feel alienated from the political and parliamentary processes. I believe the health of our democracy would be greatly improved by policies to re-engage the public in the legislative process as a general rule, rather than in respect of specific or controversial pieces of legislation. It would ensure that, in particular, people's fundamental human rights are genuinely observed in the development of legislation.

I am not simply talking about rights which are of the nature of freedom to a fair trial. I am also talking about fundamental rights such as access to the highest reasonably attainable levels of both physical and mental health care, in terms of appropriate levels of housing, social security, access to infrastructure and the like. These are rights that very much go to all Australians' living standards, which, I think it is fair to say, each and every member of parliament is committed to enhancing and improving. In this respect the Stanhope government of the ACT is to be congratulated for its initiative in establishing a consultative committee to examine whether the ACT should adopt a form of bill of rights. Following extensive consultations with the ACT community, the committee reported in May this year and recommended the adoption of new human rights legislation. One important aspect of this proposal was for greater scrutiny of proposed legislation before it is enacted by the parliament. The committee proposed that a statement be tabled with all legislation introduced into the ACT parliament concerning its compatibility with specified fundamental human rights and that a parliamentary committee be established to scrutinise that compatibility.

This mirrors one aspect of the United Kingdom's Human Rights Act, which requires a ministerial statement of compatibility. The UK parliament has also established the Joint Commit-

tee on Human Rights, which has published over 30 reports on compliance of proposed legislation with the Human Rights Act and significant human rights instruments and has persuaded the government on several occasions to amend draft legislation to improve and advance human rights within Great Britain. Even after a relatively short period of operation, views are being expressed that the Human Rights Act has had a significant and positive impact on the legislative culture of the United Kingdom.

Indeed since 1969 the national platform of the Australian Labor Party has included a commitment to a bill of rights. In 2000 the platform was amended to enshrine the objective of a legislative charter of citizenship and aspirations, picking up this notion of involving a dialogue between the parliament and the people as to how their rights will be affected by legislation. We saw that as a first step in improving the observance of human rights in the political process. Previous proposals for a bill of rights in Australia have foundered, partly because it is argued that it is something which expands judicial power at the expense of parliamentary sovereignty. However, this completely ignores the sophisticated mechanisms that can be put in place within the parliament itself to improve scrutiny of legislation from that significant human rights perspective, not simply from the point of view of protecting esoteric or inane concepts but from the point of view of actually advancing the living standards of citizens before legislation is made. I believe that now, as we are putting in place a better regime to scrutinise delegated legislation which is far more sophisticated in approach than that which has previously occurred—as demonstrated by my reference to the Manildra issue, which I believe is very relevant in comparing what is inappropriate to what is appropriate—it is time that we as a parliament look forward and consider other reforms to open up legislative and parliamentary processes to greater scrutiny and, indeed, involving of the public in a form of participatory democracy, as opposed to simply electoral democracy. Having made those points, I commend this bill to you, and I look forward to the report of the Senate committee.

Mr GEORGIU (Kooyong) (11.59 a.m.)—I was incited to speak today on the Legislative Instruments Bill 2003 and the Legislative Instruments (Transitional Provisions and Consequential Amendments) Bill 2003 because one commentator described them as covering the ‘least sexy topic in Australia’. If the commentator had been able to hear the speech of the member for Barton I am sure he would not have pursued that view, because the fact is that, while it may not be sexy, it is important, and commentators have welcomed the legislation as an ‘attempt to clean up and control the “black hole” in administrative law.

While the Legislative Instruments Bill 2003 contains substantive provisions, to which I shall refer, its companion bill—the Legislative Instruments (Transitional Provisions and Consequential Amendments) Bill 2003—makes consequential amendments to the Acts Interpretation Act and other relevant acts. Legislative instruments are written instruments of a legislative character that are made in the exercise of a power delegated by the parliament. A regulation is an archetypal example of a legislative instrument. Regulations are relatively accessible, being published under a numbering and publications system prescribed by the Statutory Rules Publication Act 1903. However, there is a raft of other forms of legislative instruments—including guidelines, orders, rules and determinations—which are often far less accessible and which may also suffer from poor drafting.

The first aspect of this bill is to establish a consistent, coherent regime for the making, registering, tabling, scrutinising and automatic repeal—if they are no longer required—of Com-

monwealth legislative instruments. The second aspect of this bill is to provide for the establishment of an authoritative, complete and publicly accessible online register of legislative instruments. There is currently no comprehensive and authoritative online register of Commonwealth legislative instruments, so this will fill a significant void.

Certain instruments are specifically excluded from the operation of this bill and others may be excluded by the act or instrument giving authority for the instrument to be made. Examples of instruments that are specifically excluded are private and public taxation rulings, employment arrangements, and orders made by the Australian Federal Police Commissioner under the AFP Act. Generally, the exemptions are because an instrument is not actually legislative in character or because it is inappropriate for a particular instrument to be publicised. However, while the application of the act will not be entirely universal, certainty as to the application of the act can be assured by seeking a conclusive certificate from the Attorney-General as to whether or not the act applies to a particular instrument.

The first aspect of the legislation which I will look at concerns the drafting of legislative instruments. This legislation will give the Secretary of the Attorney-General's Department a range of powers in relation to the drafting of instruments, including the power to supervise the drafting of legislative instruments, and also the ability to provide training in drafting and drafting precedents to other agencies. These measures are intended to empower the secretary to enhance the legal effectiveness, clarity and intelligibility of legal instruments.

The legislation also deals with requirements for consultation in the preparation of legislative instruments. Forerunners of this proposed legislation contained quite prescriptive consultation procedures. In contrast, the bill now before the House encourages but does not compel consultation on legislative instruments when they are being made. This is a fine balance, encouraging the appropriate consultation and facilitating oversight, without imposing mandatory procedures which may be inefficient or inappropriate—for example, for budget decisions or national security measures. In order to enhance parliament's scrutiny of the consultation process, the bill requires that the explanatory statement for every instrument includes a description of the consultation that occurred or, if there was no consultation, an explanation as to why not. This will enhance the transparency of the process of making legislative instruments.

I will turn to the tabling and disallowance procedures provided for in this legislation. These procedures ensure that there is a comprehensive regime for parliamentary scrutiny of legislative instruments, and this Legislative Instruments Bill substantially re-enacts the existing process for the disallowance of legislative instruments which is contained in the Acts Interpretation Act 1901 and extends the scheme to all legislative instruments. The Attorney-General's Department will be responsible for tabling new legislative instruments in both the Senate and the House of Representatives within six sitting days after the instrument is registered—a matter which I will come back to in a moment.

The procedures will reflect the current approach to disallowance, in that either house of the parliament may give a notice of motion of disallowance within 15 sitting days of the instrument being tabled. If the motion is passed, the instrument will cease to have effect. This is subject to appropriate exemptions—for example, where it is intended that an instrument be within the control of the executive, such as ministerial directions to agencies, or where there is a requirement for commercial certainty that would be jeopardised by disallowance. The government's intention is that all instruments that are currently subject to a disallowance

process will continue to be so. And even instruments that are exempted from the disallowance process will have to be tabled, which will enhance the scope for parliamentary scrutiny.

Turning to the sunset provisions, the automatic repeal of a legislative instrument after 10 years is a very important aspect of the Legislative Instruments Bill. This measure will ensure that legislative instruments are regularly reviewed by the agency responsible for them, retained only if needed and kept current. In the previous proposed versions of this legislation, the sunset period was five years. There was concern, however, that this was too short a period, and this concern has obviously been addressed in the bill before the House.

The sunset provision is an important mechanism to unclutter the statute books by removing archaic instruments. It seems to be a matter of commonsense not to have outmoded laws on the books, and it seems to me that this will enhance the efficiency of the legal system. Other Australian jurisdictions have certainly seen such advantages, and five states already have sunset provisions. At first glance, automatic sunseting might raise concern that the automatic repeal of legislative instruments might leave a vacuum. However, there are some general safeguards to prevent inadvertent sunseting. First, under the bill, lists of instruments are required to be tabled 18 months before they are due to sunset. Second, in limited circumstances the Attorney-General may defer sunseting for up to a year. Third, either house of parliament may resolve, by majority resolution, that an instrument should remain in force. In addition, limited exemptions to the sunseting regime seek to ensure that instruments do endure in appropriate circumstances. These include instruments that are intended to have permanent effect—for example, the proclamation of a Defence Force flag or a national park. The exemptions will also cover instruments that are required to be permanent for the purposes of ensuring commercial certainty—for example, fishery management plans that are intended to operate for 30 years, and instruments which are part of an intergovernmental scheme or body between the Commonwealth and another government.

Finally, I turn to what the Attorney-General has described as the centrepiece of the new regime created by these bills: the establishment of an authoritative database of legislative instruments, the Federal Register of Legislative Instruments. This will be maintained by the Attorney-General's Department. The database will be publicly accessible via the Internet and will be almost 100 per cent complete, with the exception of the few instruments not covered by the legislation, to which I have previously referred.

Registration will be ensured by making it a requirement that new legislative instruments be registered in order for them to be enforceable. Existing legislative instruments must also be lodged for registration in order to be enforceable. Instruments made during the five years preceding the commencement of this legislation must be lodged for registration within one year after commencement. Older legislative instruments must be lodged within three years of the commencement of this legislation.

The register will also contain the explanatory statements for legislative instruments. Compilations of legislative instruments will be published in the register, which will be particularly useful for determining the state of the law at a particular time. No doubt businesses, the courts and members of the public will be greatly assisted in their use of legislative instruments by being able to access and rely upon this authoritative and comprehensive legal resource.

This legislation has had a long gestation. It had its origins in the Administrative Review Council's 1992 report *Rule making by Commonwealth agencies*. Back then, over 10 years

ago, the framework of principles and procedures for the making of delegated legislative instruments was described by the ARC as 'patchy, dated and obscure'. One cannot imagine that things have improved awfully much over the past years, and one suspects that the situation has actually deteriorated. For some time the government and the Attorney-General have been committed to establishing a comprehensive regime for the management of, and provision of public access to, Commonwealth legislative instruments. Indeed, similar legislation to the bills currently before the House has been proposed before. It has failed to be enacted—twice because it lapsed when an election was called and once because it was laid aside after being considered by the Senate.

The current legislation does contain significant enhancements on previous models, and once again I would like to congratulate the Attorney-General. It does take advantage of technological advances and, as I have already noted, elements that may have had adverse effects on effective administration—notably the mandatory consultation provisions—have been revised. It is gratifying that the opposition has been supportive of the aims embodied in this legislation and that the matters that were of concern to the opposition have essentially been taken into account in the drafting of the current legislation. In addition, provision is made for this legislation to be reviewed three years after it commences and for the general sunset provisions to be further reviewed 12 years after commencement. This will allow the opportunity for the operation of this legislation to be assessed and, if necessary, further refined.

In short, relevance, clarity, scrutiny and accessibility will be the important achievements accomplished by the enactment of these bills. I conclude by quoting a legal expert in this area, partly because quoting a lawyer called Mr Argument is totally irresistible. Mr Argument believes so strongly in this legislation that he is quoted in the *Australian Financial Review* as saying:

We really need to get this legislation through and will do what we can to lobby to get it up.

I commend these bills to the House.

Mr WILLIAMS (Tangney—Attorney-General) (12.11 p.m.)—I thank the honourable members for Barton and Kooyong for their very positive contributions to the cognate debate on the Legislative Instruments Bill 2003 and the Legislative Instruments (Transitional Provisions and Consequential Amendments) Bill 2003. Since 1992, when the Administrative Review Council produced the *Rule making by Commonwealth agencies* report just mentioned by the member for Kooyong, there has been considerable time and effort spent by both the government and the opposition on trying to establish a comprehensive regime for the management of Commonwealth legislative instruments. There has been no disagreement about the need for such a regime, but there is also no disagreement about the need to introduce a consistent approach to the registering, tabling, scrutinising and sunset of Commonwealth legislative instruments. More than 10 years and three bills after the report, I am confident that the Legislative Instruments Bill 2003 will produce the anticipated regime.

As long ago as 1997 the shadow minister for heritage and territories, the member for Banks, expressed the view that it was getting to the stage where he was starting have nightmares over the Legislative Instruments Bill 1996. Almost six years later I am hopeful that this version of the bill will not produce the same response and that the member for Banks will be able to rest easy at night. There is considerable merit in this revised version of the bill. As I said at the beginning of the second reading debate, the government is not simply reintroduc-

ing a bill that has previously failed; the bill has been substantially revised to take into account a number of issues previously raised by the opposition, and it has been simplified to remove potentially adverse impacts on efficient and effective administration.

This bill establishes the federal register of legislative instruments. It will consist of a database of legislative instruments, explanatory statements and compilations and will be publicly accessible via the Internet. There will be considerable benefit to the community and business in having full access to all Commonwealth legislative instruments in an authoritative form. Previous versions of the bill proposed to establish mandatory processes to ensure that proper consultation took place before a legislative instrument was made. This resulted in considerable debate about when such mandatory procedures were appropriate and when exemptions were required. The 2003 version of the bill continues to emphasise the importance of consultation. To ensure that appropriate consultation is undertaken, the explanatory statement for each legislative instrument, which is tabled with the instrument, must set out a description of that consultation. The government believes that this approach to the consultation properly places the issue of its adequacy in the hands of the parliament and not the courts.

As with the earlier versions of the bill there will be enhanced parliamentary scrutiny of legislative instruments, because all registered legislative instruments will be tabled. There will also be enhanced parliamentary scrutiny, as all legislative instruments will be subject to a disallowance regime unless they are specifically exempted from that regime. This will reverse the current default position that applies today, where an instrument is not a disallowable instrument unless the enabling legislation says so. Because of the change in this default position there is a need to have a number of targeted exemptions where the instruments have always been and continue to be properly within the control of the executive. However, it is not the government's intention to fundamentally alter the balance between the executive and the parliament. When parliament is considering legislation that enables the making of instruments, it is up to the parliament to determine whether such instruments should or should not be subject to a disallowance regime.

I also wish to emphasise the revised approach to sunseting. The sunseting period has been extended to 10 years in recognition of the adverse impact that a short sunset period would have on the community, businesses and the machinery of government. This version of the bill also enables either house of parliament, by resolution, to exempt nominated legislative instruments from sunseting. Furthermore, the revised bill requires that a list of instruments that are due to sunset must be tabled 18 months before that time and that rule makers be advised of which instruments are due for sunseting.

I take this opportunity to thank the opposition and particularly the member for Barton for the pragmatic approach taken to the debate on the Legislative Instruments Bill 2003. While the concepts addressed by the bill are not new and some have claimed it to be the least sexy topic in Australia, I believe that we have the foundations for finally implementing the long overdue regime for the effective management of Commonwealth legislative instruments. To achieve this goal, the bills have been referred to the Senate Standing Committee on Regulations and Ordinances for inquiry and report by 3 October 2003. While it is not the first time that that committee has considered a legislative instruments bill, I am confident that this version of the bill addresses many of the concerns previously raised. I acknowledge that the Legislative Instruments Bill has had a somewhat chequered history, but I look forward to continu-

ing the spirit of cooperation with both the Senate standing committee and the opposition with a view to achieving passage of this bill before the end of the year.

The member for Barton made a couple of points to which I wish to respond. He referred to the question that had been previously raised, in respect of other versions of the bill, of the possibility of parliamentary disallowance of the Attorney-General's certificate. The government welcomes the spirit of compromise expressed by the member for Barton in accepting that the Attorney-General's certificate be subject to judicial review and not be subject to parliamentary allowance. In saying that, I point out that the Attorney-General's certificate is actually a legal opinion. It is a somewhat odd concept to me that parliamentary disallowance of a legal opinion should be enacted. Judicial review, on the other hand, is entirely appropriate.

In relation to consultation, the member for Barton gave an example of where he believed consultation might—in the past, if there had been a bill—have been improved. I do not wish to comment on the particular speculative circumstances that he was referring to, but I emphasise the importance of consultation and welcome his support of the proposed consultation regime. As I have said, the extent of consultation that has or has not taken place must be set out in the explanatory statement and would therefore be subject to parliamentary scrutiny. I commend the bill to the Main Committee.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

LEGISLATIVE INSTRUMENTS (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2003

Second Reading

Debate resumed from 26 June, on motion by **Mr Williams**:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

ADJOURNMENT

Mr BARTLETT (Macquarie) (12.20 p.m.)—I move:

That the Main Committee do now adjourn.

Health: Juvenile Diabetes

Economy: Regional Development

Mr BRENDAN O'CONNOR (Burke) (12.20 p.m.)—I rise this afternoon to touch upon two issues, one of which occurred yesterday: the Juvenile Diabetes Research Foundation day. All members who were involved in that important day will agree that it was a very effective way to bring to the attention of the parliament and, indeed, the nation the type 1 diabetes that affects many children across this country. Some weeks ago two of my constituents—a young girl named Genevieve Lakey and her mother, Barbara Kelly—met me in my office and educated me on juvenile diabetes matters and I am very grateful to them for bringing them to my

attention. I hope that yesterday's event will result in greater researching funding for this illness which afflicts many of our nation's children.

The day was very successful. No-one who was at the lunch in the Mural Hall could be anything but overwhelmed by the stories that the young children told about their experiences and the way in which they have to deal with their illness. Any organisation or group who has a genuine cause such as the one that we heard about yesterday should take a leaf out of the organisers' book. It was an extraordinary effort to bring so many people together, and that was evident by the large number of people at the lunch who were emotionally affected by the experience.

The other matter I want to touch upon is a more regional one. Together with the members for Lalor, Gellibrand, Maribyrnong and Wills, I had the great pleasure to co-host in parliament this week a delegation from six municipalities in Melbourne's west. The delegation that visited Canberra this week sought to raise issues of regional importance, including job losses in manufacturing, defence shipbuilding contracts that are in jeopardy, the automotive industry and the potential impact of a free trade agreement with the United States. Members of the delegation managed to meet with a number of ministers and shadow ministers, along with their federal representatives. Their efforts illustrated the leverage that can be imposed upon a government when municipalities collaborate and work together on issues that go beyond their own boundaries. The efforts by the Western Melbourne Economic Development Organisation—the organisation under which the delegation operates—displayed what can be achieved when councils work with each other and not against each other.

There were a number of municipalities there—Hobsons Bay, Brimbank, Melton and Maribyrnong. I would particularly like to mention Councillor Dorothy Costa, Mayor of Brimbank; Marilyn Duncan, the Chief Executive Officer of Brimbank City Council; and Councillor Gary Stock, Mayor of Melton, all of whom I know quite well. They have a great passion for the area they represent and I think they did themselves and their communities proud this week. From talking to them, I know they wish that this visit was just one of many. They believe that big decisions are made in Canberra that affect their communities and they have to be in touch with their federal representatives and also with the executive of government to ensure that their communities are properly looked after in the areas they touched upon this week.

Health: Child Obesity

Mr ROSS CAMERON (Parramatta—Parliamentary Secretary to the Minister for Family and Community Services) (12.25 p.m.)—I would like to raise a subject that follows fairly neatly the remarks made by the member for Burke, and that is the issue of Australian childhood obesity. I am prompted in these remarks by a visit I have just had to my office from Australia's gun fast bowler, Brett Lee. He has taken up the cudgels of healthy lifestyles for younger Australians. Brett told me that he was particularly alarmed to learn that about 25 per cent of Australian children would be in the category of what we should probably call obese. This epidemic of weight gain among Australian children seems to be driven by two principal issues: a lack of regular physical activity and chronic imbalances in their dietary intakes at school and in the home.

Brett is here with the Sanitarium company and Insight, the marketing organisation, which have set themselves the task of lifting the profile of this issue and of finding a constructive

response to it in Australia. They are putting to the government today a five-point plan which involves improving the curricula in relation to healthy lifestyles, particularly for infants and in primary schools. It also includes a program of sending out high-profile ambassadors drawn from the sporting community—such as Brett, who has been undertaking this role. The plan also involves engaging young people in physical exertion and activity—and I congratulate the Sanitarium company on its children's triathlon, which began in New Zealand and is now attracting 15,000 children in what is not so much a competitive event but a participatory fun event. It is described as the largest event for children in the world, and it has now taken off in Australia as well. There is this stream of greater activity for children who tend to spend too much time in front of the word processor and video games and perhaps not enough time running around the backyard, in the playground or on the oval. The program recommends achievement awards for higher levels of participation by young people and there is a focus on the content of canteens in schools around Australia.

It seems to me to be an unarguably positive contribution to the national debate and one which this government is going to have to look at very carefully. We will obviously have concerns about whether there is cost shifting; and there may be an argument between the Commonwealth and the state education bureaucracies. No doubt the Minister for Health and Ageing and the Minister for Education, Science and Training, Dr Nelson, will have views. I understand that Brett is meeting the Prime Minister today and I hope they have some time after discussing cricket to spend on the question of healthy lifestyles.

I want to particularly applaud and congratulate my colleague Senator Guy Barnett who has championed the cause of healthy lifestyles in this parliament. I note that last week's edition of the *Bulletin* profiled Senator Barnett's role in persuading the McDonald's fast food organisation to rethink their own menu. Senator Barnett has organised a number of healthy lifestyle forums in Tasmania, which have been very well attended, and he was surprised to see senior representatives of McDonald's and some of the other fast food chains travelling to Tasmania to participate. At first he thought that they were looking to whitewash a problem, but all Australians would have to agree that the announced changes to the menu of McDonald's, which now includes a salad bar and other healthy alternatives, represent a very significant cultural shift by one of the largest corporations in the world. My view is that if McDonald's is prepared to come to the table and rethink its priorities, its marketing and its level of nutritional information on food packaging, that is a signal that this new campaign, spearheaded by Brett Lee, is destined for success. Certainly I hope our government can contribute to that success.

Health: Juvenile Diabetes

Mr HATTON (Blaxland) (12.30 p.m.)—'Blow on the coals of the heart, and we will see by and by'. The last words in the play *JB* by Archibald MacLeish are about human beings caring for each other and extending help and comfort in times of great need, particularly in times of great sadness and sorrow, and of having great traumas inflicted on individuals. The relatively new play *JB* is really the Old Testament story of Job and how Job was tried and tested through suffering. I had the great honour yesterday to have lunch with Kids in the House and with Foster Townsend from Theodore in the ACT and Helen Bartlett from Richardson in the ACT. I was able to find out a bit from them about how their young lives have been so far, what the prospects are for them, this great suffering they have already had and their fears of even greater suffering because they have type 1 juvenile diabetes.

For most of us, for me certainly, a recognition that they might need some help in terms of having to inject insulin every day was about all I knew about the impact of diabetes—the fact that they would have to prick their fingers and they would have to take care. But hearing the heart-rending stories yesterday from parents and from older juvenile diabetes sufferers about the fact that, by 20 years of age, they faced the prospect of retinopathy, that they could lose all or part of their sight and that all their major organs could be invaded by this disease, was the most wrenching experience I have had since I have been in federal parliament. They did a great job of bringing before us graphically just what their problems are. We need to fix them. This parliament is about providing solutions. It is not about sitting back; it is about providing not just rhetoric and words but cold, hard cash to put into research so that these children do have a life. In the booklet that was provided, Helen said:

My name is Helen Bartlett and I am a 12 year old girl who lives at Richardson, A.C.T. Five and a half years ago my life changed forever. I was always very thirsty and felt sick. We were about to go on holidays so my mum suggested that I went to the doctor to make sure I was okay. My doctor told me that I would have to post pone my holiday because I would have to go to hospital. It was then that I found out I had Diabetes.

Having Diabetes has had a dramatic effect on my lifestyle. It has effected what my family and I eat and it effects me playing sport. By finding a cure we would be providing me, and those like me, a better quality of life and would diminish the chance of us getting the long term side effects.

By finding a cure my life won't have changed forever, it would have only changed for the short term.

Foster Townsend is likewise an open, sweet, lovely child. He is bright and sharp and 11 years of age; Helen is 13. Foster said:

Now I could tell you about how painful the insulin injections I have 3 times a day are, how lumpy and bruised my stomach is because of these injections. I could tell you that I have to do at least 5 finger pricks a day to monitor my blood glucose levels. I could tell you that sometimes I have to prick my finger 3 to 4 times to even draw blood because my fingers are so calloused. I could also tell you about what it's like for me and my family to go on holidays. How we can't just grab our towels and sun block and go to the beach.

But what I really want to tell you about is how I am beginning to doubt everyone who tells me that there will be a cure soon. Soon is tomorrow or next month not 10 to 15 years away.

It seems an impossible dream sometimes, but I often imagine my life without diabetes, being just a kid like my friends not needing special care and attention.

That's why finding a cure is so important to me and all the kids around the world who have diabetes.

Some \$US600 million has been raised for research into this disease. About \$A40 million has been raised and expended. This government has put \$2.4 million into research for this disease but just one Australian individual on her own, having lost her daughter at 32, has put forward \$5 million. We as a parliament cannot be unaffected by the heart-rending scenes we saw yesterday and the beauty and wonder of those kids who need our hard, cold cash to go into research to brighten and open their lives for the future.

Ryan Electorate: Education

Mr JOHNSON (Ryan) (12.36 p.m.)—I am pleased to speak today about two local schools that I visited in my electorate of Ryan. They are Centenary State High School in Jindalee and Our Lady of the Rosary School in Kenmore. These two schools in the Ryan electorate are

very progressive and dynamic and they are dedicated to providing education of the highest quality to the students who attend them.

Two weeks ago I had the pleasure of officially opening a new administration and classroom facility at Our Lady of the Rosary School in Kenmore, on behalf of the federal Minister for Education, Science and Training, Dr Brendan Nelson. The construction of this new administration block, as well as the refurbishment of two classroom areas, was made possible through the federal government's capital grants program. The project was funded by both the Commonwealth government, with a grant of over \$300,000, and the school community which also contributed over \$300,000 to the project. These outstanding facilities will help to ensure that all students at Our Lady of the Rosary perform to the best of their abilities and skills and will encourage them to realise their potential and achieve lifelong goals.

The official opening also came at a time when the school was celebrating its 40th anniversary. I congratulate the school on that outstanding accomplishment. I acknowledge the principal of the school, Helen Royan, and the chair of the OLR School Board, Beth Mathews, who very warmly extended hospitality to me. I also acknowledge Bishop Brian Finnigan, who officiated at the gathering, and David Hutton, the director of the Brisbane Catholic education system.

I also had the opportunity to take the education minister to the Centenary State High School in Jindalee when he visited my electorate a couple of months ago. It is a very sophisticated school in terms of the quality of the education services that it provides to its students. It also received a capital grant of some \$1.4 million to assist in the construction of a new classroom block. The minister toured the school, addressed the school assembly and awarded 40 students with special academic awards for their fine academic performance in the first semester. I acknowledge the great stewardship and administration of the principal of the school, Mr Mick Mickelburgh.

I also want to acknowledge some of the students who play a part in student leadership at the school: the president of the student parliament of Centenary State High School, Seerone Anandarajah; his vice president, Felicity Hayward; the secretary of the student parliament of the school, Chrissy Jones; and the treasurer of the student parliament, Tom Knox. These young Australians are active in their school and in the community. They are wonderful young Australians who, I am sure, will grow up to be Australian citizens who make a fantastic contribution to our country.

I also had the opportunity to take the Minister for Education, Science and Training to The Gap State High School where we had an education roundtable with many of the principals in the Ryan electorate. This was a very successful occasion and an opportunity for school principals to meet the Howard government's education minister face to face. It was initiated to provide local school principals in the electorate with an opportunity to express some of their issues and concerns to the minister. There were a significant number of principals, teachers and students at the roundtable discussion and I want to thank everyone who came along. I know that the minister also very much appreciated the feedback. I pay tribute to the hospitality of the Principal of The Gap State High School, Regan Neumann, and Deputy Principal Paul Brennan, and the school captains Liz Read and Tim Snartt assisted the roundtable very generously with their time.

I would like to mention some of the principals who attended the roundtable. They included Hilary Backus, Principal of Indooroopilly State Primary School. All the principals from the local Gap suburbs were there and they were fantastic. They included Josephine Bottrell from Hilder Road and Graham Anderson from Jamboree Heights Primary School. Incidentally, I previously had the opportunity of hosting a citizenship ceremony at Graham's fine school. (*Time expired*)

Workplace Relations: Paid Maternity Leave

Ms PLIBERSEK (Sydney) (12.41 p.m.)—I rise today to discuss this government's failure with regard to paid maternity leave. It is a failure that is disappointing and which continues to disappoint the women of Australia who are being denied what is internationally regarded as a fundamental right: the right for mothers to stay at home with their newborn babies in the first few months of their lives. Of the OECD countries, only Australia and the United States do not have paid maternity leave. Indeed, many OECD countries are now talking about extending one year's paid maternity leave to two years or even four years paid leave.

There has been much toing-and-froing from the government on this issue. Until as late as March this year, the Prime Minister maintained that the government was in favour of some form of paid maternity leave. Unfortunately, this Prime Minister has been all about headlines and not at all about actually putting the money on the table for paid maternity leave. The 2003 budget was silent on this issue. There is still no white paper or draft legislation, despite a very comprehensive 227-page report entitled *A time to value* from Sex Discrimination Commissioner Pru Goward. From this Human Rights and Equal Opportunity Commission report, which received over 250 submissions, has ensued a public and constructive debate. The final report recommends that the government allocate \$213 million a year for 14 weeks paid maternity leave. Once again, there were many headlines about this but no commitment from the Prime Minister. On 13 December 2002, the Prime Minister said on *AM*:

Paid maternity leave has a legitimate claim in the debate, there is merit in it and we're looking at it.

Well, they are still looking. In November 2002 the Prime Minister said in a CEDA speech:

Our key policy goal in this area is to facilitate choice for families and not to mandate particular behaviour. We need to respect the different priorities that individual families have and the different choices they want to make.

Unfortunately, a lot of families do not have choices. They are forced by economic circumstances to have both parents back in the work force before they would like or, in some cases, they are forced to have one parent stay out of the work force because they cannot afford appropriate child care or they cannot find a place near their home for appropriate child care. When we are talking about the choices that families make, we cannot allow the government to make those choices for families in a de facto way by not providing money for paid maternity leave or for adequate child care.

In August 2003 the Prime Minister published an opinion piece in the *Sydney Morning Herald* on women and work life. He said that 'no one policy will fit all families' and that is absolutely true. I absolutely agree with that. What we disagree on is that we have 60 per cent of women who want to work and who have families and the support that this government is providing for them is completely inadequate in terms of not providing paid maternity leave and also, as I mentioned, failing to provide adequate child care. It is also failing to protect pregnant and breastfeeding women in the work force and failing to protect casuals. Most women

work as part-timers or casuals and there has been a continual erosion of the working conditions of part-timers and casuals, making it very difficult for some families to combine work and parenting.

I will turn briefly to some of the suggestions that have been brought up by Jackie Kelly and Sophie Panopoulos, who have written in the *Daily Telegraph* and said publicly that, while paid maternity leave is middle-class welfare, the baby bonus is a solution. That means that the non-means-tested \$500 million baby bonus is not middle-class welfare, while paid maternity leave is. I do not know how Jackie Kelly can convince herself that that is not a contradictory argument. Sophie Panopoulos has talked about income splitting as a solution. Again, that targets the greatest benefits to the people on the highest incomes. Surely we would want to target the greatest benefit to the people on the lowest incomes to facilitate their re-entry into the work force, in the way that the tax credit program in the United Kingdom has helped low-income earners to get back into the work force. There is a real incentive there for low-income earners to get back into the work force, rather than an incentive for people on already high incomes to structure their tax arrangements in a new and favourable way.

A future Labor government would take the \$500 million baby bonus money and redirect it into programs, such as paid maternity leave, that actually assist working women to balance work and family obligations. We would return funding to high-quality child care, renew our focus on the first few months of life and protect pregnant and breastfeeding women. Work-life balance is not about dictating to women but, rather, about providing resources so that they can make a choice. (*Time expired*)

Health: Juvenile Diabetes

Mr RANDALL (Canning) (12.46 p.m.)—Yesterday, I was moved to reflect on what is really important. The comment made to me by Sir Ernest Lee Steere some years ago still rings in my ears. He said, ‘Don, there are few who can really determine what is really important.’ Yesterday amplified that statement. It was the day on which Pauline Hanson was jailed for three years for electoral fraud in Queensland. By contrast, it was reported that a psychiatric patient who murdered his brother’s fiancée was awarded some \$300,000 by the courts in New South Wales. On the same day, Wilson Tuckey MP had a censure motion moved against him by the Australian Labor Party for writing, on behalf of his son, three letters on ministerial letterhead to a South Australian government minister.

It was the same day that a massive terrorist bomb tore apart the United Nations headquarters in Baghdad, killing 17, including the United Nations’ most respected representative, Mr Sergio Vieira de Mello. It was the same day that the Western Australian Premier, Dr Geoff Gallop, was pilloried by the politically correct for daring to proffer an opinion which advanced the position that Aboriginal leaders and families need to get real and shake off a culture of denial in which events in the nation’s history are blamed for their children’s dysfunctional behaviour. On the same day, fundamentalist terrorists set off a massive bomb in a bus in Jerusalem, killing at least 20 and wounding more than 130 people.

I believe that yesterday was important because it was Kids in the House day in the federal parliament. It was important because over 100 kids from around Australia came to Canberra with their parents, carers and friends to raise the profile of the issue of juvenile diabetes with the federal government. It was my privilege to host two fine and courageous girls from my

electorate of Canning. They were Hannah Carniel and Shannon Toomath. They were accompanied by their delightful and caring mums, Mary Carniel and Jacki Toomath.

Hannah and Shannon are to be congratulated for their positive attitudes and for using the opportunity to make members of parliament and the general public aware that juvenile diabetes is a condition that, although permanent, can be better lived with, with better technology, research and understanding. I was pleased to demonstrate to Hannah and Shannon that I now have a greater appreciation of their plight and their needs and that I will use my membership of this House to promote a better deal for them, their peers and their families. I want to thank Medibank Private, Qantas and all of those who helped to make yesterday possible. Out of everything that may or may not have been important yesterday, with respect, I would have thought that was the most important.

Health and Ageing: Aged Care

Mr DANBY (Melbourne Ports) (12.49 p.m.)—Aged care has been one of the most conspicuous failures of this government. The member for Pearce, the member for Mackellar and the former member for Bass, Mr Smith, all grappled unsuccessfully with that portfolio and it now falls to the member for Menzies, who, because of government policy and probably not because of his own efforts, is also struggling with it.

There will be a significant increase in the demand for nursing home services as Australia's population ages. That is the changing population profile of the Australian public. There will be a similar rise in demand for in-home care as elderly people seek to maintain their independence. Rather than going into institutions, these days in-home care or 'ageing in place' is considered the best way for people to look after themselves as they go into their senior years—something that I certainly support and I think most members in this House support.

The basic problem is that there is a conflict between the increasing need for quality aged care in our community and the rapidly increasing number of elderly people. You then have the determination of this government to cut spending in social policy areas and to shuffle responsibilities on to the states and the private sector. Frankly, this is an equation which does not add up. In my electorate, as in many inner-city areas, there is a high proportion of elderly residents. I have one of the highest numbers in Australia of single people living alone, with 65,000 homes out of 90,000 constituents. Like many members on this side of the House, I am constantly being made aware of the severe funding squeeze that this government has imposed on nursing homes and the effects it is having in practical, day-to-day terms on quality care for residents. This is causing great distress not just to the elderly people involved but to their families and those working in aged care, who mostly have a very caring attitude to the people they work with. They are all struggling to provide quality services with reduced funding.

Let me give some examples from my electorate. The Southport Community Residential Home in Albert Park is one that I have been familiar with for many years. It has a long and proud history of high-quality service to the aged in my electorate. Southport is currently trying to raise \$10 million to \$12 million to expand its capacity from 20 beds to 60 beds. Unless it undertakes this work, it will not meet the government's accreditation standards. Southport is forced to try to raise this money from the local community, with the assistance of groups such as Rotary—and I praise Rotary for the work that it does on behalf of this nursing home. I do not think that it is acceptable, however, that the standard of care for our elderly citizens should be solely dependent on community fundraising of this kind.

The House would be aware that my electorate also has a high proportion of Jewish residents, many of them elderly. They have all kinds of problems that the ethnic aged have, such as reversion in their senior years to languages other than English. The JewishCare welfare organisation finds itself in the position of having to raise a large amount of money—in this case, \$50 million—to build a new residential facility and to upgrade its existing facilities. It has a number of very big operations, including the Montefiore Homes, which it needs to upgrade. It is currently running a significant deficit every year, having to rely on past savings, investments, donations and bequests to supplement the recurrent funding it receives from the federal government.

I recently met with Muriel Arnott and Patricia Tracy, volunteer board members. They are really caring people who spend so much of their time making my electorate and other electorates better places, particularly with their participation in Napier Street Aged Care Services, a not-for-profit hostel for the frail aged. Napier Street Aged Care Services is a well-run service that has been operating for 10 years. It includes a day care centre and a dementia-specific wing.

The funding and future planning of aged care issues are of increasing importance and concern. The two volunteers I mentioned explained to me that there have been significant increases in costs, and the recurrent funding that this government provides is not sufficient. Year in, year out, they are dipping into donations, savings and investments, which are decreasing over time. They are also faced with increasing paperwork and the demands that this government has imposed on them, demands which are not matched by increasing funding. Most of us support higher standards in aged care and therefore accreditation, but there should be some consideration of the extra work that staff have to put into this. There is a desperate need for more funding, both recurrent and capital.

On behalf of my friends David McCarthy, of the Victorian Gay and Lesbian Rights Lobby, and Adam Pickvance, of the ALSO Foundation, who are visiting Canberra at the moment, I conclude by saying that I am disappointed that recent changes by the Attorney-General mean that the care of aged gay people is even more inequitable than it was before. (*Time expired*)

Forde Electorate: Youth Achievements

Health: Juvenile Diabetes

Mrs ELSON (Forde) (12.54 p.m.)—I want to take time today to recognise some achievements of the many talented young people who live in the electorate of Forde. As a regular visitor to the local schools and sporting clubs, I am always struck by the enthusiasm, dedication and community spirit of our young achievers. It is a great credit to the parents, teachers and community leaders that so many young people want to participate in local activities and contribute to our community in a variety of ways.

Today I want to touch on just two local examples of how our young people are giving their best and making us proud. I was delighted to spend several evenings at the Brisbane Entertainment Centre recently, representing the government at the Brisbane heats of the 100% In Control Hot 30 Rock Eisteddfod Challenge. I am sure many members of this House are well aware of the growing tradition of the rock eisteddfod as a showcase for our young talent and a wonderful example of teamwork and professionalism within our schools.

The government has been proud to sponsor and support the eisteddfod and its highly successful education and drug prevention message. It is a chance for our school students to express themselves through dance, drama and design while committing to a 100 per cent drug-free lifestyle. The challenge is open to every secondary school in Australia, and each year more than 25,000 students participate. I can also highly recommend the eisteddfod as a great night of wonderful entertainment. I must admit I thoroughly enjoyed the evenings.

I was also extremely proud of my two local schools, Beaudesert State High School and Tamborine Mountain College, for their excellent and professional performance. To see young people rise to an occasion, conquer any fears they may have about performing and really work well together as a team to present something they are very proud of is a very exhilarating experience. I take this opportunity to congratulate the students of Beaudesert High and Tamborine Mountain College on their performances. They took home a multitude of awards and made it through to the finals, which will take place in the Brisbane Entertainment Centre later this month. These students are wonderful ambassadors for our schools and for our region. I know many hours of practice after school and on weekends go into their performances. It is an enormous effort and commitment from everybody involved. I thank their teachers, parents, community and sponsors for the support they have given.

I am also very privileged to congratulate a special group of young people who have been working on bibs, toys and animals. This is a Work for the Dole project which is being run by our local Beenleigh Police-Citizens Youth Club. These young job seekers have had the opportunity to gain valuable work skills and experience while at the same time being involved in helping make garments and toys to be donated to our local women's refuges and to our children's charities. The project leaders were extremely impressed with the degree of enthusiasm and the professional approach and commitment these young job seekers displayed in tackling their task. The pride our young people felt at being able help others in the community was very obvious. Like other Work for the Dole projects before it, the 'bibs, toys and animals' project has been extremely beneficial and positive.

I want to thank the community coordinators, especially the local police-citizens youth club. They do such a wonderful job in our electorate. Mainly, though, I want to congratulate the young people who participated, and thank them on behalf of our community for doing such a great job. I have always been a strong believer in supporting and encouraging our young people to do their best. As a mother of eight and now a grandmother of 13 young Australians, I know that children and young people are our most precious resource as a nation and as a society. Examples of their achievements and contributions, such as I have outlined here today, really do augur well for Australia's future as well as inspiring and uplifting us all.

I would like to reiterate what the member for Canning spoke on before about the Kids in the House project yesterday. I am quite sure that anybody who attended any of the functions in the past two days could not help but be moved by the experiences that we heard about from the 100 young, healthy looking Australians that we had the privilege of meeting—the everyday challenges they have to face with having juvenile diabetes. I am quite sure there was not a dry eye at the luncheon yesterday when we heard first hand from the young people about the challenges that they meet every day. I must admit that it opened my eyes to what juvenile diabetes is. I have to be honest and say that I thought juvenile diabetes meant that they grew out of it when they got to adulthood. But when we saw the stats that were given to us yesterday I

must admit that I was so taken aback by my ignorance that I am going to make sure that every step I take in the future is going to be guided towards making sure that these children can have a more certain future.

Vieira de Mello, Mr Sergio

Mr QUICK (Franklin) (12.59 p.m.)—Today I want to publicly nominate Sergio Vieira de Mello for the Nobel Peace Prize. Yesterday as we woke up we saw on our television screens the horrible scene of that press interview suddenly interrupted by blackness. Then the television lights went on and we saw mayhem and bleeding people being hustled out of the building. Yesterday the world lost a great leader. Mr Vieira de Mello has worked tirelessly for the United Nations in Kosovo, East Timor and lately in Iraq. Yesterday, as I said, his life was cut short.

During the Iraq war I stood publicly and proudly as a pacifist. It was drawn to my attention that towards the end of the war a Norwegian parliamentarian nominated George W. Bush and Tony Blair for the Nobel Peace Prize. I was absolutely amazed and horrified. A web site was set up to reject the nomination. As of a few moments ago, 98,571 people around the world had added their names and their comments to the web site rejecting this nomination. I proudly voted on the web site—I think I am No. 47,000-odd on this petition. It is interesting to read people's comments for putting their rejection of this nomination on the web site. These are not just people from America but from around the world who are disclaiming the nomination of George W. Bush and Tony Blair for the Nobel Peace Prize.

As I said, I imagine that Sergio Vieira de Mello will be nominated for a peace prize. He richly deserves it. It is not until world leaders are cut down in the prime of their life that we suddenly pontificate in parliaments and in various fora around the world about what a fantastic job they have done. I think in years to come this man will be eulogised for his untiring work for humankind. I have never met the man, but I have seen him countless times on television. I applaud what he has done. I am not sure what his family status is, but I would imagine that he has a family and a wide range of colleagues who are in mourning on this day.

If anyone deserves a Nobel Peace Prize, it is this guy. While I was surfing the web today and thinking about what I would say about Sergio Vieira de Mello, I came across a speech made on 10 June 1963, and I would like to include it in my brief statement here today as I talk about peace and how we can work towards it. This person said:

What kind of peace do I mean? What kind of peace do we seek? Not a Pax Americana enforced on the world by American weapons of war. Not the peace of the grave or the security of the slave. I am talking about genuine peace, the kind of peace that makes life on earth worth living, the kind that enables men and nations to grow and to hope and to build a better life for their children—not merely peace for Americans but peace for all men and women—not merely peace in our time but peace for all time.

That speech was made by John F. Kennedy on 10 June 1963—just over 40 years ago. I think those words typify what Sergio Vieira de Mello was on about during his life while working for the United Nations. I am not sure how I am going to do it, but I am going to get in touch with the Norwegian Nobel peace prize committee and do my little bit to nominate for the Nobel Peace Prize this wonderful man who dedicated his life to peace on earth.

Vieira de Mello, Mr Sergio**Health: Townsville Hospital**

Mr LINDSAY (Herbert) (1.04 p.m.)—I would like to associate myself with the comments made by the member for Franklin. I have had the privilege of meeting Sergio de Mello. I met him in the early days of Timor, in Dili. The way that he brought that country together was just marvellous, as is the way he has continued to do similar work around the world. I do not think too many people know that Sergio de Mello probably would have been the next Secretary-General of the United Nations because of his conciliatory attitudes and his attitudes to making people recognise that peace is what is needed. I think that the words of the member for Franklin were entirely appropriate and his suggestion to the House today is also entirely appropriate. I thank the member for Franklin for that endeavour.

I would like to raise a matter relating to the Townsville Hospital this afternoon. In the Townsville Hospital there have been ongoing problems day after day, year after year, with the Queensland government not addressing those particular problems. I see in the Queensland parliament the Premier has this week indicated that something like 56 per cent of all presentations to the emergency department were for ailments like coughs and colds. The Queensland Premier then blames the problems on the federal government. I have sought to inquire into this, and I find the Premier's claims to be totally wrong. It is true that 56 per cent of presentations are in categories 4 and 5, but they are not matters that would normally be seen by a GP by and large. The problem with the emergency department at Townsville Hospital is that the emergency department can see people but it cannot get them into beds in the hospital when beds are needed. That is an appalling situation. It has happened because the Queensland government has closed down 2,920 beds in Queensland public hospitals in the last five years.

A division having been called in the House of Representatives—

Sitting suspended from 1.07 p.m. to 1.44 p.m.

Information Technology: Internet Censorship

Mr SIDEBOTTOM (Braddon) (1.43 p.m.)—Mr Deputy Speaker Lindsay, thank you for giving your time to this too. I am a great supporter of the Internet and I often use the Internet, but I have four bugbears with the Internet at the moment. The first is speed—or lack of it. The second is spam—and we all suffer from an overzealous amount of spam on our computers. The third is involuntary download of adult porn sites and other Internet sites, which I have spoken about on a number of occasions in this House. Throughout Australia I have helped people try to get back their lost moneys from some of these sites. In one case, a family had a bill for \$5,000. My fourth bugbear—and this is a growing problem—is what we call 'chat room predators' or 'cybersleaze'.

Internet chatting is a popular and fun means of communication, particularly amongst young people. People have a lot of fun with it. Most G-rated Internet chat room exchanges and experiences are indeed okay, but more and more cases are being exposed of adult predators, or cybersleazes, using these chat rooms to 'whisper' to unsuspecting young people. It is a real problem. With these young chatters they arrange meetings—indeed, even elopements, which we have seen in some of the newspapers—or cybersex, and this unfortunately leads to cases of actual sex as well. It is nothing short of predatory practices on young people. Detective Sergeant Chris O'Connor from the Victorian sex crimes squad summed it up when he said:

... the anonymity and fantasy of chat rooms means they have become paedophiles' new hunting ground.

I do not wish to be overalarmist, but there are more and more examples of this predatory behaviour going on. When you start to look at the issue, as I did in relation to involuntary downloads onto the dialler services of computers in families, you start to see how much of a lack of regulation there is related to this booming, billion-dollar industry from our Internet providers. Companies like ninemsn, BigPond and Yahoo in most cases provide language filters, for instance, so that you can filter out bad language. But in actual fact you cannot filter out cybersex, so all they do is use language that it is not explicitly sexual or explicitly bad and so it goes on. If that is the extent of the regulation, control and monitoring in G-rated chat rooms—I am not talking about adult ones but G-rated chat rooms—we have a potential problem here. Indeed, in most cases no identification requirements are needed for users. So there is a real issue there.

I am taking it upon myself—and I am sure I will be joined by others in this House—to alert my electorate and Australian families in general about some of the things we can do to tighten up the possibilities of the sleazy, predatory practices that are occurring, particularly on the part of paedophiles. There is some advice we can give. I commend the *Herald Sun* for its articles related to this issue. One article advises children:

- Use a nickname—never reveal your personal details
- Remember, people you meet online may not be who they say they are—

that is the thing about this—

- Never agree to meet someone unless an adult goes with you—meet in a public place
- If someone says something that makes you feel uncomfortable, leave the chat room immediately and without responding
- Tell an adult or authorities if you see upsetting language, nasty pictures or something scary ...

For adults—and it is absolutely crucial in this instance to watch computer use of young people and particularly involuntary downloads of adult porn sites which you cannot get out of and so you go onto premium rates—the article says:

- Place the computer in a common area in the house
- Take an interest in what your children are doing on their PC
- Spend time together on the PC
- Lay down basic rules of use—

these are commonsense practices—

- Warn your children not to give out their personal details—

indeed, in relation to just about anything, never give out your personal details—

- Ensure your children can come to you if they feel uncomfortable—

that is very important: communicate; talk; be together for a while—

- If you are using a moderated chat channel, report abuses to the provider ...

I think it is incumbent on us as legislators, parents and citizens to make sure that this industry is better regulated and better monitored, because these sleazebags—these predators, these paedophiles—are out there and they are using this as their new means to get to our young children. We should be ever vigilant.

Telstra: Privatisation

Mr NEVILLE (Hinkler) (1.49 p.m.)—I would like to finish my contribution on the Telstra (Transition to Full Private Ownership) Bill 2003, which I was not able to complete in the chamber debate. Plain and simple, we already exercise the power. If a future government falls down on the job and wilfully waters down telecommunications legislation around the country then I am sure it will be judged accordingly. We certainly will not let it happen and our track record right back to Networking the Nation in 1997 confirms that.

As to the opposition's hollow and shameless barking about the National Party abandoning its constituency, I have a few things to say. Which party played a central role in delivering the lowest interest rates and the lowest inflation since the 1960s and paid off around \$60 billion worth of Labor bankcard debt? The Nats. Who went into bat for vital country programs like the diesel fuel rebate, research and development, and adequate funding for Australia's Quarantine and Inspection Service? The Nats. Who designed the \$800 million Agriculture Advancing Australia package, including Farm Help, FarmBis and Farm Management Deposits, delivered in little over a year after coming to government, from which many thousands of farmers and their families have now benefited? The Nats. Who pushed through drought and EC declarations when the Labor states fell down on the job? The Nats. Which party has fought hardest to establish the principles of water property rights for around five or six years? The Nats. Which party promoted the Television Black Spots Program? The Nats.

Why would we be less enthusiastic about keeping Telstra up to the mark? This is an integral part of our *raison d'être*. As the Chairman of the Prime Minister's Telstra task force it will be my job to be persistent, dogmatic and determined in making sure that the last cent of the government's promises is delivered. My job is to make sure that as long as the government is in power we deliver on our promises and put into a legislative framework a guarantee that continues the improvement to Telstra services. I can assure the House that there is no back-slapping boys club going on here; if the government wanted a mere rubber stamp for the process of selling the remainder of Telstra it would not have chosen me for this role and nor would I have accepted it.

Mr Deputy Speaker Lindsay, you have heard the history in my earlier contribution and today; you have seen the rollouts of superior telecommunications over the past five years; and you have the guarantee that in this framework to allow the sale of Telstra sometime in the future, the government will not sell the remaining shareholding unless our promises are delivered and unless it is the national interest. There is no commitment by me or my party colleagues to sell Telstra merely for the sake of it. I repeat my original mantra: I do not have a sentimental or philosophical attachment to Telstra but rather one to what it can deliver. It is not an end in itself but a means to an end, and that end is high-quality accessibility at an affordable competitive cost. I reiterate: it is about what it can deliver—first, in superior telecommunications themselves and later, more widely, in the reduction of debt or the provision of new infrastructure for people in regional and rural Australia.

Question agreed to.

Main Committee adjourned at 1.53 p.m.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Medicare: Schedule Fee**(Question No. 1941)**

Mrs Irwin asked the Minister representing the Minister for Health and Ageing, upon notice, on 27 May:

- (1) Is the Minister aware of the practice of Medicare providers waiving the payment of an amount above the scheduled fee if an account is paid in less than 30 days.
- (2) Why are cheques made out to providers not issued for at least 16 days after a claim is made.
- (3) Why are cheques posted to claimants posted at off peak rates.
- (4) What assistance does Medicare provide to claimants faced with additional costs for treatment due to delays in issuing and posting cheques.

Mr Andrews—The Minister for Health and Ageing has provided the following answer to the honourable member's question:

- (1) I am aware of this practice; it is a business decision made by the individual practitioner, and is a matter between the patient and the provider.
- (2) Cheques made out to providers are not issued for at least 16 days after a claim is made. The Government has placed a requirement on the Health Insurance Commission (HIC) not to release a Medicare benefit cheque for a specified period of time, (16 days), after the date the claim is received (commonly referred to as the minimum payment time). Minimum payment times are reviewed annually. These have remained unchanged since 1 August 2001.
- (3) The HIC appends Australia Posts Delivery Point Identifier (DPID) barcode to Medicare cheques to maximise postal discounts. The DPID is the barcode seen above the address on most bank statements and utility bills. Each barcode represents a delivery point in Australia, about 10 million in all. It allows Australia Post to mechanically sort mail, thus reducing costs. These savings are passed onto bulk mail generators such as the HIC. Postal discounts are further enhanced by off-peak delivery. HIC considers this to be appropriate management of its financial resources, as the mail generated by the Medicare program is substantial.
- (4) Medicare is not able to offer further assistance to claimants faced with additional costs for treatment as a result of amounts not being paid within the timeframe specified by their provider. These additional expenses are a matter between the patient and the doctor.

Hunter Electorate: Medical Officers**(Question No. 1955)**

Mr Fitzgibbon asked the Minister representing the Minister for Health and Ageing, upon notice, on 28 May 2003:

- (1) What was the number of (a) general practitioners, and (b) specialists in the electoral division of Hunter in (i) 1996, (ii) 2000, and (iii) currently
- (2) What was the ratio per 1000 of population of (a) general practitioners, and (b) specialists in the electoral division of Hunter in (i) 1996, (ii) 2000, and (iii) currently
- (3) What is the number and percentage of (a) general practitioners, and (b) specialists in the electoral division of Hunter that bulk billed in (i) 1996, (ii) 2000, and (iii) currently

Mr Andrews—The Minister for Health and Ageing has provided the following answer to the honourable member's question:

- (1) The number of general practitioners and specialists who practised under Medicare in the electoral division of Hunter and who had claims processed by the Health Insurance Commission in 1996, 2000 and 2002 was as follows:

| Year | General Practitioners | Specialists |
|------|-----------------------|-------------|
| 1996 | 111 | 55 |
| 2000 | 106 | 70 |
| 2002 | 111 | 73 |

- (2) The ratio per 1000 of population of general practitioners and specialists who practised under Medicare in the electoral division of Hunter and who had claims processed by the Health Insurance Commission in 1996, 2000 and 2002 was as follows:

| Year | General Practitioners | Specialists |
|------|-----------------------|-------------|
| 1996 | 0.91 | 0.44 |
| 2000 | 0.83 | 0.55 |
| 2002 | 0.85 | 0.56 |

- (3) The number and percentage of general practitioners and specialists who practised under Medicare in the electoral division of Hunter and who had any bulk bill claims processed by the Health Insurance Commission in 1996, 2000 and 2002 was as follows:

| Year | General Practitioners | Specialists | Number% | Number% |
|------|-----------------------|-------------|---------|---------|
| 1996 | 107 | 96.4 | 38 | 69.4 |
| 2000 | 101 | 95.3 | 47 | 66.9 |
| 2002 | 106 | 95.6 | 53 | 72.3 |

The above statistics relate to providers of at least one service for which Medicare benefits were paid in the period in question.

In general terms, practitioners with more than 50 per cent of Schedule fee income from Medicare in the December quarter of the year in question were taken to be general practitioners. All other practitioners, including optometrists and dentists, who had claims processed in the year in question were regarded as specialists.

Practitioners were allocated to the electoral division of Hunter based on their principal practice postcode in the December quarter of the year in question. Where postcodes overlapped the electoral division boundaries, practitioners and their associated services were factored using data from the Census of Population and Housing showing the proportion of the population of the postcode in the electorate.

To the extent that some practitioners have more than one active provider number there will be some multiple counting of providers.

Taxation: Bankruptcy Laws

(Question No. 2037)

Mr Murphy asked the Attorney-General, upon notice, on 18 June 2003:

Further to his replies to question Nos 1598, 1599, and 1600 (*Hansard*, 16 June 2003, pages 15722-3) when is the review of the issues paper released in November 2002 by the Insolvency and Trustee Service Australia and the Attorney-General's Department expected to be completed.

Mr Williams—The answer to the honourable member's question is as follows:

The Insolvency and Trustee Service Australia (ITSA) and the Attorney-General's Department (AGD) have recently finalised consultations with interested stakeholders regarding the proposals set out in the issues paper released earlier in the year. ITSA and AGD are considering the views put forward during the consultation process and will brief me in the near future on options to progress this matter.

Bankruptcies**(Question No. 2038)**

Mr Murphy asked the Attorney-General, upon notice, on 18 June 2003:

- (1) Further to his reply to question No. 1714 (*Hansard*, 16 June 2003, page 15727), how many people have been made bankrupt on twelve occasions.
- (2) What is he doing to amend legislation to stamp out the rotting of the taxation system through the employment of bankruptcy.

Mr Williams—The answer to the honourable member's question is as follows:

- (1) One person has been made bankrupt on twelve occasions.
- (2) As indicated in previous replies to questions, following consideration by an agency taskforce, the Government released an issues paper on possible further changes to bankruptcy and family law to address these issues. The Insolvency and Trustee Service Australia (ITSA) and the Attorney-General's Department (AGD) have recently finalised consultations with interested stakeholders regarding the proposals set out in the issues paper released earlier in the year. ITSA and AGD are considering the views put forward during the consultation process and will brief me in the near future on options to progress this matter.

Australian Education Office: Funding**(Question No. 2043)**

Ms Macklin asked the Minister for Education, Science and Training, upon notice, on 19 June 2003:

- (1) What direct or indirect funding and in-kind support is provided to the Australian Education Office (AEO) in Washington by (a) his department and (b) Australian universities.
- (2) What is the role of the AEO and how is it governed.
- (3) What role does the Government play in the development of the material of the AEO.
- (4) What role does the Government have in ensuring that the material is accurate and in the interests of Australia and its higher education system.
- (5) What recourse does the Government have if it finds that material is inaccurate.

Dr Nelson—The answer to the honourable member's question is as follows:

- (1) (a) The Department of Education, Science and Training (DEST) provides no operational or ongoing funding to the Australian Education Office (AEO). For several years DEST has provided modest project funding on a case-by-case basis. The last of these involved providing \$48,000 in October 2002 to fund three specific projects including:
 - \$23,000 to develop and distribute three discipline-specific Guides to Postgraduate Study in Australia, aimed at informing the undergraduate community in North America about postgraduate study opportunities in Australia;
 - \$15,000 to increase the quality of the Australian Universities Exhibition Stand at the 2002 NAFSA Convention on international education in the United States of America (USA); and
 - \$10,000 towards the cost of developing an Academic Links Website to facilitate interaction between Australian and North American academics.

The funding for the Australian Universities Exhibition at the 2002 NAFSA Convention has been fully and properly acquitted. The first of the Postgraduate Guides has been produced and distributed in the field of Education, with the other two under development. The Academic Links

Website, entitled the Academic Bulletin Board for Australia, Canada and the United States (ABBACUS) is under development.

- (1) (b) Australian universities "own" the AEO in the sense that 36 of them fund it through subscription arrangements. The AEO is a USA not-for-profit corporation governed by a Board of Directors which includes a nominee of the Australian Ambassador and several Australian Vice-Chancellors. (A "Background Paper on the Australian Education Office", produced by the AEO and containing details of its relations with Australian universities is provided at Attachment A.)
- (2) The AEO is governed as described above and detailed in Attachment A. The AEO claims to have a dual role of providing services to its member universities, and also of providing generic services to Australian higher education. The former of these roles involves providing a range of informational, promotional and support services as detailed in the AEO paper "Services to Individual Member Universities" (provided at Attachment B). The latter role involves general promotional, liaison and information services about Australian higher education as detailed in the AEO paper "Generic Services to Australian Higher Education" (provided at Attachment C).
- (3) The government does not have a role in the development of AEO materials.
- (4) Providers who are registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) must comply with all requirements of the Education Services for Overseas Students (ESOS) legislation at all times.

These requirements include the obligation for registered providers to identify themselves accurately to overseas students by using their registered provider name and unique CRICOS provider code on all written materials. Additionally, registered providers must advertise with integrity and accuracy in order to uphold the reputation of the Australian international education industry. Providers are also required to advertise in a manner which is not deceptive or misleading in its content.

The role of the Government, through DEST, is to ensure that all registered providers comply with the ESOS legislation and act in the interests of Australia and its higher education system at all times.

- (5) If DEST receives information that a provider registered on CRICOS is not complying with the ESOS legislation and using inaccurate material in advertising material, the Minister or his Delegate may take action against the provider to ensure compliance with the legislative requirements of the Act. Such action may include cancellation or suspension of the provider's registration, or imposition of conditions on its registration.

Attachment A

BACKGROUND PAPER ON THE AUSTRALIAN EDUCATION OFFICE

The Australian Education Office was established in 1992, and for most of its life has been housed within the Australian Embassy in Washington, DC. It is a USA not-for-profit corporation, governed by a Board of Directors, which includes:

- the Australian Ambassador to the USA or the Ambassador's nominee (currently Mr Peter Baxter, Deputy Chief of Mission);
- four Australian Vice-Chancellors elected by their peers through the mechanism of the Australian Vice-Chancellors' Committee (currently Professor John Rickard, Vice-Chancellor of Southern Cross University and Chair of the AEO Board; Professor Roger Holmes, Vice-Chancellor of the University of Newcastle; Professor Gerard Sutton, Vice-Chancellor of the University of Wollongong; and Professor Glenice Hancock, Vice-Chancellor of Central Queensland University);

- two Directors on nomination by IDP Education Australia (currently Professor Lance Twomey, Vice-Chancellor of Curtin University of Technology and President of IDP; and Ms Lindy Hyam, Chief Executive of IDP);
- the Executive Director of the AEO (currently Mr Tony Crooks);
- one co-opted Director representing higher education in the USA (currently Professor John Hudzik, Dean of International Programs at Michigan State University); and
- one co-opted Director representing higher education in Canada nominated by the Australian High Commissioner to Ottawa (currently Mr. Robert Giroux, President and Chief Executive Officer of the Association of Universities and Colleges of Canada).

The mission of the AEO is to develop and enhance the bilateral relationships between Australia on the one hand and the USA and Canada on the other, by creating and fostering all forms of educational links. Its functions are:

- generic promotion of Australian education in the USA and Canada – through publications, newsletters, a website, visits and conference presentations;
- creation of an environment conducive to the promotion of Australian universities – by ensuring that Australian education has a high profile and a quality image, and by maintaining a close and collegial relationship with North American education associations;
- encouraging the establishment of exchange agreements involving students, faculty members and administrative staff between higher education institutions in Australia and North America; and
- providing a help desk for North American students and Study Abroad advisors enquiring about study opportunities in Australia and the procedures involved in enrolling in an Australian institution, including the visa process.

The AEO is a membership organization funded primarily by Australian universities. The 38 universities that are members of the Australian Vice-Chancellors' Committee each pay an annual subscription fee to the AEO to carry out its generic function on behalf of Australian education. The Australian Embassy provides generous support in the form of office space and access to infrastructure.

The AEO does not enrol students in to Australian universities, but it supports recruiting agents that do offer such services on a commercial basis. The Executive Director of the AEO fulfils the de facto role of Counsellor (Education and Training) at the Australian Embassy in Washington and sits on the Ambassador's Branch Heads team.

Attachment B

SERVICES TO INDIVIDUAL MEMBER UNIVERSITIES

The AEO provides exclusively to its member universities:

- a university prospectus distribution service, in response to enquiries from North American institutions or prospective students;
- access to the AEO's on-line student request database;
- a full-page profile in our flagship publication, Australia: Education Quality, Education Excellence;
- a profile on the AEO website, and a link to the site;
- profile distribution at the annual NAFSA Conference;
- the opportunity to contribute articles to the Study in Australia newsletter;
- one advertising space in an edition of the Study in Australia newsletter and the option to purchase additional space;
- regular information on the North American market via a monthly bulletin, quarterly newsletter, and ad hoc analysis of significant developments and statistical data;

- access to AEO workshops and familiarisation tours;
- the opportunity to second International Office staff to the AEO;
- individual advice as required on opportunities in North America;
- assistance with the setting up of appointments; and
- access to a contact and referral point for International Office staff while in the USA – for telephone messages, transmission and receipt of faxes and e-mail, consignment of freight.

Attachment C**GENERIC SERVICES TO AUSTRALIAN HIGHER EDUCATION**

- Provision of free and impartial information to North American students and advisors on study opportunities in Australia and the student visa application process
- Non-commercial point of contact for North American institutions and organizations seeking information about Australian higher education
- Preparation and distribution of publications such as Australia: Education Quality, Education Excellence and Study Abroad Advisor's Guide to Australian Higher Education
- Publication and distribution to North American study abroad advisors of a quarterly newsletter, Study in Australia
- Conduct of familiarization tours of Australian universities for North American study abroad advisors, administrators and academics
- Promotion of the quality of Australian higher education through presentations at conferences and workshops and through targeted visits to North American institutions
- Liaison with various bodies in North America (e.g. US Department of Education, NAFSA: Association of International Educators, American Association of Collegiate Registrars and Admissions Officers, Canadian Bureau for International Education) to ensure that knowledge of Australian higher education systems is current and accurate
- Liaison with education agents in North America to ensure that knowledge of Government of Australia regulations and procedures regarding international education is current and accurate
- Liaison with NAFSA to coordinate the Australian presence at the annual NAFSA Conference
- Profiling of higher education issues within the Australian Embassy in Washington, DC
- Liaison with DIMIA to track and expedite individual student visa applications
- Investigation of and reporting on new opportunities in North America for the Australian international education industry

Education: Advertising Pamphlets**(Question No. 2097)**

Mr Danby asked the Minister for Education, Science and Training, upon notice, on 26 June 2003:

- (1) Can he confirm that earlier this month the Government inserted advertising pamphlets into HECS statements being posted out to all students, promoting the Government's higher education policy.
- (2) Can he confirm that the pamphlet says FEE-HELP "will cover up to the full amount of their tuition fees,"; if so, is this statement an accurate reflection of the position for the majority of students.
- (3) Was the pamphlet prepared by his department; if not, (a) which organisation or individual prepared it and (b) how much was this individual or organisation paid.
- (4) In respect of the pamphlet, what was (a) its total cost, (b) the cost of the (i) production, (ii) printing, (iii) artwork, (iv) design, and (v) layout, and (c) in each instance, which organisation did the work.
- (5) Was any public relations advice sought on the pamphlet; if so, from whom and how much did it cost.

- (6) What was the cost of the distribution.
- (7) From what budget were the costs of the pamphlet funded.
- (8) How many people in (a) Australia and (b) in each federal electoral division received the pamphlet.
- (9) Who made the decision on (a) sending the pamphlet and (b) to whom to send the pamphlet and when were these decisions made.
- (10) Has his department received a list of recipients of the pamphlet.
- (11) Why were taxpayer funds used to promote a Government policy which has not yet been enacted by the Parliament.
- (12) Is this an example of political advertising criticised by the Australian National Audit Office as a waste of taxpayer funds.
- (13) Will he allow alternative policy proposals also to be distributed using taxpayer funds.

Dr Nelson—The answer to the honourable member's question is as follows:

- (1) The Government provided a copy of the brochure, Higher education reforms: Information for students, to all Higher Education Contribution Scheme (HECS) debtors who received a HECS Information Statement.
- (2) The brochure actually states that, for eligible students, Fee-Paying Higher Education Loan Programme (FEE-HELP) "loans will cover up to the full amount of their tuition fees with students able to borrow up to \$50,000".

This statement is correct. The loans are available for tuition fees only, not other purposes. The maximum students are able to borrow is \$50,000. It should be noted that the majority of courses are under \$50,000.

- (3) Yes.
- (4) (a) The total cost of the pamphlet was \$31,172.
- | | | |
|---------|------------|----------|
| (b) (i) | Production | \$0 |
| (ii) | Printing | \$31,172 |
| (iii) | Artwork | \$0 |
| (iv) | Design | \$0 |
| (v) | Layout | \$0 |
- (c) Production, artwork, design and layout work was done by the Department of Education, Science and Training (DEST), and J S McMillan Printing Group printed the brochure.
- (5) No.
- (6) \$5,397.
- (7) The cost of the printing and distribution of the brochure was covered by DEST funds.
- (8) (a) Distribution of the brochures were as follows:
- 945,377 to existing HECS debtors;
 - around 85,000 to universities;
 - 5 pamphlets to each school with year 11 and 12 students; and
 - inclusion in the higher education reform policy packs.
- (b) DEST does not have the above information by federal electoral division.
- (9) DEST made these decisions, in consultation with my office, prior to the release of the higher education reform package.
- (10) No.

-
- (11) The higher education reform package represents the Government's policy regarding higher education. Both current and future students have the right to know how these policy changes may affect them so that they are well placed to make informed decisions regarding their future. This was the intent of the brochure. The brochure also clearly states that the implementation of the reform package is subject to the passage of legislation.
- (12) No. In his report Number 12 of 1998-99, the Auditor General indicated in his draft guidelines that, it was appropriate to spend funds on communication activities to "inform the public of new, existing or proposed policies or proposed revisions". The current guidelines require that all information programmes conducted by departments should be impartial and as complete as practicable based on the information needs and capacities of the target audience. It is appropriate use of Commonwealth funding to inform students about intended changes in policy that are likely to affect them. It is usual practice for Government Departments to release information relating to Budget measures.
- (13) No.