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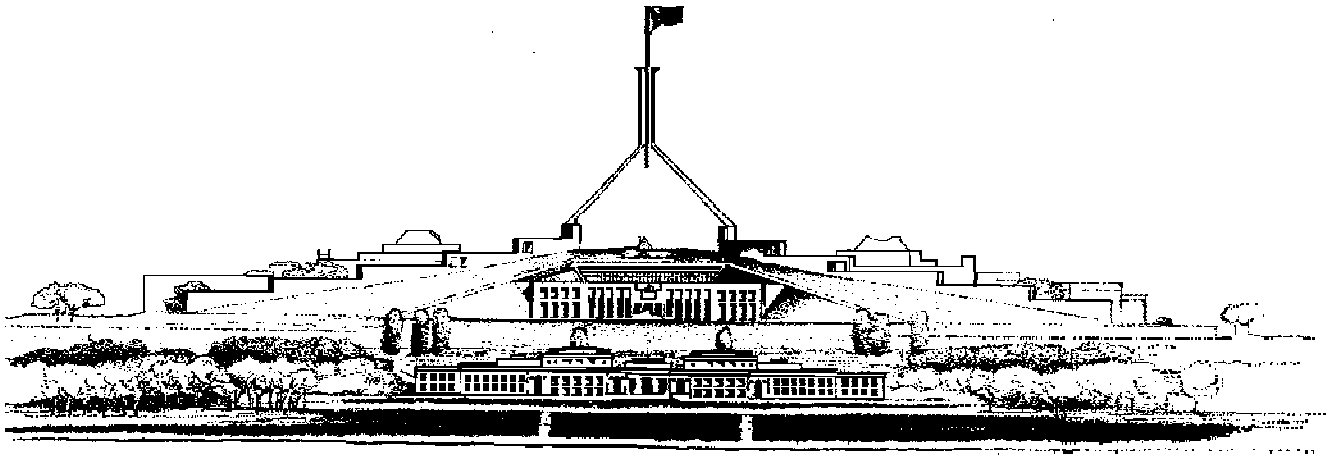

SENATE

Official Hansard

MONDAY, 21 JUNE 1999

THIRTY-NINTH PARLIAMENT
FIRST SESSION—THIRD PERIOD

BY AUTHORITY OF THE SENATE
CANBERRA

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Monday, 21 June 1999

The PRESIDENT (Senator the Hon. Margaret Reid) took the chair at 12.30 p.m., and read prayers.

TELECOMMUNICATIONS (CONSUMER PROTECTION AND SERVICE STANDARDS) BILL 1998

TELECOMMUNICATIONS LEGISLATION AMENDMENT BILL 1998

TELSTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 1998

TELECOMMUNICATIONS (UNIVERSAL SERVICE LEVY) AMENDMENT BILL 1998

NRS LEVY IMPOSITION AMENDMENT BILL 1998

In Committee

Consideration resumed from 27 May.

Motion (by **Senator Alston**) proposed:

That further consideration of the Telecommunications (Consumer Protection and Service Standards) Bill 1998 and the Telecommunications Legislation Amendment Bill 1998 be postponed until after consideration of the Telstra (Transition to Full Private Ownership) Bill 1998.

Senator MARK BISHOP (Western Australia) (12.32 p.m.)—We seem to be engaged in a bit of changing of the agenda of business this afternoon, dropping off the Telecommunications (Consumer Protection and Service Standards) Bill and moving straight to the Telstra (Transition to Full Private Ownership) Bill. Would the minister care to give an explanation to the chamber as to why that change of order has occurred?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.32 p.m.)—It is simply because it is, I think, the most critical piece of legislation in terms of the total package. We would like to see the matter dealt with as a matter of priority. Notice has been given to other parties in the Senate. I understood that it was not a matter of contention. By prioritising, the government is taking the view that this is by far the most important measure. The others are clearly of significance and will be debated in due course. But the sale bill is the one upon which everything else turns.

Senator MARK BISHOP (Western Australia) (12.33 p.m.)—I accept those comments by the minister. If consideration of the Telstra (Transition to Full Private Ownership) Bill is concluded today or tomorrow, does the government intend to move straight away to resolve the other four bills in the package, or will they be adjourned to a later time?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.34 p.m.)—No, we would simply proceed through. In other words, we would like to see the total package passing through the chamber as expeditiously as possible. I would hope that that might even occur before the close of business tonight. I am sure, with the cooperation that has been forthcoming to date at various stages, we should be able to accomplish that—unless, of course, other people feel the need to get a bit of verbal exercise. But I am sure that that is not the case. Therefore, I remain very hopeful.

Question resolved in the affirmative.

TELSTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 1998

The bill.

The CHAIRMAN—The question now before the chair is that the bill stand as printed. A running sheet has been circulated in the chamber. Senator Margetts, the first item is your Greens (WA) amendment No. 4 on sheet 1267 to insert an item on page 4 of the bill.

Senator MARGETTS (Western Australia) (12.35 p.m.)—I wish the communications had been a little better. I entered the chamber prepared to speak to the Telecommunications (Consumer Protection and Service Standards) Bill. That is why I am left flat-footed at the moment in relation to Greens (WA) amendment No. 4. I would like to talk briefly about almost anything at all until my briefing notes arrive. The minister said he thought this matter was uncontentious, but it would have

been nice had we had a few phone calls to adjust this.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.36 p.m.)—I apologise if all parties, including the Greens, were not advised in advance of the government's intention. It was certainly my understanding that they would be and had been. Given that there are amendments in the name of the Australian Democrats that could be dealt with while Senator Margetts is waiting for her papers to arrive, perhaps it would be convenient to take those first and then come back to the two Greens amendments.

Senator MARK BISHOP (Western Australia) (12.37 p.m.)—On behalf of the opposition, we have a number of comments on this rather critical bill that we want to place on the record. I was going to suggest to Senator Margetts that we take the opportunity to make our comments now until she gets her notes from her adviser.

The CHAIRMAN—It is appropriate that you speak because the question before the chair is that the bill stand as printed. You may wish to speak on general issues.

Senator MARK BISHOP (Western Australia) (12.37 p.m.)—Thank you. I take it Senator Margetts is happy with that. Greens (WA) amendment No. 4 is the first amendment to be discussed in respect of the Telstra (Transition to Full Private Ownership) Bill 1998. The opposition wishes to place a few remarks on the record concerning our approach to this bill. The opposition is opposed to the bill and will divide on its passage at the appropriate time. The opposition is opposed to any amendment that seeks to allow the sale of one more share of the Telstra Corporation. We have opposed the sale of Telstra in three successive elections and that is both common and public knowledge. In this debate today, and tomorrow if it proceeds, we will again follow that election commitment, both in spirit and in intent, by opposing any further sale of parts of or the whole of Telstra.

As the minister indicated at the outset, this bill is the most significant of the five bills in the package under discussion in the chamber. This bill authorises the sale of Telstra and privatises an essential part of Australia's national infrastructure. This bill contains provisions which will enable 16 per cent of Telstra to be sold, an inquiry to be held and, subject to the findings of that inquiry, the balance of Telstra—the other 51 per cent—also to be sold in due course. As was indicated the last time we discussed the Telstra package of bills, we are coming to the point of no return. If this bill is passed, it is inevitable that in due course Telstra will go into full private ownership.

The device of holding an inquiry is fundamentally flawed and can and will lead to only one conclusion. An inquiry will not result in proper public scrutiny, proper public review and proper public consideration of the worth or otherwise of the sale of the outstanding 51 per cent of Telstra. According to the bill before the chamber, that inquiry can be a private inquiry. There is no need for public testing, public scrutiny or public examination of the submissions. There are no criteria or guidelines laid down in the bill for how that private inquiry will conduct itself. It is simply a device to get over the objection of the National Party and achieve full private ownership of Telstra.

So we arrive at the point of no return and it is only proper to briefly summarise the reasons for our continuing opposition to the sale of Telstra. Three points can be made in that regard—three critical points which have guided our internal forums and deliberations in this process. Those three reasons are on the record. They were addressed in my speech in the second reading debate and in the concluding remarks made by Senator Cook. There have been numerous press releases put out by the shadow minister for communications and the Leader of the Opposition and they are contained in the platform of our party. What are those reasons?

Firstly, we say that Telstra is a fundamental part of Australia's infrastructure. It needs to be in public hands. Putting it in full private ownership removes from our nation the ability to build on this most critical part of our infrastructure as we move into the new technologies and the new information processes

of the next millennia. Secondly, since one-third privatisation of Telstra, various reviews have been conducted by a number of government agencies and they have all come to one conclusion: that service levels have fallen and will continue to fall over time, and that the state of Tasmania has been on the receiving end of the greatest continuing fall in those services by the Telstra organisation.

Our third reason for opposing this bill is that Telstra is a contributor to the national economy, both as an efficient telecommunications operation and as a payer of dividends to the national budget and to government. We believe this device of the government is a trick, it is a con. We are told that apparently there is a social bonus of $678 million, plus something in the order—released yesterday—of an additional $300 million to be allocated by the government. The government's rationale is to sell Telstra and allocate the social bonus as a community reward. The opposition has a different position. We say retain Telstra, keep the dividends of $1.8 billion every year for the foreseeable future. Build community infrastructure every year—not just once in select areas by allocation of a limited social bonus, but do it on a continuing basis. We say keep the golden goose, keep the dividend stream, keep building the Australian community. The savings on interest are not worth the sale of the assets.

Let me develop each of those arguments: the importance of keeping our national infrastructure as represented by Telstra in public hands; the importance of improving service standards and not reducing them, as happens time and time again when government utilities are privatised; and the importance of keeping in perpetuity a reward for business for the bush, for rural and regional Australia, instead of a miserable one-off bribe. Turning to the first argument, consider only the significance to industry of the commercial activities of the nation, the ongoing growth of an efficient telco providing needed services. In addition to that necessary growth, the opposition also identifies the human element of Telstra, not as a profit taker but in its role of bringing families and communities together. It is fundamental to the social intercourse of our nation. If it is in private hands, service will not be the guiding ethic. The guiding ethic will be private return.

What is the proof of the allegation in respect of service levels? I refer to a number of government reports since December last year which have examined the provision of service by Telstra. In December the ACA identified a number of disparities. On the provision of new services it says that Telstra's performance in remote areas is down an average of 16.8 per cent on performance in metropolitan areas. So rural services are significantly below those of metropolitan areas. On fault clearance within one working day, performance in remote areas is down an average of 17.2 per cent on performance in metropolitan areas. On fault clearance within two working days, performance in remote areas is down an average of 16 per cent on performance in metropolitan areas. The average number of hours to clear a fault in country areas is almost 57 hours, whilst in the cities it is 27 hours.

The ACA's *Telecommunications performance report 1997-98* identifies a high rate of fault repair and provision of service complaints from Telstra's residential customers. Almost 50,000 Telstra customers had reason to complain to Telstra in the June quarter. Eighty per cent of these were residential customers. Again, in late March of this year—barely three months ago—the Australian Communications Authority's *Telecommunications performance monitoring bulletin* for the December 1998 quarter showed a six percentage point decline nationally for new services to major rural areas and a 24 per cent decline for Tasmania. Again, in late March, the ACA findings in the *Telecommunications performance monitoring bulletin* painted a damning picture of declining Telstra service delivery in rural and regional Australia. Among its findings, the ACA revealed a six per cent decline nationally for new services to major rural areas, which includes a 24 per cent decline for Tasmania, as well as an 11-hour increase in the average time for payphone fault clearance in Tasmania and a 10 per cent point decline in fault repair times for Tasmania.

So it is not just an assertion by the opposition that, when major utilities are put into private hands or partially privatised, service performance levels decline. The ACA, in its own monitoring, has looked at the empirical evidence and put in black and white that service levels are declining, have declined since the first one-third of Telstra was sold off and are not improving at all. The decline in services is no surprise because we have an inherent contradiction between the private corporation using the system to maximise returns—exploiting the most profitable markets—and minimise gain to other carriers. The further privatisation necessarily increases that pressure on the bottom line and one method of achieving that system is to reduce labour costs and service levels.

Turning to our third point, the question of reward to the Australian community, many countries are facing issues of privatising telcos and utilities generally. It is occurring in western Europe and in many parts of the United States. It is normal to go down the path of seeking a cost benefit analysis to see whether there is ongoing benefit to the community through the transfer from public hands to private hands of a major utility. If you sell the asset, you no longer have any return to owners via dividends. If you keep the asset, you improve its performance, make it more efficient and the return to the shareholders can go up. The value of the ongoing dividend stream is almost $2 billion per year. The value of another 16 per cent sale of Telstra is around $16 billion to $17 billion on current market prices. The net proceeds are likely to be in the order of $15 billion to $16 billion after costs. The interest saving at current bond levels is only $890 million per year.

As was said some two or three weeks ago, on this simple calculation alone, dividends forgone through the sale of Telstra equal interest savings to governments in only 11 years. So, out of the 16 per cent sale of Telstra, the community receives only something in the order of $980 million: $671 million already outlined and $300 million outlined in the last 24 hours. Those dividends of $2 billion per year in a growth telco market are sacrifices for a mere 11 years of interest savings plus the one-off social bonus. Even that bribe is fairly miserable. It spreads the benefit in five separate areas. Everyone thinks they are getting a slice of the pie, but it is a one-off slice only, directed particularly at one small state. Even the extra bonus of $300 million is not an additional cost to government, and I will return to that point later.

The general approach of the opposition to this bill is relatively simple. We will oppose every minor party amendment that seeks to improve the bill or make it more effective. We will support other amendments that are consistent with the opposition position of maintaining 66 per cent of Telstra in public hands. In this instance, we will support the deletion of schedule 3, which is the full sale, and the deletion of schedule 2, which is the sale of the next 16 per cent. Otherwise, the position of the opposition will be to oppose amendments from other parties that seek to improve or make more effective the passage of this bill.

Senator MARGETTS (Western Australia) (12.51 p.m.)—I thank Senator Bishop for speaking, thus enabling me to get my thoughts sorted and not look as incompetent as I did about 15 minutes ago. I move Greens (WA) amendment No. 4 on sheet 1267:

(4) Schedule 1, page 4 (after line 13), at the end of the Schedule, add:

7 At the end of subsection 8AE(1)

Add:

(g) substantially reduce services to regional and rural Australia;

(h) reduce the provision of emergency services.

I echo a number of the comments from Senator Bishop in relation to the sale of Telstra. The evidence that has been given over time in relation to this bill and the inquiries associated with it clearly show that what we have done already has not lived up to the government's promises. Therefore, how can we assume that things will not continue in the same direction—that is, in the wrong direction in terms of accountability, consumer services and the whole way the market is operating?

Our amendment extends the reporting requirements to include notification of any reduction in service from rural or regional Australia or reduction in emergency services. This is a reasonable extension of the reporting requirements to cover the legitimate concerns that under a fully privatised Telstra or even a partially privatised Telstra there is a serious risk of undercutting rural and regional and emergency services.

In relation to rural and regional services, there has already been a steep service decline and reductions in employment. Over 17,000 jobs have been lost since partial privatisation, especially in rural and regional centres. Any significant reduction of services in a rural or regional centre is likely to have a major impact and is something that governments will have to plan for. It would be highly useful to know that in advance but, of course, under a privatised entity governments can then say it is not their doing.

In relation to emergency services, AAP reported that the manager of Telstra public safety, Ms Simpson, suggested in a response to a letter from ALP Senator Reynolds that Telstra may reduce its emergency role in the future. The response continued:

> Telstra believes that the best provision of the emergency call service is to have callers answered by specialist emergency call takers who can provide immediate assistance to the caller.

That was written to Senator Reynolds in January. How does one translate 'specialist emergency call takers'? My translation is that that is somewhere in a centralised office—maybe in one of the capital cities—where there is no local knowledge of the area involved. We know that in relation to emergency services that can mean the difference between life and death. 'Specialist emergency call takers' is somebody's idea of economic efficiency where you allow for the fact that sometimes call takers in smaller regional areas are not available to take emergency calls all day. So it is more efficient to have a specialist taking emergency calls all day even if they do not know what to do with them when they get them. The letter to Senator Reynolds continued:

> This is not the core business of Telstra.

One can only ask: what is the core business of Telstra? Is it making money or enhancing profits—

Senator Mackay—Non-core assets according to Senator Alston.

Senator MARGETTS—Yes, non-core assets. The quote continues:

> We will continue to work with all of those involved to identify ways to provide emergency services which may well see Telstra's role in the process reduced.

We know what is going to be happening at the end of the year to analog phones, and we know that that is definitely going to have an impact on emergency provision and on those who rely on their analog phones—and have done for a few years now—to have access to emergency services. Maybe the services were not available before people had analog phones but, funnily enough, people in rural and regional Australia do not actually like those services being taken from them once they have them.

The amendment requires that Telstra give written particulars of any reduction of their service standards in relation to emergency services and general services in rural and regional Australia. We think the amendment is reasonable. I gather from the signals coming from the opposition that this is not the kind of amendment they can support, because it might make the passage of the bill easier. I certainly do not support the passage of the bill, but I can see that it might save some lives if we manage to get support for this amendment.

Senator ALLISON (Victoria) (12.56 p.m.)—I want to echo the words of Senator Margetts in saying that we certainly do not support this bill either but we do think it is important—especially given the likelihood that there is going to be a sell-off of 16.6 per cent—to improve the bill. This amendment will do that. The effect of the amendment is to extend Telstra's reporting obligations to the minister. At present Telstra must notify the minister of certain significant events—for example, the acquisition or disposal of significant business. This amendment will require Telstra to notify the minister if it substantially reduces services to rural and regional Austral-

ia and if it reduces the provision of emergency services. We support this amendment because it is consistent with our concern about the level of services provided to those in rural and regional areas and because we think any reduction in the provision of emergency services should be drawn to the minister's attention.

I must say it is disappointing to hear that the ALP do not intend to support this amendment or any others. As I said earlier, it has become clear that even without our support—and that was never a likelihood—at least a modified version of this bill will go through. So Labor can look to themselves and their support of both regional and rural Australia when they vote against this amendment.

Senator MARK BISHOP (Western Australia) (12.58 p.m.)—I want to take up, for a very brief time, the gauntlet thrown down by both the Greens and the Democrats. The amendment does go to reporting obligations to the minister if services are reduced in rural and regional Australia or if emergency services in rural and regional Australia are reduced by Telstra. I am not going to repeat my earlier comments. I think it is fairly clear that changes in service levels, reductions in service levels in Tasmania and indeed in wide parts of our country have been occurring for the last 18 to 24 months. That is no secret and it is on the public record.

It is on the public record because, every quarter and every half, the ACA issues a monitoring review on the level of service carried out by Telstra and a range of other carrier providers—Optus and other competitors around Australia. Every quarter, the government, the opposition and the minor parties review those public reports, engage in discussion and debate here and pursue the issues that should be pursued in the various forums that are available to us, either in the various inquiries, in the estimates processes or through questions on notice.

The reason the opposition have highlighted this consistently for almost three years since the coalition came into government is that we have noted the declining level of services across the board—whether it be linesmen attending private homes in cities, linesmen and technicians attending to problems in bush areas, or linesmen and technicians replacing services that break down because of natural occurrences. We said, when the first one-third was privatised, that service levels would decline.

We said that because we knew—from a range of academic literature, from our own intuition and from a range of reports that have been in the public domain on the efficient operation of telcos in the Western world—what happens when they are privatised or partly privatised. They have been privatised or partly privatised in Canada, parts of the US, the United Kingdom, right across Western Europe and in New Zealand. Without exception, when those dominant telco carriers were privatised and the government of the particular country reviewed the quality of operations of the new institution, service levels in each of those countries had declined. It was not a one-off decline, it declined gradually and continued to decline over time.

So, when the first one-third was privatised, we said then—and the relevant Senate committee at that time made a finding—that service levels would decline, and nothing in the last three years has changed that. You did not have to be a Rhodes scholar to figure out that one of the methods of increasing value in a corporation, maintaining a high dividend flow and returning an increasing proportion of that dividend flow to shareholders was to reduce costs. The obvious way to reduce costs is to reduce the composition and number of persons employed—that is, to directly reduce labour costs. It is a direct transfer from employees via the corporation to shareholders. It is out in the public domain that Telstra has an agreement and is in the process of implementing an agreement that something in the order of 20,000 or 25,000 employees will be, or have been, retrenched in a two-year period starting from this time last year. That is no big secret.

Now, 25,000 employees off the payroll is a huge labour cost saving. I acknowledge that they have not been sacked and thrown on the scrap heap. There has been a very generous redundancy payment made to each of those employees, and many of them have gone out

as independent contractors and have turned up in competitors or in other parts of the telecommunications industry. Nonetheless, the savings to Telstra have been dramatic, and the labour costs savings directly correlate to the reduction in services. It has been no secret. We predicted it. Overseas experience showed that it would happen. It was a finding of the Senate committee that this would happen, and it has occurred.

To have an amendment that the corporation advise the minister in writing of a substantial reduction in services strikes the opposition as stating the blindingly obvious. It is occurring. We know it is occurring. Employees tell us so every day of the week. At every estimates, the officials from Telstra do not hide the fact. It is government and Telstra policy to reduce labour costs, to reduce service levels and to transfer the gain to shareholders via dividend.

The amendment that has been circulated—whilst it has worthy intentions, and I do not quarrel with that—is in some respects a non sequitur. The best way, the only way, to turn around the ongoing decline in service levels is to oppose the sale of the next 16 per cent and the outstanding 51 per cent of Telstra. If that is achieved, Telstra can be directed by government to establish guidelines—which can be checked—to improve service levels, call-out times, fixing of fault times and new line times. These are relatively easy things to do, but those services can only be offered and made mandatory on an ongoing basis when the government of the day so directs Telstra. It can only do that effectively if the 66 per cent of Telstra remains in public hands.

As I said in my opening remarks, once you go to 49 per cent—33 plus 16—that is the end of the story. The gate is open. It will be virtually impossible to return Telstra into public hands. To seek to improve the bill is to give a tick to the government's intent. The government is not backward about saying that. It went to the people on it. It was not shy about it. It is its policy. But it is not the position of the Australian Labor Party to encourage or to give authority to continuing reductions in service levels by Telstra. We say that the best way that that can be avoided is for Telstra to remain in public hands.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (1.06 p.m.)—I might indicate the attitude of the government. I welcome Senator Bishop's acknowledgment that this amendment will not be supported by the opposition. In fact, I think it is quite right of Senator Bishop to point out the logical deficiency. If your aim is to actually stop any decrease in service, mere notification does not achieve that. What does achieve it, however, are the provisions that are already embedded in legislation, requiring adherence to universal service obligations and, of course, the customer service guarantee arrangements.

Irrespective of any change in ownership—and, indeed, under the current arrangements—Telstra could not significantly reduce regional and rural services without infringing against the universal service plan which it has to lodge. The minister is able to require Telstra to vary the plan if it even sought to significantly reduce those services. Therefore, there is no need to require Telstra in that regard. The current arrangements relate to the interests of the minister in his shareholder role—that is, in matters to do with changes in corporate strategy; it is not to do with service levels.

We do not accept the mythology that Senator Bishop and his colleagues seek to perpetuate: that privatisations around the world have inevitably been accompanied by reductions in quality of service. The US, for example, has never had publicly owned telcos—so there is no evidence that you can point to there—but has always had universal service obligations and universal service level arrangements. There is nothing to stop the parliament from tightening those requirements, as we did recently. It is now possible for the ACA to require a remedial direction under clause 118 of this bill and to seek to have court imposed penalties if directions are not complied with, so we think we have covered all of those bases.

Everyone knows that Mr Beazley was the very minister who promised Mr Blount that, if he came out and took the job as CEO of Telstra, the Labor Party would privatise the company. And why wouldn't they? As Cheryl

Kernot said, 'I'm not worried about what Labor might do in opposition; it is what they might do in government that worries me.' And she is dead right, because we all know this is a strategy of convenience on the part of the Labor Party. The delivery of an effective 000 service, again, is simply not dependent upon the goodwill of Telstra; many other service providers have a role to play. The legislation does provide for emergency call service arrangements that meet community expectations in a multicarrier environment.

We already have arrangements in place to ensure that the ACA monitors industry-wide compliance, and it is incumbent on Telstra to inform the ACA of any proposed changes. Indeed, Senator Ian Campbell recently wrote to the ACA asking it to increase its 000 monitoring and reporting activities in the light of proposed Telstra changes and concerns about effective deployment of mobile location capabilities. The ACA is considering adding a formal requirement to the emergency call service determination. If the intention of this amendment is that Telstra should notify the minister whenever it proposes to close a depot, a work management centre or a store, not only would it be an inappropriate proposal but it would be unnecessary and a waste of time and effort for both the minister and for Telstra.

Senator MACKAY (Tasmania) (1.10 p.m.)—I have a number of questions to put to Senator Alston in relation to employment issues in regional Australia and, specifically, Tasmania. The first one I want to put to the minister is in relation to the package which was released yesterday. There was no mention in the package of a reorganisation or restructuring of Telstra in Tasmania—a commitment which I understood Senator Harradine had sought, particularly in relation to making Tasmania a single area and removing it from the Vic-Tas region. It has been reported in the media today that Senator Harradine holds out some hope that that may occur, so perhaps the minister could advise precisely what arrangements are in place for Telstra internally and in Tasmania and, secondly, what commitments have been given in relation to existing job levels.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (1.11 p.m.)—I thought this was already a matter of public record, but the fact is that Telstra has given an undertaking—and that certainly has been communicated to Senator Harradine—that its consumer and customer arrangements will involve a separate regional area for Tasmania. In other words, it will not be simply added on as part of regional Victoria, as it has been in the past, but it will be a separate and distinct statewide structure.

Senator MACKAY (Tasmania) (1.11 p.m.)—What are the consequential impacts as a result of that? For example, we have lost the work management centre in Tasmania. Does this mean we are going to get it back as a result of the restructure? What are the consequential impacts of the restructuring, and what are the staff impacts in terms of employee levels?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (1.12 p.m.)—It will not change the formal requirements, but it will mean that Telstra will have to consider Tasmania as a whole and not simply as an appendage of Victoria. Part of the criticism which Senator Harradine has consistently made is that, if it is simply seen as part of regional Victoria, then there is much more of an inclination to centralise services in Victoria rather than to look at Tasmania on a statewide basis. Otherwise, these are operational matters. The important thing is that what is put before the CEO is a Tasmanian perspective, not a Greater Victoria perspective. On that basis, there will be every opportunity for a dedicated proposition to be put forward representing Tasmania's interests rather than Greater Victoria's interests.

Senator MACKAY (Tasmania) (1.13 p.m.)—Minister, I am still not sure exactly what is meant by the Telstra commitment or your commitment in relation to Tasmania becoming a single region or a single area. What practical effect does that have? Perhaps you could seek advice from Telstra officials.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and

the Arts) (1.13 p.m.)—It is not a matter of seeking advice from Telstra officials; it is a matter of the internal structure of Telstra. Until now, Telstra has treated each state separately, with the exception that it has treated Tasmania—commercial and consumer—as part of regional Victoria. This undertaking involves reverting to a situation where Tasmania stands on its own feet. It has someone in charge with that statewide perspective only and able to argue the case for Tasmania. I think that is what Senator Harradine and others have sought—that instead of seeing Tasmania simply as part of Greater Victoria, it is seen as having its own stand-alone arrangement. Therefore, it gives Tasmania a much greater opportunity to argue its case on its merits rather than being treated as part of a perhaps more efficient overall viewpoint. It gives Tasmania the standing that would equate it with all other states. No other state is treated any differently as a result of this arrangement. They all now have the opportunity to argue a statewide case.

Senator MACKAY (Tasmania) (1.14 p.m.)—Other than being able to forcefully put its case and having, presumably, a state manager, I am still at a loss to know precisely what it means structurally to Tasmania in terms of additional services or additional staff. While I am on my feet, Minister, I will ask you another couple of questions to which I have not been able to get a response to date. Hopefully, you would be aware of correspondence that I sent you on 26 March in which I asked a number of questions in relation to staffing in Tasmania. I understand that the state government has also asked a number of questions and, similarly, has not got a response. Firstly, how many full-time equivalent staff are currently employed in Tasmania?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (1.15 p.m.)—I cannot give you the answer off the top of my head, but I can make some inquiries. It is not my understanding that the state government has sought answers to these questions. I am aware of your correspondence and I can get you the detail on that, but not immediately.

As far as the other issue is concerned, I cannot say any more other than what was sought was a separate, stand-alone arrangement for each state and that Tasmania not be treated differently. It is not treated differently now under this new regime. Commercial and consumer for Tasmania is the same as for any other state. That does not mean that there are any necessary employment or other consequences for Tasmania, nor for any of the other states. It is simply an operational management approach that provides the opportunity for each state to argue its own case rather than simply having to put in a submission to Victoria and hope that somehow Tasmania's views are taken fully into account. I can understand the argument that, inevitably, they would be downgraded if they were part of someone else's bailiwick.

Senator MACKAY (Tasmania) (1.17 p.m.)—So, in terms of the proposal that has been put to Senator Harradine, you are saying that it does not necessarily have any operational or employment effect? That is what I understand you to say, but I am not quite sure precisely what being a 'separate area' means if that is the case, other then being able to articulate your case more directly to Dr Switkowski rather than having to go via the Victorian manager. So if it has no operational effect and it has no employment effect, it seems a bit of a chimera in terms of any commitment given in relation to the package.

On the second issue, Minister, I am stunned that you need to seek further advice in relation to correspondence that was sent to you about three months ago in relation to staffing levels in Tasmania. Firstly, I ask you to reconsider your initial comments. Are you sure that it has no operational or employment significance in terms of Tasmania? If it does, what are they? Secondly, is it the case or not that since 1996 the decline in full-time employees in Tasmania has been of the order of 350? We have asked you this question many times, but we have not got a response in estimates hearings, to questions on notice or from direct correspondence to you, so I am seeking this opportunity to find out precisely what the status of staffing in Tasmania is. You have had these questions since 26 March.

Senator HARRADINE (Tasmania) (1.18 p.m.)—I have listened to what the minister said, and I did not hear him say that there would be no operational staffing implication of the decision of Telstra with regard to the manager of Tasmania. This was a decision made by Telstra. It was a decision conveyed to me, at all events, in writing by the Chief Executive Officer of Telstra. In fact, this will not be a chimera. Senator Mackay is making assumptions which are not there. You are putting words into the minister's mouth that I at least did not hear him say. I do not think that is appropriate in the committee stage of a debate, nor, indeed, in the second reading stage. With regard to that particular position, it will recognise Tasmania as a separate entity in that particular area—a major area—rather than as a Victorian country region. In addition to the appointment of that manager, there will be a support team of at least five people for that particular operation; and that has been conveyed to me by Telstra.

I am interested to hear Senator Mackay asking questions about employment in Tasmania. She ought to know—and I ask her to get up and deny this—that, in respect of job adjustments and job losses, other states have fared much worse than Tasmania in actual terms and in percentage terms over the last three or four years, despite the fact that a decline was commencing even then. I ask her to get up and deny that. She has not had any hand in trying to protect the jobs of Tasmanians in Telstra itself. In fact, she is part of an organisation, the Labor Party, which supported very strongly the deregulation of the industry.

I had independent advice given to me. I asked what was causing the effect on employment in Telstra in mainland states of Australia and in Tasmania. In summary, the response was:

> . Telecommunications is a very high growth industry.
>
> . While its services are very capital intensive, the companies involved (particularly Telstra) are significant employers.
>
> . But as the industry becomes more capital intensive (eg through the elimination of manual exchanges and reduced dependence on the traditional copper wire infrastructure) it is to be expected that employment growth will ease or actually decline.
>
> . Easing off in Telstra's employment growth since 1996 is a response to deregulation to the extent that Telstra has lost market share in the long-distance markets.
>
> . Too early to say what impact privatisation has had on Telstra employment, but the predominant influences on Telstra employment have been the impact of deregulation and the labour shedding effects of technological change.

Forget about all of the argument that Senator Mackay has been carrying on with in Tasmania. Let her face the facts—and those are the facts. The independent advice that I have received was that the predominant reasons for job losses are the deregulatory environment, the new players coming into the field, together with advances in technological change. I think we have to face the situation realistically. In those circumstances, you have to try to look at the area where you are best suited. Those areas have been identified, and there has been considerable work done on getting alternative job opportunities within Telstra as well as outside Telstra for persons in the communications industry.

I am not here to talk much about what has transpired over the last few months with respect to negotiations. All I do say is that I acknowledge that the Minister for Communications, Information Technology and the Arts has had a considerable interest in what happens in regional and rural Australia and, particularly, he has a great interest in the state of Tasmania. But in pursuing that interest, the minister has not disadvantaged other areas within Australia. In fact, I pay credit to him for bumping up the social bonus from $671 million to $1 billion. I think that is an action that the minister took having regard to the importance that he and indeed his government place on rural and regional Australia in the area of communications. I am aware of the Prime Minister's view and the views of a number of ministers, including the Minister for Transport and Regional Services, on this.

I would also like to place on record my appreciation of the work done by Telstra and various government departments—both federal and state, Senator Mackay. I believe that the considerable amount of work that this

involved has resulted in a substantial improvement on what we were first faced with in this chamber in the bill that is currently before us.

Senator MACKAY (Tasmania) (1.28 p.m.)—The first point I would make in response to Senator Harradine is that it is not me that is voting for a further 16 per cent sell down of Telstra, nor was it the Labor Party that supported the one-third sale in relation to the first tranche. In terms of Tasmanian employment, a number of Tasmanian federal and state members and, in fact, some members on the opposition had a lot to do with attempting to retain, for example, the work management centre.

It is impossible for me to either confirm or deny what Senator Harradine is asserting because, unlike Senator Harradine, we have not been able to get the information. He may have independent advice. I have certainly never seen that. I do not know where it came from. We have sought information from the Minister for Communications, Information Technology and the Arts on many occasions going to precisely the matters that Senator Harradine has raised. It is not on for him to get to his feet and demand that the opposition deny or confirm information when we have not been allowed access to that information. We have in fact attempted, even through Telstra's government liaison department, to get that information.

As I indicated, in absolute desperation the opposition wrote to Minister Alston on 26 March posing a series of questions, attempting to get answers to the sort of thing that Senator Harradine is alluding to. Let me tell you some of the questions that we asked, which we have not got a response to—but here we are being lambasted by Senator Harradine for daring to question the orthodoxy when we do not have any information on which to base any analysis. Let me put on the record a couple of the questions that we asked Senator Alston which he found so difficult that to date he has been unable to respond. They include really tough stuff like how many full-time equivalent staff Telstra currently employs in Tasmania. I would have thought the minister for communications might have known that one. A second one asks for provision of a breakdown of the current full-time, part-time and casual Telstra employment figures in Tasmania by location and by function—not a difficult one if you are the minister for communications, I would have thought. We also asked for a breakdown of full-time, part-time and casual Telstra employment figures in Tasmania by location and by function as at March 1996.

The opposition was attempting to determine whether or not Senator Harradine is correct in his assertion that job losses occurred as a result of the deregulation and to determine what has in fact happened since this government came into power in 1996. We do know, Senator Harradine, and so do you, that a substantial proportion of the job shedding in Telstra happened prior to the first tranche sale, in preparation for the first tranche sale. I know that that is certainly the view of the people on the ground in Tasmania. So it is a bit rich to get up in here and say to the opposition that we are not admitting one particular thing when we have made strenuous attempts to get precisely the information that Senator Harradine is referring to, and we are still in the dark. We still do not have these answers. I am sure Senator Alston would be quite grateful to Senator Harradine for at least providing some illumination in relation to some of the employment consequences of the one area proposal. At least we know now that there is going to be a manager and at least we know now that there are going to be five support staff for that manager. That is good; at least we know that. But in relation to the rest of it, if that is all there is, let us hear that, Minister. But if there is more, we would like to know the answers.

I say again that we have put a number of propositions to you. This is the committee stage in relation to the privatisation of this instrumentality, and the parliament and the people of Tasmania now deserve answers, including answers to correspondence that has remained unanswered for three months. So I ask those questions again.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (1.32 p.m.)—I note with interest that

Senator Mackay did not respond to several matters that Senator Harradine put on the record. They were, in particular, that Senator Mackay had not tried to protect jobs in Telstra in Tasmania and that she belongs to an organisation which supported the deregulation of the industry. I take her non-denial as quite significant in that context.

I think the more important issue is that we are here debating the merits or otherwise of further privatisation of Telstra. Senator Mackay knows full well that the reduction in employment levels has been an ongoing issue for many years. In fact, back in the early 1990s Telstra had something like 93,000 employees. Well before 1996—I think it was probably about 1994—they set a target of something like 55,000, and they are on track to meet that. The reason they did it was that by independent assessments they were something like 30 per cent off world's best practice, by any of the conventional measures, whether it was the lines per employee or revenue per employee. Telstra, like anyone else who has been corporatised, as Telstra were by Mr Beazley when he was the minister for communications in 1991, are required to operate as efficiently as possible. Like any other corporation, if they are padded and they have inefficiencies in the system, they have an obligation to shareholders to correct those. To the extent that they are required to meet other legislative obligations such as a universal service requirement or customer service guarantee levels or anything else, they have to have those in mind before they proceed with any reductions.

The fact is, of course, that to ask a question about March 1996 is simply to pick a date of convenience which ignores the reality that reductions in employment in Telstra have been ongoing and precede 1996. In fact, Senator Mackay said that; she said that much of the job reductions occurred before the first tranche. But, of course, you like to say that was in preparation for it. It was not in preparation for it at all, and you well know it. Telstra did not know that we were going to win the 1996 election, presumably. They might have had every reason to think that if you won it you would privatise Telstra, but they did not recognise the extent to which Mr Beazley would welsh on his promise.

The fact remains that this has been a growth industry. The communications sector has been growing at something like three times the rate of GNP. There are other carriers who have come into the marketplace in Tasmania. Optus and Vodafone have both been very active there. Indeed, as Senator Mackay would well know, the recently announced Vodafone call centre in Hobart will provide something in the order of 450 jobs in the not too distant future and I think there is a target of close to 700.

Senator Mackay—Full time, part time or casual?

Senator ALSTON—Again, it is convenient for you to characterise call centres as sweatshops, because that is the union line. They obviously resent the fact that a lot of these people are not particularly inclined to take up union membership. Of course, they are not Robinson Crusoe in that regard. It is happening across the board. The fact is that many more jobs have been created in the wider communications sector, so the mere fact that jobs might flow out of Telstra does not mean anything. It simply means that Telstra has become more efficient. Those people may well be taken up in other sectors of the industry and overall job levels in communications may well be rising. So to take a selective snapshot of Telstra's employment tells you absolutely nothing about whether the citizens of Tasmania are better served as a result of that restructuring.

I think I heard Senator Mackay allege that since 1996 there has been a decline of about 350 jobs. That figure is certainly quite inaccurate. I do not know where she gets it from. It is quite irresponsible to get up and quote a figure without any supporting evidence.

Senator Mackay—Give us the information, then.

Senator ALSTON—I can assure you that it is much less than that. I think it is also valid to point to the fact that job losses in Tasmania have been less, as Senator Harradine rightly said, both in actual and percentage terms, than in other states. Again,

what is the conceivable relevance of taking that statistic in isolation other than to run your ideological line or simply to filibuster on this legislation?

In relation to the matter of a separate Tasmanian C and C service region, I did receive a letter from Dr Switkowski, Chief Executive Officer of Telstra, dated 24 May. He pointed out to me that Telstra was prepared to give certain commitments. These initiatives were premised on there being a further dilution of government ownership in Telstra and the successful passage of the necessary legislation by 30 June. He did say:

> I can also confirm that Telstra will set up a separate Tasmanian C and C service region on par with the other states and separated from the current Vic-Tas region, and as a result a new position of Regional General Manager, reporting to the Managing Director of C and C Service, will be created. There will be five additional staff needed to provide support to the new structure, and these positions will be located in Hobart along with the RGM.

Senator MACKAY (Tasmania) (1.38 p.m.)—It is a bit ordinary for the minister to come in here and lambast the opposition for making assertions when he has continually refused to provide this information so that we can make an informed judgment for ourselves. I ask the minister to table two things: first of all the correspondence from Dr Switkowski that he was reading from; and, secondly, the information that we seek. I would ask him to table whatever information he has got.

Minister, if you can assert that the full-time job losses in Tasmania are substantially less than 350, why don't you table the information from which you are making that assertion? It is not good enough to come in here and lambast us when you will not provide us with that information. What the opposition would like is that information for the whole of Australia, state by state, before we proceed in relation to this. It is not good enough.

I would like to ask you another very specific question, Minister, whilst you are hopefully getting that information for us. We understand that there are some proposals in Tasmania, specifically in relation to the field jobs. There have been rumours in Telstra—and I would like you to make sure that they are denied here and now—that somewhere in the vicinity of 30 field jobs in the north of Tasmania and 30 field jobs in the south of Tasmania have been earmarked for redundancy after 30 June this year. Can you please advise the opposition whether that is correct or whether those jobs will be retained?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (1.40 p.m.)—I will not table the letter from Dr Switkowski to me. I certainly find it odd in the extreme that Senator Mackay thinks she can demand statistics without attempting to support a figure which she puts on the table and which, as far as I am aware, has absolutely no bearing on reality. If you think you can get up and allege a figure without any supporting evidence, I do not see why—

Senator Mackay—You tell me I am wrong.

Senator ALSTON—I do tell you you are wrong.

Senator Mackay—Give me the information, then.

Senator ALSTON—That will not assist me in knowing how you arrived at your figure. This is a very clumsy charade, because we know that you are not in the slightest bit interested in anything to do with employment levels. You have made up your mind. You are going to vote this legislation down and, quite clearly, you are going to take as long as possible to get yourself into that very awkward position. I have no doubt at all that none of this information is designed to do anything other than string out the debate for as long as you possibly can.

I am not aware of rumours that Telstra has earmarked certain field jobs for redundancy. Once again, if you want to pursue this with Telstra, you should do it. I am not the minister for rumours about Telstra; I am the minister trying to get legislation relating to privatisation through the parliament. If you have some bone to pick with Telstra, or one of your union conduits has got some information, you ought to do your job properly. Write to Telstra and ask them to elaborate on it, instead of just storing it up as distractive

ammunition for a debate which has absolutely nothing to do with the issues that you are trying to pursue.

Senator MARGETTS (Western Australia) (1.42 p.m.)—I would like to follow up a question in relation to the information that is being asked for by the ALP, which has still not been provided by way of this debate. I wonder whether in the guidelines for a minister it says that you provide information based on whether or not you think the person who is asking the question—the member of parliament who is representing their electors—agrees with your position on that portfolio area. Is that part of the guidelines? Or is there are another reason perhaps for your not providing this information about the current employment levels and positions within Telstra?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (1.42 p.m.)—As I have said, the fact is that Senator Mackay thinks she can come in here and make sweeping statements about the levels of jobs. I will give you the figures: 1,376 jobs in February 1999 and 1,497 in March 1996—121 is the difference. Now I would like you in return to explain the basis for your claim of 350.

Senator MACKAY (Tasmania) (1.43 p.m.)—Thank you for that, Minister. I would now like those figures disaggregated, please, by full time, part time and casual. Thank you.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (1.43 p.m.)—There is a whole swag of statistics that could be provided to Senator Mackay. No doubt she could spend many hours seeking this information, but I say again that it has absolutely nothing to do with the merits of this legislation, because the Labor Party has taken a tactical decision—not on the merits, of course—to simply vote against it, come what may. This information is not relevant to this debate at all, other than that it provides you with a basis for stalling the inevitable. I do not see any basis on which we should be required to provide endless detail about matters which simply do not go to the merits of this debate. Given that we are currently debating a Green amendment in relation to whether or not we should include in section 8AE(1) of the Telstra Corporation Act—

Senator Margetts—Whether or not services are going to be reduced.

Senator ALSTON—What?

Senator Margetts—It is about whether or not there is going to be a reduction in services.

Senator ALSTON—I have not heard a word said by Senator Mackay about whether we ought to include a requirement that the minister be notified about proposals to substantially reduce services. I have not heard a word from Senator Mackay about my response which points out that there are legislative obligations imposed on Telstra, that there are universal service plans that Telstra has to comply with, that there are CSG arrangements and that there are ACA abilities to give directions. I do not know whether Senator Mackay takes the view that they are not tight enough or that they should be tightened or where she thinks this amendment would take her if the minister was simply notified but then ignored that information. In other words, the merits of this amendment are not being addressed in any shape or form by Senator Mackay. What we have here is a very slow trawling exercise which can have no other purpose than to delay the passage of this legislation. If she was fair dinkum about this she would debate the merits of it.

Senator Bishop has already indicated that Labor is opposed to this amendment, so I do not know why Senator Mackay thinks that what she is asking has anything to do with the amendment. On that basis, the government takes the view that this is utterly irrelevant to the matters under discussion.

Senator MACKAY (Tasmania) (1.46 p.m.)—Clearly it is not, because the amendment goes to the level of services in regional Australia, the adequacy of reporting mechanisms and the inadequacy or incompetence of the minister in terms of providing information to anybody in relation to staffing levels. Minister, while we are on this, you said that you were not aware that some 60 field jobs in Tasmania had been earmarked for redundancy

post 30 June 1999. Can you please confer with Telstra and establish whether that is the case? If you are not prepared to, we will have to pursue that through other avenues. I guess we will have to wait until next Thursday to see whether those jobs actually go.

While you are doing that, can you also please ensure that Telstra has no intention to jeopardise approximately 30 jobs in the data purity area, which is staffed in both the north and the south of the state? We understand that there has been suggestions by Telstra management that the functions and jobs associated with this area should be transferred to a central site in Melbourne, but here again action will be delayed until after the magic date—30 June.

There are two issues that I want confirmed: firstly, that the 60 jobs in the field area are not in jeopardy, irrespective of the date of 30 June; and, secondly, that the 30-odd jobs in relation to the data purity area are also not in jeopardy of redundancy post 30 June. If you get up, as you probably will, and say that that is a matter for Telstra, that you do not know and how on earth are you, as the mere minister for communications, expected to actually have answers to these questions then I have to say, Minister, your entire arrangement with Senator Harradine is questionable, to say the least. Either you know this information or you do not. If you do not know the information, that is fine, but you as minister for communications ought to be able to give me, as a senator for Tasmania—there are a number of senators for Tasmania here—an assurance that those jobs are not in jeopardy. I want responses to those two questions: 60 field jobs and 30 jobs in the data purity area.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (1.48 p.m.)—I can see two senators from Tasmania in the chamber.

Senator Mackay—I meant in the Senate, not actually here in the chamber.

Senator ALSTON—That is an interesting statement of the blindingly obvious. It does not follow from that that any other senators have these concerns. If they did, and if they were acting as serious constituent representatives, do you know what they would have done? They would have pursued them with Telstra long ago. They would not have just said, 'Righto, I'll put them in the back pocket, throw them in a folder and wait till we resume and then I'll trot them out in the debate,' without, of course, even giving the minister some opportunity in advance, knowing full well that he would not be privy to operational decisions or, as you would put it, 'suggestions'—that is what we are talking about. The first is 'rumours' and the second is 'suggestions'. Why on earth you would expect a minister to be aware of rumours or suggestions, I do not know.

If you were fair dinkum you would have approached my office and asked me in advance to pursue it. I do not think even that would have been particularly appropriate. The fact is you are either too lazy or strategically not interested in pursuing these matters except in the context of delaying this debate. If you want to pursue those matters with Telstra you are perfectly at liberty to do so, but it is certainly not my position to be responding on the run in the context of a debate about whether we should include in a section of the act an additional requirement relating to notification. The matters that you are canvassing have absolutely nothing to do with that. You have no opinion on the subject, so it would seem. All you are interested in is red herrings that do not go to the amendment and are therefore out of order.

Senator MARK BISHOP (Western Australia) (1.50 p.m.)—I have a question arising out of some of the earlier remarks Senator Mackay made with respect to the establishment of a separate C and C in Tasmania, the result, I understand, of some negotiations between the government and Senator Harradine. In my earlier remarks I made reference to how material and statistics for service standards are collated and published in the bulletin by the ACA every quarter. In your response to Senator Mackay you read from correspondence from the CEO, who indicated that a separate management structure for C and C would be established in Tasmania, that there would be a separate regional general manager placed down there

and that an additional five persons would be working in the C and C in Tasmania.

My question goes to the collection of statistics in those quarterly ACA bulletins. Is it the intention that those statistics in Tasmania be collated on the same basis as in every other state—that is, with a three part break-up into metro, regional and remote? Will that same break-up of statistics be applied to Tasmania or will a separate method of collation of statistics for Tasmania be part of the system?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (1.52 p.m.)—I am not aware of the precise basis on which the ACA compiles its quarterly quality of service reports or bulletins but I do not see that it would necessarily have any relationship to an organisational decision made by Telstra. In other words, to the extent that the ACA wants to keep records of Tasmania as a separate state then it would already be doing that. This might indeed facilitate that but I do not see, if the ACA were minded to have Tasmania-wide stats, that it could not ask for them and be already using them. So, although I do not have an example of the way in which those statistics are provided, I would be very surprised if this particular decision would make much difference to the ACA. If it wants information on a certain basis, it can require that to be made available.

The TEMPORARY CHAIRMAN (Senator Crowley)—The question is that Greens (WA) amendment No. 4 be agreed to.

Question resolved in the negative.

The TEMPORARY CHAIRMAN—On schedule 2 we have an amendment from the Greens (WA).

Senator MARGETTS (Western Australia) (1.53 p.m.)—Madam Temporary Chair, this goes to the heart of the issue of whether or not we are going to be moving towards the sale of a further 16.6 per cent of Telstra. We had some most extraordinary statements from the minister which it would be interesting to compare with the statements he made, when we were dealing with the sale of the first tranche of Telstra, indicating how ridiculous it would be if people asked questions in the future about what was going on in Telstra and he could not respond, considering that the government had majority ownership. And he has just proven his own point back then, that he actually indicated to the Senate it would be ridiculous if the government did not have some say over the way telecommunications were provided in Australia. The most basic of information, he says, is too difficult because he does not want to provide it and it is something that can only be given by Telstra.

Our amendment removes the sale provisions relating to the further 16.6 per cent on the basis that the Greens are opposed to any further sale of Telstra. But we are fully supportive of the measures to improve customer standards. Consequently, we are supportive of the elements that amalgamate customer service standards. The opposition to the further sale of Telstra is mounting from all fronts. Firstly, under competition, 10 groups including all other major telcos—Cable and Wireless, Optus, AAPT, Macquarie Corporate, Global One, One.Tel, Powertel, Primus, MCI-Worldcom, World Change and BT Australia—have warned that the further sale will exacerbate Telstra's already aggressive and anticompetitive behaviour. That is funny; I thought we were going into markets. We are warned that the market is nowhere near competitive and that market regulation is required to put a brake on this huge near-monopoly exerting immense market power. But of course, in order to make the sale more attractive to possible buyers and shareholders, the government removed a lot of the protections, so instead of re-regulating they removed a lot of regulations.

In terms of economic arguments, there is Telstra's record of recording huge profits. In the six months ending 31 December, it made another record profit of $1.8 billion—12.2 per cent up on the previous corresponding period—and that is even more reason to keep it in public hands so that all Australians can share in these profits and the dividends can be applied to social and environmental programs benefiting all Australians. And with social and customer services, the decline in service since the partial privatisation is, of course, very

well documented. It does not take a rocket scientist to work out that this situation is likely to be exacerbated by privatising Telstra in the absence of a highly competitive environment. So the question is: did the government's assertions about the first part of the privatisation come true about our unnecessary fears? Quite frankly, if anything, I suppose our fears were not as bad as they ought to have been.

The Greens (WA) are opposing part of schedule 2 as set out at (5) on sheet 1267:

(5) Schedule 2, page 5 (line 2) to page 31 (line 31), **TO BE OPPOSED**.

Quite frankly, the government's promises, assertions and so on have not come to fruition. This is something that affects all Australia. It is not a matter of little packages for particular areas of Australia; it is about the quality of telecommunications, the quality and ongoing quality of regional and rural Australia's life, and it is about whether or not the government's assurances are worth the paper they are written on. Like last time, it quite clearly does not appear that they are. Therefore, why should the Senate give the government the benefit of the doubt twice when the evidence manifestly has indicated that their reassurances have not been delivered in relation to the last sale of Telstra? So I would seek the support of the chamber in relation to this. I hope the indications that were given earlier by Senator Bishop extend to support for this amendment.

Senator ALLISON (Victoria) (1.58 p.m.)—I want to indicate that the Democrats will not be supporting this amendment. The amendment opposes all of the provisions relating to the sale of a further 16.6 per cent of Telstra, and we do not support this amendment. The reason is that the amendment will delete all of the provisions relating to the social bonus. We take the view that the social bonus is by no means going to solve all of the problems in terms of telecommunications for rural and remote areas but it is a start. So we agree with the opposition to the sale of any more of the government's interest in Telstra but we believe that a social bonus should be paid and that it should be paid out of the dividend stream that the government receives from Telstra.

The Democrats are very concerned about communications in regional and rural Australia and we would like to see a systematic program of upgrading services, governed by a well-planned strategy to as closely as possible reach equality of services between rural Australia and cities. Consequently, we do not think that the social bonus program is ideal—and there are a number of questions that I want to put to the minister about that program—but again it is a start. The next amendment is the Democrat amendment that opposes the further 16.6 per cent sale but which will retain the social bonus and pay that $670 million out of dividends.

Progress reported.

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Legislation

Senator COOK—My question is to the Assistant Treasurer, Senator Kemp. Can the Assistant Treasurer confirm that the government's amendments to its GST legislation to reflect the deal that was done with the Democrats 24 days ago are being shown to the Democrats only today? When does the government propose to share these amendments with the other parties who will be required to debate them? How does the government expect the Senate to debate its GST deal with the Democrats tomorrow—when the bills are listed for debate—when we have yet to see the fine print?

Senator Ian Macdonald—You are so irrelevant.

The PRESIDENT—Order!

Senator COOK—Thank you, Madam President. This is a serious question. When will the package be ready for circulation?

Senator KEMP—I am very glad Senator Cook said that was a serious question. As the question rolled on and on, it was apparent to me and to others that, coming from Labor Party, it was simply not a serious question. The Labor Party could not care less about the amendments that are coming through because, no matter what those amendments are, the Labor Party will oppose them. It is not the

slightest bit interested in the amendments coming forward. Senator Cook, you had your chance to take part in the great project of tax reform in this country. The Labor Party turned its back on tax reform. The Labor Party is completely irrelevant in this whole debate. We are having discussions with the Democrats to finalise the amendments and they will be circulated when they are ready.

Senator COOK—Madam President, I ask a supplementary question. These amendments are listed to be debated tomorrow. When is the government going to show this chamber the courtesy of tabling those amendments so we can see them and participate in that debate tomorrow? Is the Assistant Treasurer aware that the Manager of Government Business in the Senate, Senator Campbell, has been ranting in the media this morning about the Senate filibustering and delaying the GST legislation and threatening to use the guillotine? Will the minister explain to Senator Campbell that it is the government which is not ready to proceed to debate the GST package and that it is the government, not the opposition, which is responsible for the delay?

Senator KEMP—I did not see the report this morning. But if what Senator Cook says is correct, that Senator Campbell said there was filibuster from the Labor Party, let me say that Senator Campbell was dead right, as usual. Senator Campbell has pointed out on many occasions that the debate on the tax bills is among the longest debates we have had in this chamber. From memory, the debate has stretched over 40 hours already.

Senator Faulkner—I rise on a point of order, Madam President. You would be aware that Senator Cook asked Minister Kemp if he could outline to the Senate when the amendments would be circulated. He asked it again in the supplementary question. I wonder if you could direct him to try to answer the question.

The PRESIDENT—I draw your attention to the question asked, Senator Kemp.

Senator KEMP—The first point I would make is that, as I said, Senator Campbell was dead right. The second point I would make—and I repeat what I said in answer to the first part of Senator Cook's question—is that the amendments will be circulated when they are ready.

Tax Reform Package: Benefits

Senator FERGUSON—My question is addressed to the Leader of the Government in the Senate, Senator Hill. Is the minister aware of new, independent research showing the benefits of the revised tax package for Australian families? Will the minister inform the Senate of how Australian families will be better off under the new tax system? Is the minister aware of any alternative proposals in relation to the goods and services tax? What would be the impact of those proposals?

Senator HILL—I think most Australians are well aware of the benefits of the taxation reform package that is before the parliament—the removal of the emphasis of taxation upon the wealth creation side of the economy and onto consumption as an alternative. Most Australians understand the benefits that would flow from some $12 billion of income tax reductions and the incentives that lie within. Most Australians appreciate the benefits of getting rid of an inefficient and complex wholesales sales tax system. Most Australians recognise the benefits in removing poverty traps which are inherent within this legislative package. Most Australians recognise the importance of supporting exports. Even Senator Cook should appreciate that, from some of his questions. Most Australians recognise that some two-thirds of the economy is now service related and, if we are to have the funds necessary to meet government responsibilities in the future in relation to health, education and other such matters, there will need to be an expansion of the tax base. Services is an obvious area. Again, I would have thought that even Senator Cook could appreciate that.

Apart from all of these advantages of the tax reform package that are so well appreciated and apart from the fact that it is well acknowledged that, for pensioners, compensation exceeds any additional cost, and now substantially exceeds any additional cost, the revelations at the weekend were also interesting because they showed how many families will benefit from the new taxation system as opposed to the current system—not just an

additional benefit between the revised model and the former model, but benefits over the existing taxation system. In particular, the *Weekend Australian* pointed out that a family with a dual income of $60,000 and three children will be $20 a week better off under the new taxation system. A family with a single income of $35,000 and three children will be $75 a week better off. These are substantial gains for families in these circumstances.

All Australians, apart perhaps from the very wealthy, can benefit from this tax reform package. One would have thought that in such circumstances it would be embraced by the Australian Labor Party, but of course it is not. The Australian Labor Party, as acknowledged by Senator Sherry, does not even have a taxation policy. We are told we have to wait until the next national conference when the backroom men and women will determine for the Australian Labor Party what its taxation policy ought to be about.

Opposition senators interjecting—

The PRESIDENT—Order! I am calling the opposition senators to order. You are aware of the standing orders and that persistent and wilful refusal to conform with the standing orders is in breach of them.

Senator HILL—The most confused person of all is Mr Beazley, the Leader of the Australian Labor Party. He knows that the ALP was once in favour of a GST.

Senator Cook—That's a lie.

The PRESIDENT—Order! Senator Cook!

Senator HILL—In 1985, he was in favour of it, Senator Cook. Now he says that they are opposed to it. Then again he recently said that, after the next election, if the GST is in place they wouldn't try to dismantle it because you can't unscramble an egg. Now he has changed his position again and is telling us, 'If the GST is in place and Labor comes to government, we'll start to wind back parts of the GST.' Apparently, you can unscramble the egg. If the Australian Labor Party had the courage of their current stance, they would get up and say, 'If we came to government, we would get rid of it.' But no, they want it both ways all the time. The real reason is, of course, that they know the benefits of this taxation reform package. They know that it is long overdue. They ought to show a bit of political courage. *(Time expired)*

Goods and Services Tax: Books

Senator CARR—My question without notice is to Senator Kemp, the Assistant Treasurer. I ask whether the Assistant Treasurer has been made aware of the comments by Ms Libby Gleeson from the Australian Society of Authors that:

> A lot more book purchasing is being done online—Amazon.com or other organisations that sell books online—where there will be no GST.

What is the Assistant Treasurer's response to those who advocate avoiding the GST by importing books via the Internet? And what does the Assistant Treasurer have to say to the local publishers and booksellers who would be disadvantaged by such a strategy?

Senator KEMP—It is very clear from the agreement that we have reached with the Australian Democrats that we are providing additional assistance to the book industry. From what the individual you quoted has said, I think she should look closely at the agreement we have with the Democrats and note the additional assistance which has been provided to that industry.

Senator CARR—Madam President, I ask a supplementary question. I ask the Assistant Treasurer to identify what part of the package will address the concerns of the Australian book industry and what part of the package will be seen to be addressing what is clearly a devastating strategy, if pursued, to see the importation of books GST free through Internet sellers such as Amazon.com? What action will be taken to protect the industry from such practices?

Senator KEMP—What I can say to Senator Carr is that he should read the press statement that was made on the announcement of the agreement with the Democrats. The benefits for Australia from this tax package are huge. As Senator Hill said, the benefits will flow through to Australian families and to the education system. I have no doubt that the book industry will benefit along with other major sectors of Australian industry.

Telstra Sale: Social Bonus

Senator BOSWELL—My question is addressed to Senator Alston, the Minister for Communications, Information Technology and the Arts. The next sale of Telstra provides a unique opportunity to invest a proportion of the proceeds in regional communications and in the growth of Australia's information technology sector. How is the government taking up this opportunity? Is the minister aware of any alternative approaches, and what would the impact be of those approaches?

Senator ALSTON—Senator Boswell quite rightly draws attention to the fact that a further sale of Telstra would provide an unparalleled opportunity to ensure that people, particularly in rural and remote areas but essentially all Australians, have full access to the latest technologies, to the latest Internet sites and to the latest telephone services which simply are not available by any other means; in other words, the money simply is not there. In most instances, these are capital items.

I was particularly fascinated to see just before question time started that the Australian Democrats had the strategic cunning to say that they supported our social bonus initiatives but wanted them paid for out of the dividend stream. That money is already applied to hospitals and schools and to other worthy social causes. At least the Democrats showed a glimmer of intelligence because they are not out there bagging these very important initiatives. Yet what do we find from the Labor Party? We find blanket opposition, with Mr Beazley out there once again saying, 'This is a massive bribe.' What sort of message does that send to rural Australia? It tells them that the Labor Party is simply opposed to a billion dollars worth of social bonus as a major investment in Australia's information future.

Of course, the $70 million Building Additional Rural Networks program will enable communities in rural Australia to take more responsibility for their own advanced communications needs. Each state receives $10 million and the territories get $10 million between them. Labor is absolutely opposed. A $45 million local government fund will ensure that regional Australia can provide services online and provide public Internet access for communities. The $158 million Building on IT Streams program will provide a major stimulus to the IT and telecommunications network sectors. There will be an IT business incubator in each state and territory. These are all terribly important ways of ensuring that people have access to the latest technology and that small and medium enterprises are able to test particular programs to get the necessary start-up advice. It is an obvious thing to do but quite costly. Obviously, money has to be provided from the proceeds of the sale of Telstra.

But what is the Labor Party's attitude? It is blanket opposition; they are not interested. They do not address the needs of rural Australia, do not even say whether you think it is important and do not even say, 'Yes, but we cannot find the money from somewhere else.' No, it is just blanket opposition. This really comes to the fore when you look at our Intelligent Island proposals in relation to Tasmania. Successive state Labor and Liberal governments have recognised that Tasmania's best chance by far of escaping out of continuing economic decline is to follow the New Brunswick model, to try to transform Tasmania into an Intelligent Island, to ensure it has access to all the telephone and Internet services that ought to be available and that businesses are properly plugged in.

What does the federal Labor Party do? It says, 'No.' It disagrees with its state colleagues. And why does it do that? It does it for ideological reasons. It wants to run this line that it privatised everything in sight when it was in government, but the one thing it will not privatise is Telstra. Well of course we all know that is complete rubbish. We all know Mr Beazley promised Mr Blount that he would privatise Telstra when he invited him to come to Australia and we know from Cheryl Kernot that Labor would privatise Telstra as quick as a flash if it came to government. So all we find is the Labor Party sending out the message that it is opposed to an additional $250 million to protect the environment and a whole raft of social bonus initiatives that can be only of tremendous

benefit largely to people outside the metropolitan areas. Yet Labor's attitude is that it is not interested and not prepared to support it. *(Time expired)*

Energy Credit Scheme: Diesel Fuel

Senator BOLKUS—My question is to the Minister representing the Minister for Transport and Regional Services. Is the minister aware that the Democrats are claiming that the new Energy Credit Scheme, which has been set up as part of the government-Democrat deal on the GST, will 'replace the Diesel Fuel Rebate Scheme to assist with capital conversion and ongoing use costs from less polluting fuels'? Is he also aware, on the other hand, that Mr Anderson stated in parliament on 8 June that 'the Diesel Fuel Rebate Scheme will be administered and preserved under the new Energy Credit Scheme'? Minister, who is right: Mr Anderson or the Democrats?

Senator IAN MACDONALD—There are three questions. The answer to the first question is no, I was not. The answer to the second question is no, I was not. The answer to the third question, as I understood it, is that they are both right. What I do know about the proposal is that it is a tremendous deal for rural and regional Australia.

Senator Mackay—You are such an embarrassment.

Senator IAN MACDONALD—I hear Senator Mackay. I am still waiting for you to ask me a question, Senator. Here is a question on the transport portfolio and it is asked by some other senator. When am I going to get a question from you?

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

Senator IAN MACDONALD—Indeed, Madam President, but I keep getting provoked by the shadow minister for transport, who for some reason—

Opposition senators interjecting—

Senator IAN MACDONALD—Oh, she is not the shadow? Well, I cannot seem to get her to ask me a question. Madam President, I know the real shadow minister for transport, Ms Kernot, is certainly very overworked and understaffed—so I read in the paper—and she tells me she is sending you around to do her work for her.

Senator Bolkus—Madam President, I raise a point of order. Could you stop this irrelevant ranting and raving and get him onto the question? The question was specifically about a conflict between the Australian Democrats and the relevant minister, Mr Anderson, in respect of the Diesel Fuel Rebate Scheme. I have asked him to tell the Senate who is right: was it the Democrats or was it Mr Anderson? That is the question before the minister and he should be made to address it.

The PRESIDENT—My understanding was that he had dealt with those matters and has allowed himself to be distracted by responding to interjections. Senator Macdonald, I suggest you ignore the interjections and apply yourself to the question.

Senator IAN MACDONALD—Madam President, Senator Bolkus should perhaps look at *Hansard* and understand the questions he asked me. The first one was: are you aware? The second one was: did you read? The third one was: who was right? I have answered all three questions. I simply want to take the opportunity that Senator Bolkus has given me to emphasise what a great deal this package is for rural and regional Australia. Of course, I am the minister for regional services, and I, like most of my colleagues on this side, have a very great interest in what happens in rural and regional Australia. I know Ms Kernot has not.

Senator Mackay—You share regional services with John Anderson.

Senator IAN MACDONALD—You interject again, Senator Mackay. I hear that she is sending you around to do her work. That is a bit like sending a child to do a grown-up's job. Anyhow, that is beside the point. But I am pleased to see that, unlike the times when Ms Kernot was Leader of the Australian Democrats—when she told the Australian Democrats to stay out of the bush because there were no votes there—the Australian Democrats are now interested in the bush. A number of their senators have shown a very great interest and have actually

helped us provide a package with transport and fuel that will be great news for those of us who live far removed from the capital cities. I implore the Labor Party—it is not too late—to get on board, become relevant in the tax debate, become relevant to regional Australia and join with us in doing something positive for regional Australia.

Senator BOLKUS—Madam President, I ask a supplementary question. Despite the fact that that answer seems to have been one of the worst we have ever heard in this place, can I ask the minister to clarify whether there will be any change at all to agreed levels of diesel rebates and credits when the Diesel Fuel Rebate Scheme is abolished in 2002 and replaced with the Energy Credits Scheme, or is the Energy Credits Scheme simply a new name for the Diesel Fuel Rebate Scheme?

Senator IAN MACDONALD—If we are going to trade compliments, I must say the question is so silly that it requires some great thought to try to find out what is being asked in order to give an answer. I repeat to Senator Bolkus that this is a great package. The detail will be there as we go through the legislation very shortly. It will all be there for Senator Bolkus to look at. He will be able to see exactly how the procedure and technicalities will work. It is something that I am sure he or whoever happens to be the spokesman over on that side will debate at length, as they tend to do though not with any great intelligence. Senator Bolkus might contain himself, but he should be aware that it is a great package.

Parliamentary Standards or Codes of Conduct

Senator MURRAY—My question is to the Minister representing the Prime Minister, Senator Hill. In view of the controversy surrounding the parliamentary secretary, Mr Entsch, and matters relating to the code of conduct, will the government consider convening a new working party from both houses of parliament to review the matter of the code of conduct? Does the government accept that it is time for the adequacy of existing guidelines or codes of conduct for ministers, parliamentary secretaries, senators and members of the House of Representatives to be reviewed? Does the government accept that establishing new bodies to supervise the operation of parliamentary standards or codes of conduct is now appropriate and desirable?

Senator HILL—I will pass the suggestions on to the Prime Minister, but it seems to me that we should draw a distinction between the disclosure obligations on members of parliament, which are clearly the responsibility of the parliament—that is, to set the standards and detail and to then enforce, as the parliament sees fit—and the responsibility in relation to the executive. In relation to the latter, prime ministers have from time to time set standards which they have reduced to writing and in some instances, and in the instance of Mr Howard, those standards have been made public. Of course, he can be challenged politically on the question of whether they are adequate, whether they are in the form that individual parliamentarians in their role of scrutiny, of seeking to hold the executive accountable, might think are sufficient. So it seems to me that that really is a responsibility of the Prime Minister. Similarly, the issue as to whether ministers and parliamentary secretaries et cetera—members of the executive—comply with those guidelines is an issue for the Prime Minister, although again obviously subject to the critical pressure of members of parliament, as we have seen exhibited from time to time and again during the last sitting fortnight. So the distinction should be drawn between the role of the Prime Minister in his responsibility for the executive and the role of the parliament in ensuring the responsibility of its own members and senators. Thus, it would seem to me that it would not be appropriate for the parliament as a whole to be determining for the Prime Minister what the executive standards should be or what the form of those standards should be. As I said to Senator Murray, I will nevertheless pass his suggestions on to the Prime Minister.

Senator MURRAY—Madam President, I ask a supplementary question. Thank you for your answer, Minister. Following up that answer, is the minister aware that other parliaments have resolved this problem by having an independent commission or commissioner involved in the process of monitor-

ing and enforcing codes of conduct; and is the minister aware that other parliaments have included committees of houses of parliament as an appropriate process mechanism for dealing with issues of conflict or complaint? I accept your comments about the political responsibility of the Prime Minister and indeed of the opposition leader in drawing these matters to the attention of parliament, but I would like to know whether you think that the issue needs some additional reinforcement in resolving these matters.

Senator HILL—I do not think it is necessary, because I think this is actually a very demanding political system. Some on our side have suffered great cost when there was actually no wrongdoing on their part—simply inadvertent error. I cannot think of a system anywhere in the world that is more demanding of its executive than that system. I therefore do not really see that the introduction of an independent commissioner is necessary; it is almost a vote of no-confidence in the capacity of the parliament to hold the executive accountable. And I do not really see that a committee of the parliament will add much to the capacity of the parliament as it now exists to enforce that accountability. Again, I will pass on those points to the Prime Minister, but I do not immediately think it would enhance what is already a demanding parliamentary system.

Member for Leichhardt: Disclosure of Interests

Senator FAULKNER—My question is directed to Senator Newman representing the Minister for Defence, and it follows on to Senator Hill's comments about our system of ministerial accountability being so demanding. Is the minister aware that Mr Entsch has stated that Mr Rod Corey, the head of the Defence Estate Organisation, 'unwittingly misled' the Senate estimates committee the week before last? Can the minister inform the Senate in what respect Mr Corey allegedly unwittingly misled the Senate? What action has the minister taken, as the minister in the chair at the estimates hearing, to ensure that the public record is corrected at the earliest possible opportunity?

Senator NEWMAN—I am not aware of the claims made by Senator Faulkner, and I have lived long enough to be wary of them anyway. I would like to do some research on anything he said. Certainly I do not endorse any misrepresentation to either the Senate or to any Senate committee—I cannot imagine that anybody on the frontbench would. I certainly also know that Senator Faulkner asked for a number of questions to be placed on notice at the estimates committee and that the answers have now all been provided to Senator Faulkner. They may in fact answer the question he has effectively just asked, but I am not in a position to do that. If there is anything that the Minister for Defence, Mr Moore, can add to the comments I have made, I will bring them to the Senate's attention.

Senator FAULKNER—Madam President, I ask a supplementary question. I assume the minister would understand that any allegation of misleading the Senate is a serious one. I ask you, in those circumstances, Minister, to undertake to ascertain from your colleague Mr Entsch the nature of the alleged inadvertent mislead and to take action, if that is required, to ensure the public record is corrected and to take that action as soon as possible and report back to the Senate today.

Senator NEWMAN—I have already said that I will take the question back to the minister that I represent, and I will do just that. I have also said that I do not condone any misrepresentation, if such there be.

Aboriginal Sacred Sites: Protection

Senator MARGETTS—My question is to the Minister for the Environment and Heritage, Senator Hill. In relation to the desecration of a sacred site between Leonora and Gwalia in Western Australia which occurred in May last year, is the minister aware of the comment by the state minister Kim Hames in this morning's *Australian* newspaper that the failure of the state government to prosecute the mining company responsible within the 12-month period allowed was because it was waiting for evidence of the boundaries of the sacred site? Does the minister share the concern of the Aboriginal community about the state government's unwillingness to proactively investigate and prosecute desecra-

tion of sacred sites? Would the minister comment on this incident in relation to the list of deficiencies in state regimes outlined by Justice Elizabeth Evatt, with particular reference to the need for blanket protection of areas of significance through effective criminal sanctions without the need for ministerial consent? Do incidents like this undermine his commitment to the Aboriginal Heritage Protection Bill, which has been universally condemned by Aboriginal groups?

Senator HILL—I have read the article in the *Australian*, and I think I understand the point of the question. I may be corrected on this but, as I understand it, under the Western Australian Heritage Protection Act it is an offence to desecrate an Aboriginal sacred site, and therefore perhaps the form of the Western Australian legislation is satisfactory and to a standard that we might well expect to be desirable. But the issue then becomes whether the implementation of the act is of a similar standard. As I recall it, part of the debate before Justice Evatt and in the other parliamentary committee assessments of the proposed changes to the Commonwealth's Aboriginal heritage protection regime concerned whether accreditation of the state laws also required some form of accreditation of the state practices.

Having said that, I think this is an interesting case study that is well worth examination. The comment I saw from the state minister in the article was that the evidence had not been advanced to justify or support a prosecution. The issue is then raised as to whose responsibility it should be to seek out such evidence and therefore provide the basis for a prosecution. Certainly, I gather from what Senator Margetts is saying that her advocacy is for the position that, when a complaint is made, the state should be proactive and should investigate—as might apply to any other alleged breach of criminal law—and that, if evidence does justify such an action, a prosecution should then be launched.

Why I say it is an interesting case study is that it in fact might help to either prove or disapprove the arguments that were put before Justice Evatt and that will of course be debated in this place a little later this year. Unfortunately, Senator Margetts is unlikely to be with us a little later this year but, by asking this question today, she has made sure that we are all aware of this particular issue and that it will be properly debated and dealt with in this place. Certainly, we wish the piece of law that will be enacted hopefully later this year to be effective. Everyone accepts that there are major deficiencies in the existing Commonwealth law in relation to the protection of Aboriginal heritage sites.

There has been a lot of advice and study on what reforms are necessary. Most of the advice has been taken up within the existing bill. The only part where I disagree with what Senator Margetts has said is in the final bit, where she said that all Aboriginal groups are opposed to the proposed reforms. All Aboriginal groups are in fact calling for reform. There is debate over the detail of that reform. Most of what has been sought by the Aboriginal groups has in fact been accepted. There are still some areas of disagreement, and they will no doubt be the subjects of the detailed debate that will take place in the Senate later this year. I am confident, Senator Margetts, that out of it will come Commonwealth legislation that will be not only an improvement on that which exists at the moment but also effective in the way that you seek.

Senator MARGETTS—Madam President, I have a supplementary question. I thank the minister for his dealing with the question so far but I did not hear, in anything in his answer, that he recognised that there was actually some role for the Commonwealth in overseeing these issues—particularly as one could quite clearly point to the Commonwealth's constitutional obligations in relation to these issues. If the minister is unwilling to use, perhaps, the international obligations on his government as grounds to intervene with the state in this matter—and I am not sure whether that is what in fact he is saying—will he at least undertake to have informal discussions with the state minister with a view to encouraging some action from him regarding prosecution?

Senator HILL—As I understand it, there was not an application for protection made to the Commonwealth in this particular matter,

and so it was not drawn to the Commonwealth's attention and the Commonwealth did not so act. The interaction between the Commonwealth-state laws is that, under the new bill, the state legislation must meet the standards as defined by the Commonwealth. That raises the issue as to whether the standards should deal only with the form of the state legislation or with the practice and implementation of that state legislation. What I have said to Senator Margetts is that I hear her point. It has been raised before, and I am prepared to look at it further. I am quite happy to look at this as a case study that may prove or disprove the point that she is making. But there needs to be an effective national system which incorporates the responsibility both of the states and of the Commonwealth, and that is what all interested in this matter are seeking to achieve.

RAAF Base Scherger: Boral Concrete

Senator FAULKNER—My question is directed to Senator Newman, representing the Minister for Defence. In relation to the contract for the supply of concrete to the Scherger air base, can the minister explain the inconsistency between the statutory declaration of Flight Sergeant Goddard that he 'contacted Boral Industries in Weipa for a costing on supplying in excess of 400 cubic metres of concrete' and the statement by Boral's representative in Weipa in the *Sydney Morning Herald* of 16 June that he had never heard of Sergeant Goddard and that nobody from the RAAF had approached him? What is the truth, Minister?

Senator NEWMAN—I will refer that question to the Minister for Defence.

Senator FAULKNER—Madam President, I ask a supplementary question. I think the Senate is entitled to an urgent answer to that question. I also ask: is the minister aware that the Department of Defence has confirmed in answers to questions on notice provided this morning that the Boral price list was provided not by Boral at all but by Cape York Concrete? How can it be consistent with best practice procurement guidelines for the department to rely on the company which won the contract to provide the bid from its only competitor?

Senator NEWMAN—I cannot validate the statement that Senator Faulkner has just made, having no intimate knowledge of that matter. Obviously that will be a matter I will refer to the Minister for Defence as well.

Economy: Government Policies

Senator CALVERT—My question is to the Assistant Treasurer, Senator Kemp. Will the Assistant Treasurer advise the Senate on how Australia's economic strength has been described by leading independent commentators? What are the economic policies that have led to this performance?

Senator KEMP—Thank you to Senator Calvert, the very popular and efficient Government Whip in this Senate and, I might say, a senator who has always showed a great interest in the main game of politics. Senator Calvert is, as usual, dead right. Australia's economy has been praised by many independent commentators of late. For example, Professor Paul Krugman, a professor in economics at MIT, described our economy as the 'miracle economy'. He went on to say that he would like to see 'more Australias around the world' because Australia's internal strength and its appropriate policy mix meant that its appearance of vulnerability 'did not result in any crisis at all'. This is entirely true and is the result of sound management of the economy by this government. Another commentator, Professor Ross Garnaut, who would be well known to many senators, also praised our economic performance, stating:

> The third era is the one that I believe we may now be entering because we are enjoying at the present time levels of economic stability and economic predictability, the like of which I haven't experienced at any time over the last 30 years.

Not surprisingly, I happen to agree with him. The economic conditions Australia is now experiencing are unprecedented. Indeed, it is very clear that Australia is entering a third era of sustained economic growth. We have low inflation, low home mortgage rates and falling unemployment. The Governor of the Reserve Bank also expects the employment situation and business investment to pick up. About inflation, he said:

If our inflation forecast is at or in the bag, then there isn't a prima facie indication for adjustment to Australian monetary policy.

Along with the Reserve Bank Governor's opinion is the Westpac-Melbourne Institute consumer survey, showing consumer sentiment as 'remarkably resilient'—in fact, now 18 per cent above levels of a year ago and 11.5 per cent above the first six months of 1998. A majority of consumers now see their finances to be in better shape than a year ago and are also more optimistic about finances over the next 12 months. Let me quote briefly from the survey:

The consolidation of strong consumer sentiment indicates that the recent surge in consumer spending can be sustained further into 1999.

Last week Citibank released a press release headed 'Home loans go through the roof again', so it is not just the government and independent commentators trumpeting the success of the Australian economy; Australians are voting with their feet. Hence the high levels of domestic consumption. And voting with his feet is one of Mr Kim Beazley's senior advisers, Mr David Epstein, who is leaving the politically redundant Labor Party to head an organisation that welcomes this government's fiscal rectitude and is urging this government to do what it promised and introduce a broad based consumption tax.

Member for Leichhardt: Corporate Responsibilities

Senator CONROY—My question is to Senator Kemp, the Minister representing the Minister for Financial Services and Regulation. Can the Assistant Treasurer confirm that the Corporations Law requires a company director or secretary to 'exercise the degree of care and diligence that a reasonable person in a like position in a corporation would exercise in the corporation's circumstances'? Is the Assistant Treasurer aware that his frontbench colleague Mr Entsch has stated that he has handed over all his responsibilities as director of five companies and secretary of three to his accountant? As the minister responsible in this chamber for corporate law, does the Assistant Treasurer agree with Mr Entsch that this is an appropriate way to deal with his many corporate responsibilities?

Senator Abetz—Madam President, I rise on a point of order. A substantial portion of Senator Conroy's question seeks legal advice in relation to what the laws of this country are. I would have thought, with respect, that that part of the question ought be ruled out of order.

Senator Faulkner—On the point of order, Madam President: none of the question asked by Senator Conroy asked for legal advice at all. It is just an attempt by Senator Abetz to cover up this very important issue, and I ask you to rule the point of order out of order.

The PRESIDENT—It is not appropriate to ask a minister anything in the nature of obtaining legal advice, and any aspect of the question that seeks to do that should not be answered by the minister. Otherwise, the minister may deal with the question as he sees fit.

Senator KEMP—Thank you, Madam President. In fact, your ruling covered the question which was asked by the senator, but I will refer the question to Minister Hockey and see whether he wishes to provide you with an answer.

Senator CONROY—Madam President, I ask a supplementary question. Will the Assistant Treasurer also ask the Minister for Financial Services and Regulation to draw Mr Entsch's attention to his legal responsibilities as company director and secretary of the various companies that constitute the Entsch business empire?

Senator KEMP—I have indicated that I will take the question on notice.

Snowy River: Flow Rate

Senator BARTLETT—My question is to the Minister for the Environment and Heritage, Senator Hill, and it relates to the water licence agreement for the Snowy River. Is the minister aware that two expert advisory panels have recommended a flow rate for the Snowy of no less than 28 per cent and that a flow rate of 15 per cent, as suggested in the final report of the Snowy water inquiry, will not be sufficient to restore the ecological integrity of the Snowy River? Could the minister outline what the current situation is regarding the reaching of an agreement between the federal,

New South Wales and Victorian governments on the distribution and usage of water from the Snowy River?

Senator HILL—I think I should say that progress is slow, Senator Bartlett. It started off with great enthusiasm and identified, as was suggested, what might be an appropriate environmental flow for the Snowy. That of course caused attention to be drawn to the consequences of such a diversion, in particular the consequences to the Murray, not only in terms of the commercial aspects but also in terms of how it would change that landscape. The problem of course is that the original Snowy Mountains scheme very substantially altered the whole of the environmental aspect of both the Murray and the Snowy. Negotiations are continuing between Victoria and New South Wales. As I recall, submissions are currently being made on the report that has been tabled and the matter will be progressed. I will see if I can find out a more explicit timetable, but the last time that I looked at it it seemed to me that the process had considerably slowed.

Senator BARTLETT—I thank the minister for his answer. I appreciate the difficulty with slowness of progress in negotiations between different levels of government but surely, regardless of differences of opinion on the ideal outcome, everyone agrees that the existing flow rate is grossly inadequate. Does the minister acknowledge that the preferred option outlined in the final report of the Snowy River water inquiry does not meet the minimum environmental flows required to save the Snowy as determined by all expert studies, including the inquiry's own scientific reference panel findings? What is the federal government's view of the minimum necessary flow rate to keep the Snowy River alive? What extra can be done to ensure that action is taken and progress is made so that the Snowy does not die while everybody figures out what to do about it?

Senator HILL—There is an ongoing debate as to what is the appropriate flow rate. There is no settled science as to what a necessary environmental flow is. There is a range of opinions. Certainly, as the honourable senator has suggested, there are many opinions that are of the view that the flow recommended in the inquiry is inadequate. But that is part of the very issue that is being currently addressed during this response period—what is necessary for an adequate flow rate and, as I said to the honourable senator, from where will that water come? That is the issue being addressed at the moment—the environmental consequences not only to the river system that will be enhanced with a further flow but to the river system that will lose flow. It is very complex, but I understand the importance of the matter and we will continue as an honest broker to play our part.

Howe Leather Decision: World Trade Organisation Appeal

Senator COOK—My question is to Senator Bob Hill in his capacity of representing the Minister for Trade. Does the minister recall that when it was announced that Australia had lost the Howe Leather case, the Minister for Trade, Mr Fischer, said that he did not agree with the judgment? Why then did the government choose not to lodge an appeal with the World Trade Organisation? Does Mr Fischer lack the courage of his press releases?

Senator HILL—That is a very friendly introduction to the question, Senator. I hope it is a signal of a new and warmer relationship. What the honourable senator said in relation to Mr Fischer's response to the Howe Leather decision is correct. As to what further action he intends to take, I will refer that back to the minister and get a considered response.

Senator COOK—Madam President, I ask a supplementary question. While you are referring it back to the minister, will you also ask him why the government will not make clear to the United States that, if they put a tariff on lamb that breaches World Trade Organisation rules, we will lodge an appeal with the World Trade Organisation? Would it not strengthen our hand to make it clear before the decision is made that we are not afraid of using the WTO? Or is the government still smarting from its recent WTO backflip in which it withdrew a World Trade Organisation objection against Japan's rice tariff just a month after lodging it?

Senator HILL—The point is that there is obviously a range of options open to achieve the best outcome for Australia and, as Senator Cook is aware, in relation to the Japanese matter we decided not to proceed down the course that was originally stated. It was with the objective of achieving the best possible outcome. This was debated in some detail in the estimates, and I thought the officers were quite convincing.

In relation to lamb, I do not think that threatening the US in advance will necessarily lead to a better outcome. At the moment representations are being made by the trade minister and by the Prime Minister. I think it will be a great tragedy if the US imposes a tariff on Australian lamb production, Australia being an efficient producer and a good exporter and the US being what it claims to be, the world's chief advocate for free trade. It would be hard to imagine how the US could stand up and claim to lead free trade in the world whilst at the same time imposing such a tariff upon Australia. Mr Fischer will negotiate in the best way available. *(Time expired)*

Local Government: Access to Technology

Senator SANDY MACDONALD—My question is to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Given the government's commitment to improving services to regional and remote parts of Australia, will the minister inform the Senate of any new initiatives in the area of local government to improve access to technology?

Senator IAN MACDONALD—I thank my colleague Senator Sandy Macdonald for that very important question. I was delighted yesterday to join with my colleague Senator Alston in announcing a new $45 million local government fund called Local Government Online. As far as communications is concerned, that fund will take rural councils off the dusty outback track and onto the telecommunications superhighway. Local government in rural and regional Australia will be able to put essential documents, such as planning applications, online. This fund will also allow for a one-stop shop for planning and business approvals, for registrations and for those sorts of things that local councils deal with all the time. It will allow local councils to develop local community and business capability resources and will allow for online community consultation on development proposals. This fund, which is very good news for regional Australia and for local government in particular, will allow local government to provide new telecommunication services for their communities. Local government, utilising current infrastructure and facilities, will be able to extend the range of telecommunications services within their communities through things like public access points.

This fund will be available on application. I will be talking with state and territory governments and with state based local government associations to develop the specific guidelines for this program. It is hoped that this program will enable new services to be introduced, such as Internet based local government service delivery, public access points—as I have mentioned—using advanced technology, and satellite phone services in some more remote communities, particularly those currently outside the mobile range. It will allow these smaller communities to have videoconferencing facilities and it will enable improved and more affordable access to telephone based local government information services.

For those of my colleagues, opposition members and minor party members who live in the capital cities, a lot of these things are currently available in the big councils—the councils that are, of historical necessity, wealthier—but this new initiative by this federal government makes these latest online technologies available to all Australians. As such, it is a huge step forward, and one of the things that the Howard government has been committed to doing; that is, making sure rural and regional Australians have access to these services.

This fund adds to the other initiatives that we have. There is a $20 million program which allows for improved telecommunications in remote and isolated island communities, which is particularly good for the external territories of Australia and also those island parts of Queensland. It adds to the $1

billion fund which we will be setting up as well out of the social bonus from the sale of the next 16 per cent of Telstra to expand mobile phone coverage along the nation's busiest highways and in regional centres. That is the sort of activity that regional Australians need more than anything else to make them part of Australia, to allow them to share in the great advances that are happening in the country at the moment and to allow them to be part of the progress that the Australian economy is achieving. It will also add to our great initiative on the rural transaction centres. We are ploughing $70 million from the sale of Telstra into this great initiative. *(Time expired)*

Goods and Services Tax: Constitutionality

Senator SHERRY—My question is to Senator Kemp, the Assistant Treasurer. Is the minister aware of recent media reports that the government has received legal advice from the Australian Government Solicitor regarding the constitutionality of the GST? Can the minister confirm that the government did receive such advice? Can he also confirm that the advice says that the validity of the GST is contingent upon a 'more generous approach' in the High Court's interpretation of the Constitution? If so, and in light of the minister's offer to the Senate on 23 April when he said, 'To the extent I can assist and respond to the questions and get further advice to the Senate, that is precisely what I will do,' will he now table all advice received by the government from the AGS on the constitutionality of the GST?

Senator KEMP—Let me make it quite clear to Senator Sherry that the government is absolutely confident that the bills it has presented to the Senate in its tax reform package are constitutional. Senator, let me also make it clear that, in line with longstanding government practice, including the practice followed by the Labor Party, the government does not propose to table any advices that the government has received. Senator, in line with the precedent that was so well established by your government, I think that you would be happy with the response I have given.

Senator SHERRY—Madam President, I ask a supplementary question. The point is that, during the debate, Senator Kemp offered to provide some legal advice to the Senate about this issue, and he is apparently now refusing to provide it. Can the minister inform the Senate whether any Independent or minor party senator has been provided with legal advice as to the constitutionality of the GST? If so, when was that advice provided? Given that Mr Greg Smith of the Treasury advised the Senate economics estimates committee only recently that he was not aware of any direct communications from the Treasury to senators, can the minister advise whether any indirect advice was provided to any Independent or minor party senator?

Senator KEMP—Senator, I do not propose to discuss with you any briefings or conversations I have had with members of the minor parties or Independents. Out of courtesy to you, Senator, I do not discuss in this chamber the private conversations I have had with you. In line with that precedent, Senator Sherry, I do not propose to add further to my response.

Family Violence

Senator FERRIS—My question is to Senator Newman, the Minister for Family and Community Services. Our government has recognised the problem of family violence and its effect on women in particular. Will the minister please inform the Senate of the new measures to combat family violence, including indigenous family violence?

Senator NEWMAN—I thank Senator Ferris for her question. She has long taken a continuing interest in issues to do particularly with indigenous family violence and with domestic violence generally. The Prime Minister's leadership in making domestic violence a national issue is a first for Australia. It proves the government's high commitment to stopping domestic violence. We have committed $50 million over the past two budgets to Partnerships Against Domestic Violence, the Howard government's initiative to address the serious problem of domestic violence. Key areas for the new funding are indigenous family violence, children at risk as witnesses, work with perpetrators of domestic violence and community education. The

government will be making further announcements on this program in the near future.

Today I would like to congratulate the Cape York Health Council on its important new initiative to assist indigenous women and children experiencing family violence. The $550,000 Family Violence Advocacy Project is funded under Partnerships Against Domestic Violence, and it was launched yesterday in Laura in Cape York. The project will make a significant contribution to better outcomes for women and children experiencing domestic and family violence. It will be a model for further work on stopping family violence.

Women and children escaping domestic violence are one of the major groups that benefit from the Supported Accommodation Assistance Program. As some senators will have realised, $45 million extra over three years for SAAP was provided as a result of the new tax reform package negotiated with the Democrats. That is on top of the $45 million extra for SAAP which was announced in last month's budget, bringing new spending to over $90 million—a great lead from the Commonwealth as we now discuss with state governments their contribution. Our strong leadership role in domestic violence prevention demonstrates our government's commitment to policies and programs to create strong families and strong communities that are crucial to maintaining a cohesive and compassionate society.

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

ANSWERS TO QUESTIONS WITHOUT NOTICE

Hill, Senator-Elect Heather: Election

Senator VANSTONE (South Australia—Minister for Justice and Customs) (3.01 p.m.)—Senator Brown asked me a question on 13 May. I answered it and said I would get any further information I could. I seek leave to incorporate that further information in *Hansard*.

Leave granted.

The answer read as follows—

Senator Brown asked Senator Vanstone, without notice, on 13 May 1999:

> I refer to the potential for a Senate reference to the High Court being required to determine whether Senator-elect Heather Hill has been validly elected. Has the government sought advice on this matter? If so, what are the details? . . . Will the government support my bill for a referendum to amend section 44 of the Constitution, which bans up to five million Australians from standing for parliament? If so, will it do so in time to have a referendum on that matter on 6 November?

Senator Vanstone advised that she would ask the Attorney-General if he has sought any advice on the matter and if he wants to comment on it.

Senator Vanstone—I advise the honourable Senator that I have consulted the Attorney-General. I respond that it has been the general practice of successive governments not to disclose whether specific legal advice has been provided to government for the purpose of making specific government decisions or for the purpose of developing government policy, nor to make available any such legal advice.

In relation to the s.44 issue, I answered the honourable Senator's question relating to his bill. However, I note that the referendums to be held later this year on a change to a republic system of government and a new preamble raise issues of great importance. The Government is taking steps to ensure the Australian people have access to all the relevant information about our system of government and the proposals for change.

The Government's view is that other constitutional reforms should not go to referendum at the same time as the republic and preamble issues.

Goods and Services Tax: Books

Senator LUNDY (Australian Capital Territory) (3.03 p.m.)—I move:

> That the Senate take note of the answer given by the Assistant Treasurer (Senator Kemp), to a question without notice asked by Senator Carr today, relating to the cost of books under the proposed new tax system.

Today we heard very little from Senator Kemp in his response to a question regarding the taxation of books. Here we have an excellent example of everything that is going wrong with respect to the GST proposal. Under the current taxation regime books are not taxed. In fact, they have not been subject to a wholesale sales tax either. For the first time, under the government's GST proposal books will be taxed, and taxed at 10 per cent.

Despite various bold statements by the Democrats leading up to the election, they are not prepared to extend themselves to seek a tax-free regime for books into the future.

There are a couple of significant issues that must be addressed here. First of all, books are symbolic of knowledge in our community. They are symbolic of where we go in terms of educating our young people and about allowing everyone to participate in, to use the words the government was so keen to put on the record today, an intelligent community. In fact, there is no doubt that books are more than just symbols; they are a mechanism for us to share knowledge. With respect to books in this country, I am talking about the opportunities for families and individuals to purchase books and the impact on their expendable incomes. Through the inquiry process, we know that when a GST of seven per cent was introduced in Canada that resulted in a 12 per cent drop in retail book sales. What can we expect here in Australia? What kind of decline in book sales do we have to look forward to once a GST has been put in place?

Another aspect is those who actually sell books, the independent retailers in this country. I recall the concerns that many of those suppliers of books in this country had leading up to the 1998 election about the viability of their business. Generally these people are operating small businesses, and changes like that 12 per cent shift that was experienced in Canada could mean the difference between the business living or dying over the next few years. So there is an issue also about the viability of business going into the future for those who actually endeavour to participate in the retail sector in the sale of books.

A further aspect is those who produce books. There are various ranges of contributors to this process, the first and foremost being the authors themselves, the writers. Certainly what appears to be the case with regard to the GST is that the government will reap far more from the collection of a GST on books than indeed any writers and authors will reap from the contribution of their intellectual property, their commitment and their endeavour that they put forward so that we in the community can actually share those thoughts and those views. What sort of place will we be living in where those who are the creative substance behind books will be extracting a far smaller proportion of revenues arising from that contribution than the government will through an imposed taxation regime?

It is interesting to see how the Democrats rhetoric changes, isn't it? I actually recall, in raising this issue leading up to the 1998 campaign, the vehemence with which the Democrats were opposing this particular aspect of the tax. That action aligned itself with what they claimed as their principles and their commitment to education. I recall the words 'a tax on education' being a catchcry at that time for all parties who were opposing the tax. But, as we have seen both at the midpoint of the federal election campaign and more recently, the Democrats have suddenly lost their commitment to opposing this particular aspect of the tax.

I would also like to address the issue of online book sales. More than anywhere else, here the GST is a tax for times past. You cannot impose a GST on books that are purchased from overseas locations through the Internet. *(Time expired)*

Senator FERGUSON (South Australia) (3.08 p.m.)—Once again we hear Senator Lundy big on words and very little on substance. I presume this is the same Senator Lundy who is the shadow spokesperson for—what do they call it?

Senator Patterson—IT.

Senator FERGUSON—Yes, IT—new technology and all of those wonderful things that young Australians are now using to educate themselves. This same Senator Lundy supports a 32 per cent tax on much of the educational requirements of young people in Australia. This is the sort of taxation system that Senator Lundy wants to support, one that actually taxes people who want to use all of the latest technology to try to meet their educational requirements.

Senator Lundy—They don't pay tax on services.

Senator FERGUSON—Oh! Senator Lundy lives in the past. She claims to talk about new

technology and the wonderful advantages it has for our community and for the young people in our community, yet she is prepared to tax those people to the hilt. What we will have in relation to books is a new tax—a GST—which will not be 10 per cent because, as we all know, there is nothing in any of today's society that will increase in price by 10 per cent once all the ramifications of a goods and services tax are put in place.

Senator Lundy then said she could quantify how much book sales were going to drop by, but she did not mention how much they were going to drop by. She just said that she knows there will be this enormous impact on booksellers and authors in Australia but then never said a thing about how much it would be. That is typical of the Labor Party's attitude to taxation. If you have no policy of your own, all you can do is to try to criticise a government that is trying to put in place a much fairer taxation system for the whole of Australia.

Not once did Senator Lundy mention the extra disposable income people will have in order to purchase books. In all of the arguments that Senator Lundy and the Labor Party have put forward, they have only ever talked about one side of the ledger. They have never talked about the income tax cuts and the increases in compensation for those on welfare and low incomes, or the extra income they are going to have to actually purchase the things that may rise slightly in price as a result of the introduction of a goods and services tax.

The Democrats understand it because they have actually gone into the process of trying to understand it. They did not come to this debate with a predetermined position, saying, 'Whatever the government does, we will oppose it. In relation to the goods and services tax, it does not matter if it is better for the country; we will oppose it because we think that we can actually hoodwink the Australian community into thinking that it is bad for them.' Senator Lundy got her result of all of those actions at the last election. The Labor Party did not win government and, because they did not win government, they are now going to see this government, through its negotiations with the Democrats, introduce a new taxation system for the whole of Australia which is going to benefit all Australians.

The research that has been done over the past week, which was published in the newspaper I think this morning, shows that no Australians will be worse off. You cannot say that about the Labor Party's tax policy for two reasons. Firstly, they do not have one. Secondly, if they carried on with the taxation arrangements that they had in place for the 13 years they were in government, there would be Australians who were worse off.

Senator Lundy gets up and cries crocodile tears about what is happening in relation to books, but she ought to put it into the whole perspective of what is happening with taxation reform. Do not just single out one small item; look at taxation reform and look at what it is going to do for the whole of the Australian community, not just one small sector. As I said before, if Senator Lundy took into account all of the benefits that are going to flow from the extra disposable income, she would find that books are going to be just as affordable after a GST is introduced as they are now.

When you talk about other countries where there maybe has been some effect on the purchase of some items, have a look at the compensation that those countries have offered to the average taxpayer in situations where they have introduced a GST. In many cases, no compensation was offered. The Labor Party never offered compensation either whenever they increased the wholesale sales tax. They never offered compensation so that people could actually have more purchasing power when it came to purchasing those items. *(Time expired)*

Senator REYNOLDS (Queensland) (3.13 p.m.)—Senator Ferguson, I hope that people listening have taken note of your words that books will be just as affordable as they are now, because I think they will be monitoring that statement very closely in the future. That has not been the experience overseas. It has not been the experience that the booksellers predict. I think the question for us here today is: why can't we get a straight answer from

Senator Kemp? One of the things that is most frustrating for listeners of question time is that we cannot get straight answers from ministers. I am afraid Senator Kemp is one of the worst offenders.

Senator Kemp was asked specifically about the impact of the GST and the fact that people would be able to avoid the GST by using online purchasing. He talked very briefly, making one statement, about additional assistance to booksellers. I hope he will come back into the chamber and table that detailed statement because, since he made the statement at about 10 past two, my office has been searching for it, and we cannot find it. We rang his office and we rang several other offices, and nobody seems to know where it is. It is not available, as far as we can determine, on the Internet in the detail of ministerial statements.

So where is this additional assistance to booksellers? I hope that Senator Kemp will ensure that my office and the offices of all other senators receive the detail. Usually when a minister says, 'Look, it's in a certain press statement,' my office can find it. I wanted it for this debate and it could not be found. I call on Senator Kemp to detail just what this additional assistance to booksellers is.

Last year, on 23 November in an exchange with Senator Conroy, Senator Kemp in a 1½-page statement about this issue could manage only a one-sentence response. He said:

> I would say to the bookseller in Shepparton that he will benefit from a better functioning tax system. He will benefit from a better functioning economy.

Because I come from a regional area, I happen to know that booksellers are extremely concerned about the GST. They are extremely concerned about the fact that there has been a monopoly by some of the major book suppliers, particularly suppliers to schools. Many of the regional booksellers have been trying for some time to get the government to address these concerns, quite aside from the additional impost of the goods and services tax. But on 23 November there is a 1½-page entry in *Hansard* that really does not address the question, except for just one line.

In an exchange on *PM* on 27 May, Senator Kemp said:

> Book prices should not increase by 10 per cent.

We all agree they should not, but will they? He then goes on to say:

> The estimated price increase for publishing recorded media and publishing industry category, which includes books, is 4 per cent.

But it is only an estimate, Senator. To my knowledge we have not had in this place anything more definitive. It is all very well for Senator Ferguson to say, 'The price of books may rise slightly, but books will be just as affordable.' He then talks about how we must not get too concerned about a small sector. I cannot understand why Senator Ferguson, who I am sure is concerned about education and literacy standards in this country, would regard books and a tax on books and knowledge as only applying to a small sector. The entire education sector, unions and parents are very concerned about this additional cost of books. Whatever modelling, whatever calculations you make—and I saw those calculations—there is still a concern about this tax on books. *(Time expired)*

Senator McGAURAN (Victoria) (3.18 p.m.)—The previous speaker tells us that parents and others are very concerned about the rise in the price of books that is possibly coming. We on this side of the chamber are assuring you that there will not be. If there was a genuine concern, why did we read in the paper today that a rally was organised in Adelaide in South Australia on this particular issue and the GST and only 50 people turned up. They were expecting thousands and thousands to turn up. That is the fizzer of the debate at the moment. The debate has completely fizzed out since the Democrats have done their homework and their study on this issue and have come to strike an agreement with the government and have totally isolated the Labor Party. No doubt this South Australian rally was organised by the Labor Party and the unions, and they get 50 people at it. It is now a dead issue. I can only be thankful that we have only another two weeks to go before this issue is voted on. After 30 June that is the end of it.

Senator Reynolds—Oh, no, you'll be hearing more about this.

Senator McGAURAN—That will be the end of it. This is a filibustering issue. I know either the native title issue or the Telstra issue holds the record for not just the longest debate in this chamber but the world record, according to Senator Campbell, Manager of Government Business in the Senate. One of them holds the world record for hours spent debating a piece of legislation. Thankfully, although this issue was heading towards holding the world record for filibustering in this chamber, it probably holds the record for questions in the Senate. More questions on trivial issues like this have been put on the table and you are just dragging out what is now a fizzer of an issue.

With all those questions that have been asked, not once have you come forward with an alternative policy. Surely the Australian public is entitled to know what your alternative to this is. We can now say that it is the maintaining of the wholesale sales tax, which is on education and which filters through every aspect of education—none more than exercise books. And it is not 10 per cent; it is 22 per cent wholesale sales tax on exercise books, pencils, diaries, biros and crayons.

Let me tell you something about the GST that this government proposes. Education will be GST free, so 85 per cent of books will be GST free. In relation to the agreement that the government has struck with the Democrats regarding books, it is putting forward an extension of the bounty system.

Senator Lundy—Really? Tell us.

Senator McGAURAN—It could be to the tune of tens of millions of dollars.

Senator Lundy—Where is it? Tell us about it!

Senator McGAURAN—I assure you, Senator Lundy, that books will—

The DEPUTY PRESIDENT—Senator McGauran, please address the chair and ignore Senator Lundy's unruly interjections.

Senator McGAURAN—They are unruly, Madam Deputy President, and I will go through you. I can assure you, Madam Deputy President, that given the cascading effects the tax package will have on families, on family income tax and on those small businesses that will be greatly advantaged by the abolition of the wholesale sales tax, the financial institutions tax and the whole array of taxes that we are taking away that benefit small business and the family, books should not go up in price and probably will not go up in price. Given that 85 per cent of books will be GST exempt anyway, you are just beating up an issue that you are going to go down on.

Let me make the following point, and it does need to be made: if ever there was a need for a tax reform package to be added to this government's responsible management of the economy, then this is it and it needs to go through now, because the Reserve Bank Governor came before a parliamentary committee and gave a great tick to the government's economic management program. We say that, rather than wind back all that Labor would have us do in carrying out that program, we need to go forward with this tax package. It will add credence to the government's already sound foundation of low interest rates and low taxes, which more than anything has benefited those bookshop owners that you seem to think you represent. *(Time expired)*

Senator CROSSIN (Northern Territory) (3.23 p.m.)—Today we have heard an outstanding claim by the government and wild accusations about millions of dollars and whether books may or may not increase in price. But what it boils down to, as cold, hard facts for people listening, is that unfortunately, when Minister Kemp was actually asked to provide details about this tax package and the implications for the cost of books, he was unable to provide us with any detail. He talked about additional assistance to be given to the book industry but gave no detail. The Senate committee that I sat on heard numerous submissions from people around the country, in particular the Australian Booksellers Association and the Australian Publishers Association, and was provided with overwhelming evidence about the effect that the GST will have on the book industry.

I want to answer some of the claims and to give some facts about price modelling and evidence from around the world. Australian books have never been subject to a sales tax. Books that you will find when you go into a bookseller have not been subject to a sales tax. In fact, if a GST is going to be imposed on books after a long history of them being free from sales tax, the effect will be that they will be much more expensive compared with other commodities. The Australian Publishers Association, appearing before our committee, said in its submission:

> In various studies conducted around the world, particularly UK, USA, France and Ireland, it was found that the price elasticity of demand was approximately—1.0. If this were replicated in Australia (a country with similarities in historical and cultural values to the above countries), there would be a 4% increase in the price of books (according to the PRISMOD pricing model for the book publishing industry), accompanied by a reduction in demand of approximately 4%.

So we have evidence here of a price increase and a reduction in demand. Of the 19 major industrial nations around the world, 17 have either no tax or a reduced level of tax on books. We have had, in the last couple of weeks, major authors coming out and saying what they feel about a GST on books, including none other than the famous children's author Paul Jennings, who knows only too well and has captured perfectly well the market for which he writes. His books sell at the moment for less than $10, and they are affordable.

Senator McGauran—Are they educational?

Senator CROSSIN—Everything that you read must be educational, Senator McGauran, especially if you know anything about Paul Jennings's books. Kids love them. They soak them up and they cannot get enough of them. But, you see, the minute you put a 10 per cent tax on his book it goes over the $10 mark. One of the most amazing things that we found out in the GST committee was this: people talked to us about the $10 and the $20 thresholds and about people's willingness to buy a book for $9.95 or $19.95, but the minute the price goes over the next threshold there is a reluctance there.

The Australian Publishers Association also provided us with a very interesting letter from the International Publishers Association. Their 24th congress, in 1992, moved this motion:

> No government should impose any levy or tax, such as tariffs, sales tax, excise duties and VAT especially, on books, teaching aids, teaching materials . . . and other such accessories as are necessary for formal education.

That is from a renowned international publishers association. Similarly, the European Booksellers Federation has a large number of things to say—talking about the Australian Booksellers Association campaigning against a GST—about the fact that it is always 'a regrettable necessity to undertake such campaigns, given the clear phrasing of the UNESCO Charter which strongly argues for there being "no taxation on knowledge"'. So we have Australian associations and international associations saying that a tax on books is a tax on knowledge. It is a tax on reading your little kids a bedtime story. It is a tax on a whole range of people who access books to further their education through their lifelong learning process. Reading a book is a key to unlocking literacy. It is a key to ascertaining how your language functions. It is a key to the knowledge of this world, whether it is a picture book, a fiction book, an encyclopedia or a book you use as a student in high school or in tertiary education. *(Time expired)*

Senator EGGLESTON (Western Australia) (3.28 p.m.)—What we have heard today has placed a lot of attention on one small aspect of the overall tax package which is going to be introduced, but we are forgetting the broader picture. We are forgetting the need to have substantial tax reform in the Australian economy. We had an absolutely moribund tax system which unfairly discriminated against people on low and middle incomes. We had a system of wholesale sales tax, introduced by the Labor Party—and I see Senator Lundy smiling and shaking her head. Under the system which the Labor Party introduced, wholesale sales tax ranged from 12 per cent to 22 per cent and to 32 per cent on many of the items which we know Senator Lundy has a particular interest in, like computers and matters to do with information technology.

There was a huge need to reform our taxation system and this government was brave enough to go to the Australian people on a policy of reforming the tax system. We went to an election and we won that election. The underlying concept was to go from a direct tax system to an indirect system. As the direct taxation base was diminishing year by year, the need to move to an indirect tax system became increasingly apparent. As has been said earlier in this debate, in previous years the Labor Party supported the need to go to an indirect system because it knew that that was something Australia had to do, along with almost every other country in the OECD. But for purely political reasons in the last election, the Leader of the Australian Labor Party, Kim Beazley, countermanded the original support given to the proposal to introduce a GST by Gareth Evans. Instead, the Labor Party, for purely political reasons, decided to oppose this tax system. It generated a great program of scaremongering and put fear into the hearts of many of the Australian people, trying to confuse them about what was really a very simple proposal.

The simple proposal was that, in return for abolishing the absolute mishmash and mess of Labor's wholesale sales tax system, we would have a 10 per cent tax on goods and services. It was very simple and straightforward—a 10 per cent tax across the board. As a trade-off for the income so generated, the states would get a dedicated tax stream from that tax to provide hospitals, schools, roads, better police services and all the things that states provide, and the Australian people across the board would get substantial tax cuts. Of course, that is what is in the package. Under our proposal, 80 per cent of the Australian people will only be paying a maximum of 30 cents in the dollar in taxation. They are going to have substantially more disposable income.

The cost of most things will come down quite dramatically not only because Labor's wholesale sales taxes will come off but also because, as a result of that, the cost of running businesses will be reduced. That is why there has been a lot of discussion on whether or not the price of books will rise. As has been said, the price should not rise. If the price does rise and it rises unreasonably, there is a system in place, through the Australian Competition and Consumer Commission, under which people all over Australia can complain. People can complain to the ACCC about unreasonable price rises. The ACCC has enormous power to ensure that cost cuts are passed on. The ACCC is able to impose fines of up to $10 million on businesses which do not pass on cost cuts, and the government has provided the ACCC with substantial extra funding of $28 million over three years for its role under the bill. The protection of the consumer will thus be embodied in the additional powers given to the ACCC. So the end result of all of this is that, within a few days, we will have a new tax system in Australia which will benefit most people and prices should not rise. *(Time expired)*

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

Question resolved in the affirmative.

PETITIONS

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

Uranium: World Heritage Areas

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

The petition of the undersigned strongly opposes any attempts by the Australian Government to mine uranium at the Jabiluka and Koongara sites in the World Heritage Listed Area of the Kakadu National Park or any other proposed or currently operating site.

Your petitioners ask that the Senate oppose any intentions by the Australian Government to support the nuclear industry via any mining, enrichment and sale of uranium.

by **Senator Lees** (from 195 citizens).

Nuclear Waste

To the Honourable the President and members of the Senate in Parliament assembled:

The petition of the undersigned strongly opposes uranium mining.

Uranium mining is the first step towards

Nuclear Weapons: 200,000 humans died in Hiroshima. A 'modern' nuclear bomb can kill millions. A global nuclear war could end life on earth.

Nuclear Accidents: The tragic meltdown of the nuclear reactor at Chernobyl may cost 40,000 to 1,000,000 human lives over the next forty years. A complete release of the reactor's radioactivity would have been 200—400 times worse.

Nuclear Waste: The radioactive waste from uranium mining (the 'tailings') will contaminate the biosphere forever. These tailings are many millions of times more dangerous than the original ore, mainly because of the fine milling of the ore. They are being produced in vast quantities in Australia—14,000 tonnes each day. These tailings are estimated to cost billions of lives in the future, the lives of our future generations.

Respect for the dignity of human life demands the banning of uranium mining urgently. Only recently, the banning of apartheid, asbestos mining and landmines have been largely achieved. Please support the campaign for a nuclear free future.

Your petitioners ask that the Senate promote a nuclear free future.

by **Senator Lees** (from 120 citizens).

Genetically Engineered Food

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

The Petition of the undersigned call on the Federal Parliament to ensure that the current regulations relating to food content are retained by the Australian New Zealand Food Authority and that adequate food labelling is introduced which allows the Australian community to make a real choice when it comes to the purchase and consumption of food.

Your Petitioners ask that the Senate support legislation which will ensure that all processed food products sold in Australia be fully labelled. This labelling must include:

all additives

percentage of ingredients

nutritional information

country of origin

food derived from genetically engineered organisms

by **Senator Bartlett** (from 95 citizens).

Goods and Services Tax: Tasmania

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

The petition of the undersigned shows that citizens of Tasmania think that the government's taxation package, including the goods and services tax, does not provide sufficient information nor detail and hence is open to inequitable application during its implementation.

Your petitioners ask/request that the Senate should not pass the legislation until the following questions are resolved fairly and equitable for the citizens of Tasmania:

1. How will the government ensure Tasmania is treated fairly in comparison to the more affluent and larger States? Tasmania, on a per capita basis, has the highest unemployment, lowest average weekly wage, the oldest population, the greatest number of people dependent on government income support and the most decentralised population of any state of Australia. The government's model for estimating the cost of the GST does not allow for the different economic and social patterns between states.

2. How will the government ensure families can afford good food which will be relatively more expensive in respect to 'junk' foods whose price will decrease after the removal of sales tax? Tasmanians pay the highest costs for food in Australia and are among the worst health status population in Australia.

3. How will the government ensure that organisations and charities can continue to provide the necessary community services and support to disadvantaged citizens? Community organisations and charities in Tasmania will face a double jeopardy from the implementation of the Tax Package. It is predicted that poverty in Tasmania will increase and more people will be seeking extra assistance. At the same time organisations will have a reduced capacity to meet those needs because of increased administrative costs associated with compliance and in many instances reduced revenue because of the application of the tax to such things as membership fees and fund raising.

4. How will government ensure that service quality and scope of education, child care and health services can be maintained without increasing the costs of these services? The government proposes that essential services such as education, child care and health will be GST free. However, community based organisations offering these services will have increased costs arising from the extra administration and accounting requirements of the tax package.

by **Senator Abetz** (from 84 citizens).

Goods and Services Tax

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

We, the undersigned petitioners believe that

(a) a valid mandate does not exist for the introduction of a Goods and Services Tax (GST)

(b) the Australian electorate was not adequately informed, prior to the 1998 Federal election, to be able to deliver a valid mandate

(c) the overwhelming response to the Senate inquiry into the tax system confirms these beliefs

(d) the findings of the Senate Inquiry have shown, over recent weeks, that the proposed GST will be a regressive tax instead of the intended tax reform. It is abundantly clear that the enactment of the GST will result in the rich of this country benefiting at the expense of the more than five (5) million citizens living near or below the poverty line

Your petitioners request that the Senate should:

(a) reject legislation presented to the Senate for the enactment of a Goods and Services Tax

(b) initiate a process, based on the findings of the Senate Inquiry, which should inform and enable the Australian electorate to deliver a valid mandate for a just tax system. This process is to culminate in a referendum.

by **Senator Woodley** (from 116 citizens).

Kosovo Refugees

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

The Petition of the undersigned call on the Federal Parliament to ensure that the Kosovo refugees entering Australia under the Temporary Safe Haven legislation will not be forced to leave against their will.

by **Senator Bartlett** (from five citizens).

World Heritage Areas

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

The Petition of the undersigned shows strong disappointment in the Australian Government's inadequate protection of the Great Barrier Reef World Heritage Area from the destructive practices of prawn trawling. Prawn trawling destroys up to 10 tonnes of other reef life for every one tonne of prawns while clearfelling the sea floor. There are 11 million square kilometres of Australia's ocean territory of which the reef represents just 350,000 square kilometres.

Your Petitioners ask that the Senate support the phasing out of all prawn trawling in the Great Barrier Reef World Heritage Area by the year 2005.

by **Senator Bartlett** (from 38 citizens).

Nuclear Waste

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

The petition of the undersigned strongly opposes any further attempts by the Australian Government to establish a national or international nuclear waste dump within Australia.

Your Petitioners ask that the Senate oppose any intentions by the Australian Government to support the nuclear industry via any mining, new reactors, waste dumps, and sales of uranium.

by **Senator Lees** (from 763 citizens).

Petitions received.

NOTICES

Presentation

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

That the Senate—

(a) notes that:

(i) Friday, 18 June 1999, was 'J18', an international day of action against the corporate tyranny and the negative impacts caused by the excesses of global capital,

(ii) Australians joined other communities in at least 80 cities around the world in this protest, which marked the opening of the G8 Summit in Cologne, Germany, and

(iii) that the protestors were calling for governments to take action such as:

(A) the cancellation of third world debt,

(B) the elimination of tax havens,

(C) the restructuring of international financial institutions and of the General Agreement on Tariffs and Trade and the World Trade Organization,

(D) the taxation of speculative financial transactions, for example, a Tobin Tax,

(E) implementing global capital gains tax,

(F) implementing a tax on direct foreign investments,

(G) implementing eco-taxes, and

(H) the dismantling of multilateral free-trade agreements which grant investors rights to the detriment of nations and their citizens; and

(b) calls on the Australian Government to listen to these community concerns and transparently advocate these concerns in international fora, such as the Organisation for Economic Cooperation and Development and

the Asia-Pacific Economic Cooperation, and the upcoming millennium round of the World Trade Organization.

Senator Brown to move, on 30 June 1999:

That the Senate—

(a) notes the majority of public opinion against the proposed internal freeway through Albury, which would cut the city in half; and

(b) calls on the Government to opt for the alternative external freeway, west of the city.

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

That the following bill be introduced: A Bill for an Act to amend the *Commonwealth Electoral Act 1918* to provide for the division of States into Wards for the purpose of choosing senators, and for related purposes.

Electoral Amendment (Senate Elections) Bill 1999.

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

That the Senate—

(a) notes that 24 days after the Government and the Australian Democrats reached agreement on a goods and services tax (GST) deal:

(i) the Democrats are reported to have promised to pass the GST by 30 June 1999,

(ii) two Democrat Senators, Senators Bartlett and Stott Despoja, have vowed to vote against the GST deal in the interests of all Australians,

(iii) no GST amendments have yet been tabled by the Government or the Democrats for the scrutiny of the Parliament,

(iv) the GST bills are listed for debate in the Senate on 22 June 1999, and

(v) there are reports that the Government has made available to the Democrats the revised GST amendments, but has not made them available to other parties; and

(b) calls on the Government and the Australian Democrats to immediately make available their GST amendments for appropriate public scrutiny and consideration in sufficient time to enable proper debate.

Senator Schacht, at the request of **Senator Bolkus**, to move, on the next day of sitting:

That there be laid on the table by the Leader of the Government in the Senate (Senator Hill), no later than immediately after question time on the next day of sitting, the following documents:

(a) 'Analysis of the impact of the proposed taxation changes on alternative fuel use and the alternative fuel market', prepared by the Bureau of Transport Economics; and

(b) any other modelling commissioned by the Government of the environmental impacts of the goods and services legislation as introduced or as proposed to be amended.

Senator Brown to move, on 29 June 1999:

That the following instruments, be disallowed:

(a) Amendment of section 82.0, 82.3 and 82.5 of the Civil Aviation Orders, dated 28 April 1999 and made under the *Civil Aviation Act 1998*; and

(b) Exemptions Nos CASA 14/1999, CASA 15/1999 and CASA 17/1999, made under regulation 308 of the Civil Aviation Regulations.

DOCUMENTS

Tabling

The DEPUTY PRESIDENT—Pursuant to standing order 166, I present documents as listed below which have been presented to the President since the Senate last met. In accordance with the terms of the standing orders, the publication of the documents was authorised.

The list read as follows—

Bougainville peace process—Ministerial statement by the Minister for Foreign Affairs (Mr Downer), dated 9 June 1999.

Auditor-General—Audit reports for 1998-99—

No. 43—Performance audit—Networking the nation—The Regional Telecommunications Infrastructure Fund: Department of Communications, Information Technology and the Arts. [*Received on 2 June 1999*]

No. 45—Performance audit—Food safety regulation in Australia: Australia New Zealand Food Authority: Follow-up audit. [*Received on 2 June 1999*]

No. 47—Performance audit—Energy efficiency in Commonwealth operations: Department of Industry, Science and Resources: Australian Greenhouse Office. [*Received on 15 June 1999*]

Australian Law Reform Commission—Report—No. 87—Confiscation that counts: A review of the *Proceeds of Crime Act 1987*.

Auditor-General's Reports

Report No. 48 of 1998-99

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: *Report No. 48 of 1998-99—Performance Audit—Phase 2 of the sales of federal airports.*

External Access to Television Coverage of Senate Proceedings

The DEPUTY PRESIDENT—In accordance with the order of the Senate of 5 October 1993 relating to the extension of the House Monitoring Service television coverage of the proceedings of the Senate and Senate committees, I present a list of organisations in receipt of the service as at 30 April 1999.

BUDGET 1999-2000

Portfolio Budget Statements

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate)—I table corrigenda to the portfolio budget statements 1999-2000 for the Aboriginal and Torres Strait Islander Affairs portfolio and for the Health and Aged Care portfolio. Copies of the documents are available from the Senate Table Office.

COMMITTEES

Foreign Affairs, Defence and Trade Committee: Joint

Report

Senator CALVERT (Tasmania) (3.40 p.m.)—On behalf of Senator MacGibbon, I present the report of the Joint Standing Committee on Foreign Affairs, Defence and Trade on military justice procedures in the Australian Defence Force, together with submissions, *Hansard* record and minutes of proceedings.

Ordered that the report be printed.

Senator CALVERT—by leave—I move:

That the Senate take note of the report.

I seek leave to have the tabling statement incorporated in *Hansard.*

Leave granted.

The statement read as follows—

I have great pleasure today in presenting, on behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, the Report on *Military Justice Procedures in the Australian Defence Force,* together with volumes of evidence and minutes of proceedings.

The current military inquiry and discipline systems of the Australian Defence Force have been in operation for several years and the legislation underpinning the systems has provided a sound framework for the application of military justice. However over the past few years, a number of military inquiries, and disciplinary matters conducted by the Australian Defence Force, have become the subject of considerable public interest and media comment. Predominantly these cases involved the loss of lives of Service personnel or seeming injustices to members of the Australian Defence Force in their dealings with the military disciplinary system.

The considerable public attention focused on such cases has included criticisms of the efficacy of the current military inquiry system and questions of natural justice and human rights. Additionally, there has been considerable public support behind calls for external inquiries, or at the very least external reviews of inquiries, in cases involving the death of an Australian Defence Force member. Less public attention has been focused on the systems of discipline and administrative action employed by the Australian Defence Force although aspects of the Defence Force Discipline Act have been challenged, on several occasions, in the High Court of Australia in recent years.

The Senate, in referring this inquiry to the Committee on 25 November 1997, and re-referring it on 10 March 1999, asked the Committee to examine the existing legislative framework and procedures for the conduct of military inquiries and Australian Defence Force disciplinary processes. During the course of the inquiry, the Committee identified a third, interrelated component of the military justice system: administrative action. The report addresses these three distinct components of the military justice system employed within the Australian Defence Force: military inquiries, military discipline and administrative action.

Each of these components is expansive and the Committee has not attempted an exhaustive examination of every detail of the military justice system. Rather the Committee has sought to examine the existing legislation, policies and framework of the system of military justice employed by the Australian Defence Force and to evaluate their effectiveness and relevance in practice.

Independence and impartiality in the military justice system was a strong theme throughout the conduct of the inquiry. In cases involving the death

of an Australian Defence Force member, the Committee was aware of a strong feeling, particularly from some family members of the deceased, that the military justice system lacks independence. While the Committee received no evidence to support an allegation of a lack of independence in the military justice system there is no question that this perception exists in some quarters.

The Committee was cognisant that while the military justice system must, so far as possible, conform with community norms, the Australian Defence Force has unique requirements for the administration of justice commensurate with its role in the defence of the nation. Moreover, these unique requirements exist as constraints and standards additional to the justice system that pertains to all citizens of Australia. Notwithstanding that members of the Australian Defence Force voluntarily accept the imposition of an additional layer of justice when they choose to serve their country, the military justice system must be demonstrably independent, impartial and fair.

The Committee acknowledged the considerable changes, made by the Australian Defence Force, to the military justice system during the course of the inquiry. Indeed the Committee inquiry was conducted in a somewhat dynamic environment with the Australian Defence Force moving to address the recommendations of Brigadier the Honourable A R Abadee's 1997 report, *A Study into Judicial System under the Defence Force Discipline Act* and the Ombudsman's 1998 *Investigation into how the Australian Defence Force responds to allegations of serious incidents and offences*.

Given these circumstances of significant change in the military justice system, it is a persuasive argument that time should be allowed for the benefits of these changes to be realised before further change is contemplated. However the Committee was of the view that Australian Defence Force initiated changes to procedures and practices will not fully address both the *perceived* and *actual* independence and impartiality of the military justice system.

The principal question confronting the Committee was how to redress this shortfall in the military justice system without impeding the workings of the Australian Defence Force. Indeed foremost in the Committee's considerations was the need for any system of military justice to function effectively across the whole spectrum of conflict in which the Australian Defence Force can be expected to operate.

Madam President, the report tabled today contains 59 recommendations. Forty five of these recommendations relate to the military inquiry system, seven to the system of military discipline and a further seven recommendations relate to the administrative action process employed by the Australian Defence Force. The most consequential of these recommendations relate to the conduct of military inquiries.

The Committee was of the view that the issues of independence and impartiality would not be fully addressed by the changes proposed, by the Australian Defence Force, to the military justice system. To redress this the Committee has proposed a number of significant changes.

Perhaps the most important of these proposals is for a latent power within Defence (Inquiry) Regulations, the prerogative of the Minister of Defence to convene a General Court of Inquiry, to be mandatory for all inquiries into matters involving the accidental death of an Australian Defence Force member. This will serve to remove the Department of Defence from the investigative process thus negating any conflict of interest and ensuring independence in the inquiry. The Committee accepted that the conduct of an inquiry by an authority external to the Australian Defence Force will involve some costs in time, resources and perhaps capability. However, the Committee was of the view that the need to demonstrate the independence of the inquiry outweighs concerns about the conduct of the inquiry by an external authority.

The Committee considered the option of proposing that a General Court of Inquiry be convened by the Minister in all cases involving major capital loss. However, the Committee acknowledged the difficulties in determining what is major capital loss and perhaps more significantly the problems with the operation of such arrangements during conflict. The Committee accepted that in most cases a Board of Inquiry would provide a suitable avenue to investigate major capital loss and that the Minister currently has, under Defence (Inquiry) Regulations, the discretion to convene a General Court of Inquiry where an issue was of such gravity to warrant independence greater than that offered by a Board of Inquiry.

To demonstrate the independence and impartiality of the system of military inquiries, the Committee was of the view that Department of Defence should publicly account for its decisions in discharging the recommendations of General Courts of Inquiry and Boards of Inquiry. In addition, the Committee has recommended that the Australian Defence Force should publicly account for the operation of the military justice system by the provision of an annual report to the Minister of Defence. Furthermore, that the annual report be tabled in the Parliament by the Minister.

With regard to General Courts of Inquiry, the Committee has recommended that following the conduct of a General Court of Inquiry, within the limitations of privacy and secrecy, and at the conclusion of all resultant disciplinary and adminis-

trative action, the Minister of Defence should table in the Parliament:

a) the inquiry report;

b) the recommendations of the investigating body;

c) details of action taken to adopt those recommendations; and

d) where a recommendation is rejected, the reasons for that action.

The Committee did not believe that the public accountability requirements for Boards of Inquiry should be any less than those for General Courts of Inquiry. To this end, the Committee has recommended that, within the limitations of privacy and secrecy, and at the conclusion of all resultant disciplinary and administrative action, the Australian Defence Force publicly account for its actions and decisions in discharging the recommendations of the Board.

The Committee accepted that the post-Abadee arrangements will significantly improve the impartiality and independence of the military discipline system. While the alternative of an independent prosecution authority was examined in detail, the Committee concluded that the option for the creation of such a body should be re-examined after the impact of the post-Abadee arrangements could be effectively assessed. For this reason, the Committee recommended that, after the proposed post-Abadee arrangements have been in operation for three years, the issue of institutional independence in relation to prosecution in Courts Martial and Defence Force Magistrate trials be reviewed.

The Committee has also proposed some changes to the administrative action process employed within the Australian Defence Force. Perhaps of most significance, the Committee recommended that the Australian Defence Force consider the implementation of a revised framework administrative censure and formal warning that makes the process applicable to all members of the Australian Defence Force and that incorporates a separation between the roles of initiating officer and decision-maker.

The Committee identified that one of the major sources of dissatisfaction with the military inquiry process were next of kin, or close family members of personnel killed while engaged in ADF activities. It was impossible to hear the evidence given by family members who had lost a loved one in such circumstances without gaining a very strong view that the system of military justice needs a degree of fine tuning to allow the next of kin greater access to the inquiry process.

Without doubt these is a strong perception amongst many family members that the present military justice inquiry process lacked independence. We were not provided with any evidence to support this claim. But the fact that the perception persists indicates that some part or parts of the inquiry process are inadequate in terms of demonstrating to family members that: the process is transparent; all necessary steps have been undertaken; and where necessary, accountability measures are instituted.

The Committee acknowledged the need for these families who have lost a husband or wife parent or child to have some closure for their own grief. While the changes recommended in this report will help relatives in the future it will not have a retrospective effect. But families who have already lost a lost one during service in the ADF can take some comfort from having brought about the changes recommended in this report.

Those changes recommended by the Committee include:

. **Attendance at Inquiry.** The next of kin, or other immediate relatives, of an ADF member whose death is the subject of an inquiry, should always be permitted to attend that inquiry regardless of whether the inquiry is conducted in private or is open to the public. Exclusion of these next of kin, or other immediate relatives from the inquiry should only be on a temporary basis, from those sections of the inquiry dealing with matters of national security.

. **Informed of Outcomes.** Next of kin or other immediate relatives of personnel killed in military incidents should, within the provisions of the *Privacy Act* and relevant security considerations, be provided with a copy of the inquiry report and advice on all actions taken as a result of the inquiry. Where a recommendation from the inquiry report is not implemented, next of kin should be provided with the reasons underpinning the decision not to adopt that recommendation.

. **Advised Prior to Press Release.** Next of kin or other immediate relatives of personnel killed in military incidents should be warned prior to the release of information to the press regarding the inquiry.

. **Legal Representation.** Where a deceased member of the ADF is likely to be affected by an inquiry, the next of kin or other immediate relative should be afforded the option to have the interests of the deceased member represented, at Commonwealth expense, by Service legal counsel.

. **Counselling Services.** The ADF should establish processes to ensure that counselling services are available to witnesses to a military inquiry and to next of kin and close relatives of ADF members killed in the incident.

While the Committee is of the view that the recommendations of this report will serve to

improve the independence, impartiality and overall operation of the system, it is acknowledged that the report will be disappointing for some who saw the inquiry as an avenue of review for individual cases. It should be emphasised that this function was not within the Terms of Reference for the inquiry, nor was it within the powers of the Committee. Where the Committee touched on individual cases it did so solely to examine the procedures employed and the effectiveness of the military justice system.

The inquiry created a lot of public interest, and I would like to thank all of the people who took the time to write submissions, to appear at the public hearings or simply made contact with the secretariat. I would like to acknowledge the hard work of the Defence Sub-Committee in this Parliament and also in the 38th Parliament.

Finally on behalf of all Committee members I would like to acknowledge the efforts of the excellent Secretariat staff so ably led by Joanne Towner and Margaret Swieringa and our military advisers Paul Hislop and Michael Ward.

Madam President, I commend the report to the Senate.

Senator SCHACHT (South Australia) (3.41 p.m.)—The report of the Joint Standing Committee on Foreign Affairs, Defence and Trade on military justice procedures in the Australian Defence Force is very important—all reports from the committee are very important. I have been a member of the committee for most of my time in this parliament and I have been a member of the defence subcommittee, which prepared this report on behalf of the joint committee, for most of that time. This may not be a report which the large bulk of the Australian population would find interesting reading or would queue at the government bookshop to purchase, but the issues which it has dealt with are very important for the morale and the operation of the Australian Defence Force in the 21st century.

We have seen consistent controversy over a period of time about the way the Defence Force handles issues where people are stood down while they are charged under various offences. This is an issue where philosophically you have a conflict between the need for a defence force to provide discipline and arrangements to maintain the good organisation of a military unit, and the right of the individual to make sure that, in a civilised and democratic society, even though they are members of the Defence Force, they receive due process and fairness in military tribunals if they have been charged with any number of matters under the military code of Australia. That code is part of an extensive document which has been built up not just over recent years but over decades, beginning with what we inherited from Great Britain.

I want to pay particular tribute to the members of the committee; to David MacGibbon, the chair of the committee, whose interest in defence matters is well known in this place and elsewhere; and also to the Deputy Chair, my colleague Roger Price. This report—as I say, it will not be a best seller—will be very important in outlining arrangements for the military in coming years. At this stage, people in the broader community and particularly in the military community will be able to respond. I think there will be proper debate. Those of us on the defence subcommittee look forward to debate on the recommendations. I do not believe that any of the recommendations in themselves are unduly controversial, though they total nearly 60, nor would they be hard for the Department of Defence to digest and put into practice. Of course, they will respond and we will wait for the government's response on behalf of the Department of Defence in the next three months.

I want to say to the government that I hope that they do respond in a thorough manner to these recommendations within the three months required and not just put this off as too difficult or not as pressing as maybe some other issues. When we get the response of the government, the Senate and House of Representatives can have a further debate about these recommendations.

I am not going to go through these recommendations one by one—I do not have the time—and I am not going to try to just speak to one or two. In my view these recommendations update and make more contemporary the processes of handling justice in the military. They are, as I say, not radical: we do not throw the baby out with the bathwater. Members of the Defence Force can, I think, get a better process and, if they are charged and dealt with, they can believe that they have

every right to get full justice and an independent hearing.

It is clear that what we accepted as reasonable in the past in the operation of the military will not be able to be sustained totally in the first decade of the next century and into the future. If we want to attract the best quality young people in our community with tertiary qualifications—and we are going to need them in view of the highly complex and technical equipment now available in the Defence Force—we have to show that they will be treated in the Defence Force in a manner that the rest of the community thinks is reasonable. And that will mean some adjustment. If we do not make these adjustments and improvements in process, on such issues as military justice and the procedures thereof, I think we will run the risk of not being able to attract the best and the brightest into our defence forces. There would be a deficiency in our national security if we could not attract the best into the system.

Certainly I, like other members of the committee who have had dealings with Defence and opportunities to visit Defence establishments, have met both formally and informally with the staff and service people of Defence. All of us have been impressed by their quality, particularly the young people coming through the Australian Defence Force Academy and the various service colleges. We have been impressed by their quality and want that quality to be not only maintained but consistently improved in line with improvements in the community.

As I have said, this is an important document. I think it proves that the standing committees of the parliament can be extremely useful in putting forward recommendations in areas of sensitivity and making recommendations that governments in a measured way can respond to. You should note that in these recommendations, as far as I can see, there is no dissenting report. Clearly, the opposition members have accepted the government's majority view and so, as far as I am aware, there is no dissenting report. I think that is an excellent outcome. I think the minor parties were represented on the committee, as well as—

Senator Margetts—No, I got kicked off, remember.

Senator SCHACHT—Senator Margetts, the full committee of the Joint Foreign Affairs, Defence and Trade Committee is represented by Labor, Liberal, Democrats and Independents. As far as I can see, there is no dissenting report in the report that has been tabled today.

I want to point out to the government and the Defence Force that the recommendations have quad-partisan or quin-partisan support—whatever the appropriate word is—and therefore they have the full weight of the committee behind them, and I hope the government and the Defence Force accept them in that spirit. This is, I think, a good example of the work of the standing committees of the parliament dealing with sensitive issues. A bipartisan approach can be reached to the advantage of the Defence Force. I commend the report to the parliament, the government and the defence forces.

Senator QUIRKE (South Australia) (3.49 p.m.)—I do not want to take up too much time of the Senate today, but I think it is very important for us to understand that processes of justice not only have to be seen but have to be seen to be done fairly and properly. There are many examples in this country, over many years, where the judicial processes which we take for granted in civilian life have not been extended to the military. Mind you, I think one or two of the provisions that apply to the military—and, in fact, recommendations have been made in the report to strengthen them—could be something that the rest of the community needs to deal with as well. Great improvement could be made to many of the issues concerning the justice system in this country which come under scrutiny.

I want to have a look at a couple of the recommendations in the report, namely recommendations 18 to 21, and draw them to the attention of the Senate. One would hope that, with a report as all encompassing as this one—namely, a 60-recommendation report of this type—the military and the minister and his office would take a close look at the recommendations and that in fact we will see

considerable progress made on these by the time we get to estimates next year or possibly the year after.

Recommendations 18 through to 21 deal primarily with the processes by which a person is notified if there is a complaint against them and the procedures by which those complaints are dealt with. What it really does is set down some basic principles of natural justice which will apply to soldiers, sailors and airmen—and I use those terms for both male and female these days, because there are large numbers of females in all three arms of our services—so that, if a complaint is made against them, they are properly informed of that allegation and they are told what procedures will follow from that complaint. The principles also mean that, if a report is made which is critical of an ADF member, that person is accorded the proper procedures for answering that complaint and that, ultimately, when it comes to legal recourse within the military, the investigating body thoroughly and properly advises the parties concerned of the course of action that is going to take place and of the entire nature of the allegation against the person.

The report is a full one. Indeed, I think it deals with many aspects of justice within the military which have not been dealt with before. I am only a new member to the committee so I cannot give any historic perspective on that, in the way that, say, my colleague Senator MacGibbon no doubt will in his address here today. From my knowledge, it is the first time that the committee has made recommendations on these points and has dealt with them at all in any manner.

Without saying too much more I would like to draw the Senate's attention to a few other recommendations in the report and then let some of my other colleagues make a couple of comments on it. I think it is rather interesting that recommendations 25 through to 28, respectively, deal with the military's approach with regard to the next of kin of a person who unfortunately has been killed in a military incident. I think it is rather a shame in many respects that it has taken a report of this nature to deal with what is, it must be said, a very difficult but necessary issue. It has been some years since we have had any combat related deaths in the Australian ADF but, as I understand it, each year there are persons who are killed by way of training or other incidents in the Australian Defence Force. Some of these instances lead to charges of negligence against the person concerned and in fact against the person who has been killed or against that person and others.

So I think that these recommendations are commonsense and important and that they really need to be taken up. I suspect that senators from all sides will be keen to ask the Defence personnel when they come before us for estimates about what progress is being made on these recommendations. We look with interest to see how the Defence establishment accepts this report.

Senator HOGG (Queensland) (3.56 p.m.)—Being a member of the Senate legislation committee which deals with defence matters at estimates, I find that the issues in this report of the Joint Committee on Foreign Affairs, Defence and Trade are of real concern. I have addressed them in past estimates without the availability of a comprehensive report such as the joint standing committee have put together. On that basis, I firstly put on the record my congratulations to the joint committee for undertaking this vast report and for making it available for someone like me at Senate estimates.

I noticed in the brief time in which I have been able to look at the report that it does get to the fundamentals of basic justice within the military. Of course, that should apply whether it is military or whether it is in the civilian world. In particular, I noted the comments in respect of mischievous allegations and the fact that there was evidence presented to the committee that false accusations are presented in some military tribunals. The report says:

> . . . false or misleading accusations were used to the detriment of individuals, even where the resultant investigations failed to prove any offence committed by the individual.

One can see that the military do close ranks in the strictest sense of the terms but, of course, no-one has the right to destroy anyone's career by way of misleading allegations or accusations. One would hope that, as

a result of this report, every effort is undertaken to ensure that this practice is eliminated and the careers of some very promising people within the military are not destroyed.

This is a timely report in another sense. The defence forces are undergoing a period of upheaval under the Defence Reform Program, and that sets a lot of things in train which would see people jealous of what others have achieved under the Defence Reform Program by way of promotion or changes in their status whilst others may be standing still marking time. So we need to ensure that the processes that are in place will protect the integrity of those people who have rightfully achieved and to ensure that those people are not subject to any false or wrongful accusation as a result of a process that is turning the Defence Force on its head at the present moment.

The only other issue that I want to comment on is one that I have always been concerned about, and that is the training of Defence Force personnel. The report at paragraph 3.151 specifically refers to the need for there to be a degree of competence of ADF officers, such that:

> . . . the effective and efficient conduct of military inquiries calls for considerable knowledge and judgement of those involved. The ADF acknowledged that relatively few officers are called upon to either personally inquire into a matter as an Investigating Officer or to participate as a member of a BOI and there is a lack of experience.

The report goes on to further recognise that there is a need to have these people trained to a degree and level of competence which will enable them to participate in the processes that are necessary within the defence forces.

I believe that the report is a breakthrough. It will be something that will be subject to greater scrutiny at the estimates process—because, at the end of the day, one must be assured that justice is not just being seen to be done but is being done within our defence forces. Where on some occasions defence inquiries can be suppressed, hushed up to protect the interests of a few, that should not be allowed. The processes outlined in this report will undoubtedly guarantee integrity for all.

Senator MacGIBBON (Queensland) (4.01 p.m.)—I would like to thank Senators Schacht, Quirke and Hogg for their enthusiastic and genuine support for this inquiry, which, as Senator Schacht said, produced a unanimous report from all the members of the Joint Standing Committee on Foreign Affairs, Defence and Trade and not only of the defence subcommittee. Towards the end of 1997, Senator Schacht moved in this chamber that the subject of military justice be referred to the joint committee and now, some years later, this report is tabled before us.

As a longstanding member of that committee, I can say that I have never been involved in any inquiry as complex as this one. It is a very detailed and technical subject to inquire into, and what is tabled today in the Senate is no light reading before you go to sleep at night. But I believe that it is a very constructive report and that it will be very beneficial to the morale and conduct of operations of the ADF in the years ahead. I believe that the ADF will have no difficulty in accepting all the recommendations that we have made.

At the outset, the committee recognised the need for military justice. Most of the justice that is administered within the Australian Defence Force is administered under civilian law and has been so for many years. Major crimes like rape, murder, theft and things of that nature are always referred to the civilian courts and, wherever possible, if there is a way of referring a matter to the civilian courts the defence department does so. But we do need military justice because we require the defence forces to do perverse actions—actions that have no parallel at all in civilian life.

At the end of the day, the members of the Australian Defence Force are different from all of us in this chamber, because they literally die on orders, and no-one in this room does that. We require them to perform acts of extreme violence but to do so in a very disciplined way, and so the existence of a highly disciplined code of behaviour is essential to a defence force. If you do not have that, then you have such tragedies as befell the Canadian army on its deployment to Somalia, where it became involved in torture, murder and theft. Discipline is absolutely

essential. If a force is not disciplined, it is a threat to a democratic society and to the members of its own ranks.

The need for a military justice system to see that discipline is fairly, impartially and independently exercised is absolutely paramount. In the Australian Defence Force, that justice system is mediated through three broad streams: the Defence Force Discipline Act, the Defence (Inquiry) Regulations, and administrative action.

The Defence Force Discipline Act was brought down in 1985 and replaced a hotchpotch of old British military legislation, some of which had in fact been abandoned by the United Kingdom defence forces many years previously. The Defence Force Discipline Act of 1985 was an Australian approach to the legislative requirement for discipline within the Defence Force and it covers, as its name says, matters of discipline, trials of members of the ADF and all the things in the way of penalties from that.

The Defence (Inquiry) Regulations, which came in at about the same time in 1985, really are there to find out why accidents happen. Military training is always dangerous and, sadly, there will always be a mortality rate, because it must get as close to reality as possible. Everything must be done by the Australian Defence Force to make sure that people are not killed or injured on exercises but, with the best of planning, some accidents will occur. What we cannot tolerate is any negligence or incompetence in those administering training exercises which result in the loss of lives or injury or major property loss.

The Defence (Inquiry) Regulations are set up to find out why accidents happen and, therefore, the speed and accuracy of the inquiry are paramount. Because of that, the usual requirements of courts of law with respect to evidence and the fact that you can refuse to answer a question on the grounds that you might incriminate yourself do not apply. In the converse of that, the pay-off is that, if someone answers and incriminates themselves, it cannot be used against them in a subsequent court action as a disciplinary measure. The whole purpose of defence inquiries is to find out why accidents happen so that they can be prevented from happening again and, in some cases, the time span can be quite short.

The defence inquiries operate through a level of inquiries, starting with the board of inquiry, through investigating officers and down to quite minor events. One of the characteristics that is not appreciated by the civilian community is that it has never been a requirement for the inquiry process to blame someone for the accident. The inquiry process has the power to recommend that, if a prima facie case exists for the Defence Force Discipline Act to be applied against someone, that finding can be made if it is in the terms of reference setting up the board of inquiry. In recent years on major boards of inquiry that requirement has not been stipulated and, because of that, there has been a perception in the community that there is a lack of accountability in the ADF.

The final stream, the administrative action pathway, deals with professional and personal development, and it is of lesser importance than the two other streams that I have talked about. Overall, the committee found that the system was very sound—98 per cent of it is working very well and there are no problems. In its 60-odd recommendations, the committee recommended finetuning of the process. Where possible, it has introduced modern practices, some of which have been referred to by previous speakers.

The overriding impression the committee got from hearing witnesses was that there was a perception of a lack of independence from some of the relatives of deceased service personnel and, flowing from that, a lack of accountability. That is very important in a volunteer service because it affects morale and a whole range of other matters. I have to emphasise that the committee found no evidence at all that there was a lack of independence in the process but, as figures in public life, we all recognise that perceptions are very important. We decided that the perception of a lack of independence was a very major shortcoming of the present system, and we set out to find a means to overcome it. That took us a great deal of time.

We came up with the proposition that a latent power in the defence inquiry regulations—namely the ability of the minister to refer an inquiry to a general court of inquiry—be used. This has never been used since the regulations were brought into force in 1985. Referring a matter to a general court of inquiry takes it entirely out of the Department of Defence's control and refers it to either a Supreme Court judge from the states or a Federal Court judge. The process that flows from there is entirely independent of the Department of Defence. We believe that that not only will create the perception of independence in major inquiries but will also create the reality of independence. So one of our significant recommendations was that, where death occurs as a consequence of an ADF activity, the minister must refer the matter to a general court of inquiry.

I am confident that the defence department will accept all the recommendations we have made. They are all constructive; they all operate within existing systems. There is nothing new in what we propose that is radical or will turn anything on its head. There are minimal costs involved, if any costs at all. Most importantly, the preservation of the command authority of officers in the ADF is preserved. We think we have come up with a very pragmatic approach and we are confident that the defence department, having shown a great readiness to implement the recommendations of Mr Justice Abadee in relation to the Defence Force Discipline Act within the last 12 months, will carry on with the good work and implement our findings, which I believe will be for the benefit of all.

Finally, I would like to thank very much my deputy chairman, the Hon. Roger Price, for the support he gave me on the defence subcommittee, and the other members of the committee, some of whom have spoken today. I also thank the staff: the secretary, Joanne Towner, now replaced by Margaret Swieringa, and particularly Michael Ward and Paul Hislop, who were the military advisers to the committee. I commend the report to the Senate.

Question resolved in the affirmative.

DOCUMENTS

Auditor-General's Reports

Report No. 47 of 1998-99

Senator MARGETTS (Western Australia) (4.11 p.m.)—I seek the indulgence of the Senate in relation to an earlier report. All of the Auditor-General reports were presented in a lump. I was listening, but I was listening for the *Energy Efficiency in Commonwealth Operations—Department of Industry, Science and Resources: Australian Greenhouse Office* report, and apparently it was all-in-one, so I wondered if we might return to that.

Leave granted.

Senator MARGETTS—I thank the Senate. I move:

That the Senate take note of the document.

For a long time, an ongoing interest of mine has been the possibilities of greenhouse gas reductions in the government's own operations and the economic benefits that can be gained.

The report relates to the Department of Industry, Science and Resources' Australian Greenhouse Office. Some issues have been brought up in the performance audit leaflet. There were 12 energy policy requirements. They have been met to varying degrees, and I will talk about some of those in more detail. They did mention that there were significant practical and administrative issues that required resolution before there would be an appropriate level of compliance, and that many systems and procedures of those agencies remain to be developed by both coordinating and other agencies. That is quite serious. Australia unfortunately presented to the world that it could not possibly reduce greenhouse levels any further than we had finally acceded to in Kyoto at the Climate Change Conference and yet, even within the government sector, there seems to be a level of inactivity in relation to its own targets. I will give you some examples of these in relation to the summary of the National Audit Office findings. One is in relation to CEO accountability. The finding says:

There has been a variable standard in the implementation in areas such as adequate policy interpre-

tation, interagency promulgation, skill and knowledge acquisition and energy policy achievements.

It is at the CEO level where these kinds of policies ought to be implemented. It is not the kind of thing you can just throw off to an environment officer within your department and expect that you are going to get changes within those areas.

Another comes under conduct of energy audits. This is very important. An energy audit is the way in which a body, an organisation and even a business can actually find out where the possible savings exist and what changes they need to make. The finding here was quite concerning. It said:

The current level of energy audit activity is not significant. There is a high risk that the energy auditing requirement of the energy policy will not be complied with unless adequate systems and procedures are developed by both coordinating and other agencies.

If government bodies do not know and are not prepared to look, they are obviously not going to be making the changes.

Let us look at the use of renewable energy technologies. The findings here are also concerning. The summary of the policy statement is that all agencies are to use solar and other renewable energy technologies where relevant and cost effective. At the time of the audit the findings were that DISR had not advised agencies of this component of the energy policy requirements in material distributed to Commonwealth agencies. This is the Department of Industry, Science and Resources and they had not actually advised agencies that they were required to use solar and other renewable energy technologies where relevant and cost effective. Something is wrong here. There is a slip between cup and mouth and it actually goes to the credibility of the government when they say they are unable to do better in relation to these policies. Of course, the Audit Office was not able to examine where there was compliance if there had not actually been a request for these activities to take place.

Once again, let us look at the adherence to Commonwealth building energy use guidelines. We heard of these issues in relation to things like legislation in relation to Commonwealth housing and, if I recall, defence housing came up with some great policies. What we need to find out here is whether, in general, these policies are being adhered to. The finding is that, in general, compliance with this requirement is low and there are significant practical problems confronting agencies attempting to comply with this mandatory requirement. So basically, when it comes to purchasing buildings, somehow or other the light is not going on, or perhaps the energy efficient light bulb is not going on, in the minds of those people whose role is to be involved in the purchase of such buildings.

Under section 6 we look at negotiation of particular central services, energy payment arrangements and leases. I am not entirely sure where this fits into it—it seems like it is something entirely different. Basically, they are asking that the building owners are responsible for the energy requirements—that is, the central energy use payments—as part of the lease. That, I assume, would mean that the cost savings would be passed on to the building owners the more energy efficient the building became. I am not quite sure why this is quite like this, but it obviously indicates there is an incentive, or should be an incentive, for the saleability of leases and that building owners should take an active role in reducing the ongoing energy requirements for the central energy services that are required.

Those are brickbats, I suppose. For bouquets, I guess when you turn to page 95 you will see that in Parliament House the total energy consumption reduced quite considerably in 1988-89, and from then on there has been some decrease. I assume that probably meant that there was a considerable energy wastage in relation to 1988-89 and that it might have been involved with the movement to a new building and so on. But in terms of gas use we are looking at around half the gas use between 1988-89 and 1997-98. Electricity use was not quite as impressive but one-third of that electricity use was cut. That is important when you look at the fact that electricity contributes a great deal more than gas to greenhouse gas production. So it is possible that these changes can take place.

On page 97 we see that from the years 1993-94 the Australian Taxation Office made some efforts but were more successful in some states than others. Somehow or other Victoria did not do as well as it might, but states like New South Wales did quite well in relation to reducing energy consumption within the Australian Taxation Office. The ACT was basically using more than it did in 1993-94 but less than it did in 1996-97, so I hope that there are ongoing policies in relation to this. Western Australia seems to be lumped into South Australia and has made some changes in that time.

That is about as central as we can get, I guess. If governments decide there is the potential for taking steps—if you call this the 'no regrets policy'—those changes that you can make that actually save you money do not have a net cost because they cut down your energy costs. We are not actually doing as well as we can, even within the government bodies in no regrets policies. We need to do much, much better and the rest of the world, to give us any credibility, has got to see that even at the government level we are taking the issue of global warming, climate change and greenhouse gas production seriously. This does not unfortunately indicate that the government is yet taking it seriously enough, and that the Department of Industry, Science and Resources may have other issues in mind rather than greenhouse gas reductions.

Question resolved in the affirmative.

COMMITTEES

Migration Committee

Report

Senator McKIERNAN (Western Australia) (4.21 p.m.)—I present the report of the Joint Standing Committee on Migration entitled 'Review of Migration Regulation 4.31B', together with submissions, *Hansard* record and minutes of proceedings. I seek leave to move a motion in relation to the report.

Leave granted.

Senator McKIERNAN—I move:

That the Senate take note of the report.

I wish to put on the record the committee's acknowledgment of the very fine work done by the secretariat staff of the committee. They were, for the record, Margaret Swieringa, Gim Del Villar, Penne Humphries, Rohan Tyler and Margaret Atkin.

The regulation 4.31B was introduced on 1 July 1997 as part of a package of measures to combat abuse in Australia's refugee determination system. Other measures included streamlining processing of primary applications and limiting work rights to applicants who applied within 45 days of entering Australia.

The aim of the package was to deter people who knew they were not refugees but were using the refugee appeal process to prolong their stay here, often for the purposes of obtaining income from employment in Australia. The purpose of regulation 4.31B was, in conjunction with other measures, to deter non-genuine applicants from appealing to the Refugee Review Tribunal after their primary application had been unsuccessful. The regulation imposed a $1,000 fee on applicants whose appeals to the RRT failed. Successful applicants to the RRT were not required to pay the fee of $1,000 and neither were unsuccessful applicants to the RRT who were subsequently granted protection visas on the basis of ministerial discretion. It was not suggested then that regulation 4.31B was a revenue raising measure, nor was it suggested at the time that the revenue raised by the fee was to be used to offset departmental costs in other areas of the portfolio.

The regulation was controversial, and the then shadow minister for immigration, Duncan Kerr, agreed to the package on condition that a number of its provisions be changed. Those changes are already on the public record. One of the conditions imposed which the government agreed to was that the regulation be subject to a sunset clause and that a review of its operations and effect be conducted by the Joint Standing Committee on Migration. This report is the result of that review.

I participated in all of the committee's public hearings, and I have read and studied all of the submissions. From this process I

have formed my own conclusions on the regulation. My conclusions differ from those of my Labor colleagues on the committee, and I have provided a direct, succinct additional comment at page 45 of the report which elucidates further on the reasons I formed the views that I did. In formulating my conclusions I relied upon the evidence that was presented to the committee—evidence which, I might add, was tested with the witnesses who provided the evidence to the committee. The evidence was tested, sometimes quite vigorously, and cannot therefore be dismissed.

Many of the witnesses—who came with impeccable credentials—agreed that, even now, with the conditions that were put in place two years ago, the internal onshore refugee application system continues to be abused. I have noted in my additional comments some comments from the Refugee Council of Australia—the peak refugee organisation in this country. I have also itemised comments on the matter made by the Secretary-General of the Australian Section of the International Commission for Jurists, Mr David Bitel, and I have drawn attention to the comments of Ms Grace Gardner from the Adelaide Justice Coalition and a number of others.

I particularly want to draw attention to the words of Ms Caroline Graydon from the Refugee and Immigration Legal Centre. I will quote what she said. I know it is a duplication, but it is well worth duplicating. Ms Graydon told the committee at the Melbourne hearings:

> From my own personal knowledge, I am not aware of any cases where I thought a person had very strong prospects of success but had been deterred by applying due to the $1000 penalty fee. Some people are driven by such strong subjective fear that I do consider it to be unlikely that someone who faces persecution, or has a well-founded fear of persecution, in their home country would be deterred.

On every possible opportunity I asked the witnesses to provide evidence of people who had been deterred from making an application because of this post-decision fee. Nobody was forthcoming. I put it to the Senate—as I put it to the committee when we were deliberating on the report—that, if anybody would know about a deterrent, people such as Caroline Graydon, the Refugee Council of Australia and Mr David Bitel certainly would have known, and I am sure they would have put it on the public record when they had the opportunity to do so at the committee hearings.

We were given some case studies of people who allegedly were suffering because of the fee, and I have noted those case studies in my 3½ pages of additional comment. They are on the public record for anybody to examine. In a sense, I think those case studies actually help the argument for the minister's case that the fee should be retained.

Notwithstanding what I have said, I agree with the majority of the committee and their report that it is probably too early to judge the effectiveness of the measure. Effectively, the measure has been in existence for only 18 months. I know it is now almost a two-year period, but at the time we were examining it and taking evidence it had been in operation for about 18 months to 21 months. Many witnesses to the hearings agreed that it was a very short time frame and that many of the applications that had been before the RRT and were being adjudicated on actually had been in the system prior to the fee coming into operation.

I have agreed with my colleagues that the sunset clause should be extended for a further three years and that, prior to the expiration of that sunset clause, it should be subjected to a more thorough assessment of its effectiveness. Let me at this stage inject a note of caution and a warning. I mentioned earlier that regulation 4.31B was not a revenue raising measure, nor was it an offsetting cost initiative. I now await specific clarification from the Minister for Immigration and Multicultural Affairs on this matter. This clarification is necessary as a result of a sentence in his press statement MPS/99 dated 11 May 1999 where he said:

> If the fee was continued it would provide a partial cost recovery and help offset the cost of a limited extension of the Asylum Seeker Assistance Scheme.

I have been advised through the office of the shadow minister, Mr Con Sciacca, that a letter

will be forthcoming from the minister that gives the assurance that there is absolutely no policy link between the fee and the Asylum Seeker Assistance Scheme.

I hope that that letter will be forthcoming and I hope the clarification will be forthcoming. If it is not, I state clearly here that I will be arguing in my party room that we support any disallowance motion, if such a disallowance motion is moved, in the event of the minister seeking to continue the fee. There should be no link between this fee and the Asylum Seeker Assistance Scheme. There never has been and, if there is going to be that linkage now, I for one will not be standing here in this chamber or in my party room supporting such a proposition. It was never the case in the past and it should not be the case now. I certainly await the minister's written reply. I have been assured that that is forthcoming. It would have been easier had we been able to be given that assurance during the Senate estimates committee processes a couple of weeks ago, but I do understand that the public servants could not publicly stand up and contradict their minister. The ball on this matter is clearly in the minister's court, and I have put on the record how I will be arguing if that letter and that assurance are not forthcoming. I commend the report to the chamber.

Senator BARTLETT (Queensland) (4.31 p.m.)—I too would like to speak to this report as a member of the Joint Standing Committee on Migration. It was quite a useful and thorough inquiry, as many of the inquiries conducted by that committee are. It highlighted again not just issues relating specifically to the $1,000 fee but a lot of other issues that relate more broadly to the operation of our refugee program and our humanitarian program onshore. Subsequent to this inquiry taking place, the Senate has agreed to look more broadly at the operation of our refugee program via the Senate Legal and Constitutional Affairs References Committee, which the previous speaker is the chair of. Hopefully, we will be able to look in more detail at some of those issues.

The reason that reference was agreed to is that I think it is recognised by people coming from many different perspectives of the debate surrounding refugee issues that these are complex issues and issues of great importance which involve quite fundamental and vital matters of human rights. It is also a question of addressing those through specific practical mechanisms. Of course, there is the problem of ensuring that those fundamental human rights are addressed using a system which, unfortunately, some people do choose to abuse. I think that does give rise to difficulties in terms of how best to address those problems of abuse. It is obviously not in the interests of genuine asylum seekers to have their access to justice and access to the system affected by other people who are abusing that system. So I think it is in everybody's interests to try and examine mechanisms to minimise abuse. Obviously those mechanisms need to be ones that do not compromise a fundamental necessity for our humanitarian program to address the human rights of genuine asylum seekers.

It is worth making the point in relation to this specific issue, as with any issue relating to the broader humanitarian program, that just because people seeking asylum appeal to the Refugee Review Tribunal and are knocked back, that does not automatically mean that they are deliberately abusing the system. I think that implication was raised a number of times during the course of inquiry—that this somehow or other the number of people who are unsuccessful at the Refugee Review Tribunal could be broadly equated with the number of people who are abusing the system. Quite clearly that is not a fair assessment to make. The legal definition in relation to getting refugee status in Australia is quite narrow and there are many people in what are quite clearly situations of genuine humanitarian need who do not technically fit within that definition. They still go through the system because they have a genuine need to seek asylum. Indeed, that is one of the reasons why the ministerial discretionary power exists—to address some of those people who do not fit neatly into the legal definition but nonetheless have a genuine humanitarian case.

This current minister has been reasonably active in trying to acknowledge some of those

special cases. All those people have to go through the Refugee Review Tribunal process to get to the minister and to get him to exercise his discretion. He obviously does not exercise his discretion in favour of everybody that seeks it, but quite a reasonable number of those people could easily and credibly claim to be genuine asylum seekers, not abusers of the system. All of those people are subject to this $1,000 fee that the committee was investigating. The $1,000 fee was brought in a couple of years ago in conjunction with a number of other measures which were aimed at addressing alleged abuses of the system. The Democrats opposed those measures at the time and voted in favour of a disallowance motion which Senator Margetts moved, from memory. It was before I came into this chamber. I think my colleague Senator Stott Despoja, who handled the matter for the Democrats at that time, supported Senator Margetts's concerns. In many ways some of the other changes that were made that will still remain in place and have no sunset clause have the potential to cause greater injustice than this $1,000 post-decision fee measure which is subject to a sunset clause.

One of the other difficulties with this inquiry was trying to separate the effect the $1,000 post-decision fee might have had on reducing abuse of the system from the effects of all the other measures that were brought in at the time. The committee, and I think even the department, had to acknowledge that it really was not able to be done. It was not possible to separate the impact of the $1,000 from the impact of all the other different measures that were also brought in.

I take the point Senator McKiernan made that, in some respects, the changes have been in operation for such a short length of time that it is a bit difficult to draw conclusive conclusions about the impacts of the measures. It is still taking a while for them to work their way through the system. I would acknowledge that point but turn it around the other way and say that the onus should be on proving that these measures do not impair genuine asylum seekers from seeking asylum. Clearly, it is also a fundamental requirement of our refugee system that we do not unfairly or unreasonably deter genuine asylum seekers. I think that is where the burden of proof must lie and, if we are taking a precautionary approach, that is the approach that we must take. I do not think that that was able to be clearly established either. When we are looking at wanting to get evidence about whether genuine asylum seekers have been deterred by this fee or by genuine hardship, we need to prove it from the other direction just as much as prove that it is having a negative impact. It is for that reason that I lent my name to the minority aspect of this report.

In conclusion, I would like to emphasise and concur with the thanks to the committee secretariat for their role in this inquiry. I emphasise again that the whole aspect of our humanitarian refugee program is an important one and one that there is great public interest in. There are a range of opinions about how best to deal with some of these difficult issues. We recognise the fact that we cannot help every single genuine refugee on the planet, but we do need to make sure that Australia not only plays its part but also does not do anything which acts against genuine asylum seekers and sends genuine asylum seekers back to a situation of danger. That is something else that we need to ensure.

It is obviously important to stop abuse, and the Democrats acknowledge that. We acknowledge that there is a level of abuse, although perhaps it is not as high as is sometimes suggested. But it is also equally important to ensure that the system operates in a way that does not negate our basic human rights obligations. That is the perspective from which I approach this issue. The Democrats approach these issues more broadly in relation to the operation of our refugee program. It is an issue that will be an ongoing one and one that I am sure we will revisit a number of times in this chamber in the future. It is appropriate that we should, given that it is an issue of such public interest and public importance. I look forward to ongoing and constructive debate from all sides as we try, together, to work out the best possible system for meeting our basic human rights obliga-

tions in relation to refugees and our humanitarian program.

Question resolved in the affirmative.

Public Accounts and Audit Committee

Report

Senator O'CHEE (Queensland) (4.40 p.m.)—On behalf of Senator Gibson, I present report No. 368 of the Joint Committee of Public Accounts and Audit, entitled *Review of Audit Report No. 34, 1997-98—New submarine project—Department of Defence*. I seek leave to move a motion in relation to the report.

Leave granted.

Senator O'CHEE—I move:

That the Senate take note of the report.

I seek leave to incorporate Senator Gibson's tabling statement in *Hansard*.

Leave granted.

The statement read as follows—

Madam President, *Report 368* informs the Parliament of the Committee's examination of aspects of the Auditor-General's report on the Collins Submarine Project. I propose to highlight those aspects of the submarine project about which the Committee has the most concern.

The Committee held three public hearings in 1998 and 1999 to take evidence on the submarine project. In April this year, members of the Committee went to the Australian Submarine Corporation's premises at Port Pirie to inspect the facilities and the Collins submarine, *Dechaineux.*

At the invitation of the Australian Submarine Corporation I took the opportunity on 28 and 29 April this year to sail on boat 4, the *Dechaineux.* I spoke at length with the submarine's officers and crew, and ASC personnel. I want to say that it was absolutely fabulous and one of the greatest experiences of my life to drive a 740 million dollar machine underwater.

While not all of my colleagues will agree with me, much of what I have seen and heard during this inquiry and on my inspection supports the contention that the Collins class submarine, built largely in Australia and with over 70 per cent Australian industry involvement, is one of the country's great technological achievements.

However, the expectation that the superior Collins submarines would by now have taken up the capability of the paid-off Oberons has not been realised. Instead, Navy is confronted with a submarine fleet reduced from six operational Oberon class submarines, to one operational Oberon class submarine, and a far greater reduction in operational capability than the reduction anticipated by Defence at the start of the project.

This has resulted in significant training difficulties for Navy because it has to provide training over an extended period to run two capabilities, the Oberons and the Collins, side by side. Having only one fully operational submarine has added to the training problems. The delays in delivery of software, the continuing need for rectification of defects and completion of contractor sea trials are affecting submarine force structure and morale.

Technical difficulties have been experienced with the software used to integrate the combat systems functions. The combat system does not function as an integrated system resulting in the submarines' current combat system capability falling below planned capability.

The submarines have a number of as yet unresolved design and system problems, and while there is optimism that these will be overcome, the Commonwealth remains exposed to significant areas of risk as long as the submarines remain less than fully operational.

Despite Defence's assurances that there will be no ongoing additional costs to the Commonwealth because of the fixed price nature of the submarine project contract, it will be difficult to distinguish with certainty between what additional costs to taxpayers may result from design and engineering shortfalls and what are legitimate reconfiguration costs to meet new Defence requirements.

The Audit Report on the submarine project criticised aspects of the Project Office's management of quality assurance issues and project progress monitoring. The Audit Report also expressed concern about the expenditure of over 95 per cent of the project funds, when a substantial proportion of outstanding commitments remained to be fulfilled under the contract.

It is clear to the Committee that the risks in this project have not been handled as well as they might have been, and that the number of defects, particularly in the first two submarines, is evidence of this. Substantial risk still attaches to the submarines' combat system. While it has been assured that the remaining funds should be sufficient for the satisfactory completion of the project, the Committee considers that ongoing schedule changes require more frequent review to reverify that schedule and cost outcomes can be met.

The Committee considers that continued surveillance by Defence of the estimated cost to complete, and the payment of funds only on earned value, are critical to the outcome of this and other Defence projects.

The Committee considers the fact that the operational submarine squadron consists of one aging Oberon, is a poor reflection on Defence's management of the submarine project and its force strategy planning. The fact that Defence has not yet accepted any Collins submarines into naval service highlights the unrealistic nature of Defence's initial expectation that it would by now have five operational Collins submarines.

Defence's very modest contingency plans for delivery delays have led the Committee to recommend that realistic allowances for contingencies be made in delivery schedules for major Department of Defence projects.

The Committee did not investigate in its hearings the issue of through-life support for the submarines. However, the Committee notes that many submarine support issues remain undetermined and recommends that the Government urgently address the issue of through-life support for the Collins submarines.

Detailed comments have been made in the report about the unsatisfactory nature of Defence evidence in relation to Defence's payment to ASC's broker of $2.4 million for 'insurance services'.

The report also addresses the issue of access to contractors' premises by the Auditor-General. The Committee is aware that some agencies may seek refuge in the reduced accountability that can occur when services are outsourced to the private sector, and are not as cooperative as they might be in assisting the Auditor-General to access contractors' information and records. In the JCPAA's view, such access is essential to proper management of government contracts and the successful audit of contract outcomes, and the Committee has recommended accordingly. May I conclude, Madam President, by thanking on behalf of the Committee those people who contributed their time and expertise to the Committee's review hearings.

I am also indebted to my colleagues on the Committee who have dedicated much time and effort to reviewing this Auditor-General's report. As well, I would like to thank the members of the secretariat who were involved in the inquiry, Dr Margot Kerley, the Committee secretary, Ms Jennifer Hughson and Ms Tiana Gray.

Madam President, I commend the Report to the Senate.

Senator QUIRKE (South Australia) (4.41 p.m.)—I wish to speak on this particular issue and I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ASSENT TO LAWS

Messages from His Excellency the Governor-General were reported, informing the Senate that he had assented to the following laws:

National Health Amendment Bill (No. 1) 1999

Ozone Protection Amendment Bill 1998 [1999]

Migration (Visa Application) Charge Amendment Bill 1998

Superannuation Legislation Amendment Bill 1998

Taxation Laws Amendment (Software Depreciation) Bill 1999

Wool International Privatisation Bill 1999

Income Tax Rates Amendment (RSAs Provided by Registered Organizations) Bill 1999

Telecommunications Laws Amendment (Universal Service Cap) Bill 1999

Criminal Code Amendment (Bribery of Foreign Public Officials) Bill 1999

Financial Sector Reform (Amendments and Transitional Provisions) Bill (No. 1) 1999

Financial Sector (Transfers of Business) Bill 1999

COMMITTEES

Republic Referendum Committee

Membership

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Messages have been received from the House of Representatives agreeing to the Senate resolution relating to the appointment of a Joint Select Committee on the Republic Referendum and acquainting the Senate of the House of Representatives members appointed to the committee. I have also received letters from party leaders nominating senators to be members of the committee.

Senator ELLISON (Western Australia—Special Minister of State) (4.42 p.m.)—I seek leave to move a motion to appoint members to the Joint Select Committee on the Republic Referendum.

Leave granted.

Senator ELLISON—I move:

That Senators Abetz, Bolkus, Boswell, Payne, Schacht and Stott Despoja be appointed to the Joint Select Committee on the Republic Referendum.

Question resolved in the affirmative.

ABORIGINAL RECONCILIATION

Message received from the House of Representatives transmitting a resolution relating to Aboriginal reconciliation.

BILLS RETURNED FROM THE HOUSE OF REPRESENTATIVES

Message received from the House of Representatives agreeing to the amendments made by the Senate to the following bills:

Wool International Privatisation Bill 1999

Financial Sector (Transfers of Business) Bill 1999

Financial Sector Reform (Amendments and Transitional Provisions) Bill (No. 1) 1999

Message received from the House of Representatives returning the following bill without amendment:

Criminal Code Amendment (Bribery of Foreign Public Officials) Bill 1999

TAXATION LAWS AMENDMENT BILL (No. 4) 1999

TAXATION LAWS AMENDMENT (DEMUTUALISATION OF NON-INSURANCE MUTUAL ENTITIES) BILL 1999

TAXATION LAWS AMENDMENT (CPI INDEXATION) BILL 1999

SUPERANNUATION LEGISLATION AMENDMENT BILL (No. 2) 1999

CORPORATE LAW ECONOMIC REFORM PROGRAM BILL 1998

TAXATION LAWS AMENDMENT BILL (No. 6) 1999

NATIONAL HEALTH AMENDMENT (LIFETIME HEALTH COVER) BILL 1999

STEVEDORING LEVY (COLLECTION) AMENDMENT BILL 1999

TAXATION LAWS AMENDMENT BILL (No. 5) 1999

First Reading

Bills received from the House of Representatives.

Senator ELLISON (Western Australia—Special Minister of State)—I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the *Notice Paper*. I move:

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

Question resolved in the affirmative.

Bills read a first time.

Second Reading

Senator ELLISON (Western Australia—Special Minister of State) (4.45 p.m.)—I table a revised explanatory memorandum relating to the Taxation Laws Amendment Bill (No. 6) 1999 and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

TAXATION LAWS AMENDMENT BILL (No. 4) 1999

This bill amends the income tax law to give effect to the following measures:

Firstly,

Gifts

The bill amends the income tax law to give effect to announcements about gifts and related matters.

The bill will amend the income tax law to allow deductions for gifts made to certain funds and organisations. Amendments are also being made to ensure grants paid from the Katherine District Business Re-establishment Fund to eligible businesses in the Katherine region are exempt from income tax. A number of minor amendments to the gift provisions will also be made.

Secondly,

Amendments to the capital gains tax provisions

The bill proposes amendments to the Income Tax Assessment Act 1997 by inserting a rewrite of the capital gains tax rules about:

. Small business roll-over and retirement exemption (including an extension to those provisions for land and buildings);

. Value shifts between companies under common ownership;

. Assets register entries that eliminate the need for business taxpayers to keep source documents after 5 years; and

. Exempting reimbursements or payments of expenses under the M4/M5 Cashback Scheme for tolls paid on the M4 and M5 toll roads.

The bill will also correct unintended consequences made by the rewrite of the provisions of the Income Tax Assessment Act 1936 resulting from the Tax Laws Improvement Act (No. 1) 1998. In addition some minor amendments will be made to the readability of those rewritten provisions.

The amendments will apply to assessments for the 1998-99 income year.

Further the bill will amend the capital gains tax provisions so that public entities (listed public companies, publicly traded unit trusts and mutual insurance organisations) with pre-capital gains tax assets, at 30 June 1999, and thereafter at 5 yearly intervals or if there is abnormal trading, must satisfy the Commissioner of Taxation that they have maintained continuity of majority underlying ownership. If continuity is lost, any pre-capital gains tax assets are treated as post-capital gains tax assets.

Thirdly,

Extension of the Beneficiary Rebate to include CDEP participants

The bill extends the beneficiary rebate to participants in the Community Development Employment Projects (CDEP) Scheme in respect of the income support component of their CDEP wages. This will ensure that unemployed members of Indigenous communities who choose to forgo their entitlement to social security allowances to work on CDEP projects will not suffer any taxation disadvantage compared with recipients of unemployment allowances, such as the Newstart Allowance.

And lastly,

Providing taxation information to State law enforcement agencies

This bill also amends the Taxation Administration Act 1953 to enable the Commissioner of Taxation to provide information to the New South Wales Police Integrity Commission and the Queensland Crime Commission, where the Commissioner is satisfied that the information is relevant to establishing whether a serious offence has been or is being committed, or is relevant to the making, or proposed or possible making, of a proceeds of crime order.

Full details of the amendments in the bill are contained in the explanatory memorandum circulated to honourable senators.

I commend the bill to the Senate.

TAXATION LAWS AMENDMENT (DEMUTUALISATION OF NON-INSURANCE MUTUAL ENTITIES) BILL 1999

The Treasurer announced in the 1998-99 Budget the Government's intention to introduce a generic taxation framework applying to demutualisations of mutual non-insurance organisations. This bill introduces that generic framework. The framework will apply to demutualisations completed on or after 12 May 1998.

The Government has consulted widely with interested parties on the implementation of the generic framework. The consultation period followed the release of an Issues Paper on 28 May 1997.

The framework applies to a demutualisation that occurs under one of three specified methods. All of the methods broadly require that the interests of members in the mutual organisation be extinguished in exchange for ordinary shares.

The framework will only apply to those demutualisations where broad continuity of beneficial interest is maintained. However, a small proportion of demutualisation shares can be issued to non-members.

The framework provides that capital gains tax will not apply to the surrender by a member of membership interests in the demutualising entity. Any capital gains tax liability will therefore be deferred until the disposal of the demutualisation shares.

The framework also establishes, for capital gains tax purposes, the date and cost of acquisition of shares acquired by former members as part of the demutualisation process. Broadly, the cost of acquisition for pre-CGT members will be determined by reference to the member's share of the market value of the demutualising entity immediately before demutualisation. For post-CGT members, the cost will be determined by reference to the costs incurred by the member in acquiring and maintaining membership to the extent that those costs are not deductible.

In addition, the framework will allow demutualising entities to retain any franking account surpluses accumulated before demutualisation.

Full details of the measures in the bill are contained in the explanatory memorandum circulated to honourable senators.

I commend the bill to the Senate.

TAXATION LAWS AMENDMENT (CPI INDEXATION) BILL 1999

This bill amends the Income Tax Assessment Act 1936, the Fringe Benefits Tax Assessment Act 1986 and the Sales Tax Assessment Act 1992 to

give effect to an announcement made in the 1998-99 Budget.

The bill will provide that various thresholds and rebate amounts in the taxation law that are currently indexed annually in line with movements in the Consumer Price Index will not fall because of a decrease in the CPI.

The indexation measure in the bill will apply to the 1998-99 income tax, fringe benefits tax and sales tax years and later years.

The bill will prevent taxpayers being disadvantaged by a reduction in the level of the thresholds and rebate amounts arising from a fall in the CPI as occurred in the 12 month period ending 31 March 1998.

The bill also makes two minor technical corrections to the Fringe Benefits Tax Assessment Act 1986.

The cost to the revenue of the bill is estimated to be insignificant.

Full details of the measures in the bill are contained in the explanatory memorandum circulated to honourable senators.

I commend the bill to the Senate.

SUPERANNUATION LEGISLATION AMENDMENT BILL (No.2) 1999

This bill makes miscellaneous amendments to superannuation legislation.

Amendment of the Small Superannuation Accounts Act 1995

Schedule 1 of the bill amends the Small Superannuation Accounts Act 1995 to tighten the arrangements relating to the early release of monies held in the Superannuation Holding Accounts Reserve (SHAR) in a manner consistent with arrangements already applying to superannuation funds and retirement savings accounts (RSAs).

SHAR was set up to accept superannuation contributions from employers in circumstances where the employer's superannuation fund will not accept a particular contribution because of rules which require that fees and charges not exceed the interest earned on small amounts. SHAR is administered by the Commissioner of Taxation.

The amendments contained in Schedule 1 tighten the arrangements on the early release of monies held in SHAR in a manner consistent with the arrangements that already apply to superannuation funds and RSAs by:

. reducing from $500 to $200 the amount that can be withdrawn from SHAR on the ground that the person has ceased employment;

. restricting access to monies in SHAR on the ground that the individual is not an Australian resident, to cases where the person has reached preservation age (currently age 55); and

. replacing access to monies in SHAR on the ground of severe financial hardship with a new objective test based on whether the person has received specified Commonwealth payments for a certain period.

The amendments are expected to have a negligible financial impact and will take effect on Royal Assent of the bill.

Non-arm's length trust distributions to superannuation and similar funds

Schedule 2 of the bill gives effect to the Treasurer's announcement of 25 November 1997 to close a loophole in the current law allowing certain distributions of trust income to superannuation entities made under non-arm's length arrangements to be taxed at the concessional rate of 15 per cent.

The amendments will ensure that distributions of income from all trusts—other than where the superannuation entity has a fixed entitlement—are taxed at 47 per cent. The amendments will also ensure income distributions, where the superannuation entity has a fixed entitlement to income from the trust, are also taxed at 47 per cent where the distribution is made in connection with a non-arm's length arrangement.

The amendments are expected to result in a revenue saving of approximately $15 million per annum.

Subject to a transitional arrangement, the amendments apply to income derived after 2.00pm on 25 November 1997.

Exemption of senior foreign executives from the Superannuation Guarantee

Schedule 3 of the bill amends the Superannuation Guarantee (Administration) Regulations, to continue from 1 August 1996 an exemption from the Superannuation Guarantee for employers in respect of certain senior foreign executives who meet the criteria for the former class 413 overseas executive visa. The class 413 visa, along with many other business visa classes, was replaced with effect from 1 August 1996 by several new visa classes.

These amendments will help the internationalisation of the Australian economy by facilitating the movement of highly skilled business executives and specialists into Australia. Senior foreign executives are typically brought to Australia because of their specialist skills and experience and have equivalent or greater retirement income arrangements in place in their home countries.

The amendments are expected to have a negligible financial impact and will take effect from 1 August 1996.

Full details of the amendments in the bill are contained in the explanatory memorandum circulated to honourable senators.

I commend the bill to the Senate.

CORPORATE LAW ECONOMIC REFORM PROGRAM BILL 1998

Today I introduce a bill to modernise the regulation of business and our financial markets.

The recently enacted reforms to the Australian financial sector, together with the wide ranging reform of Australia's corporate laws proposed under the Corporate Law Economic Reform Program, are a launch pad for this Government's drive to make Australia a centre for global financial services. This bill builds the framework for Australia's business regulation to foster economic development and employment. It provides key reforms to our laws in the areas of fundraising, directors' duties, accounting standards and takeovers.

In March 1997, the Government announced it was taking a new approach to corporate regulation under its Corporate Law Economic Reform Program. The objective of this Program is to promote efficiency in the Australian economy while facilitating market integrity and protecting investors from fraud, negligence or abusive market conduct.

In developing this new regulatory regime, the Government, in consultation with the business community and interest groups, is seeking to adopt a more flexible and efficient regulatory framework that can respond to market changes. It will permit market participants to adapt to challenges of technological developments, innovation and integration of the world's financial markets.

Before I detail the reforms in the bill, I should express the Government's appreciation for the contribution of all groups that have participated so actively in the reform program. In particular, the Business Regulation Advisory Group, chaired by Mrs Catherine Walter with representatives from key business groups, which was established to help the Government in the consultation process. In addition, I would like to thank the members of the Parliamentary Joint Committee on Corporations and Securities for their consideration of the bill.

Corporate Fundraising

This bill will improve the fundraising provisions of the Corporations Law to facilitate more efficient capital raising by Australian business.

A range of measures will be implemented to facilitate the raising of investment capital and reduce the high fundraising costs faced by Australian companies.

Prospectuses are often too long and complicated and can obscure information of interest to investors. Issuers frequently complain that they are forced to burden prospectuses with unnecessary information and that prospectus costs are too high.

The fundraising rules will be improved and costs reduced by:

. introducing short form prospectuses for retail investors with technical information contained in separate documents available on request;

. permitting investors in certain industries to be provided with a short profile statement containing key information rather than the full prospectus; and

. allowing companies to issue prospectuses in electronic form and distribute them through the Internet or other media.

It is also clear that uncertainty over liability for the content of prospectuses has added to the complexity and expense of fundraising and has detracted from the prime function of a prospectus to disclose relevant information to investors. The Government will clarify the potential liability of parties for prospectuses by providing that their liability is governed solely under the Corporations Law. Due diligence defences will be made available in all cases of fundraising where there is a positive duty to disclose information.

Facilitating Fundraising by Small and Medium Sized Enterprises

The cost of a prospectus can be excessive in light of the amount of capital small and medium sized enterprises (SMEs) seek to raise. This acts as a significant impediment to SMEs seeking public funds.

A new fundraising mechanism will allow an SME to raise a total of up to $5 million through the use of offer information statements (OIS). The OIS introduces simpler disclosure obligations. Bodies wishing to use an OIS will be required to state the purpose for which the funds are required, the risks involved and include a copy of its audited accounts. Investors will be warned of the risks of investing without a prospectus and the desirability of obtaining professional advice.

In addition, a prospectus will not be required if a person makes personal offers that result in securities being issued to 20 or fewer persons in a one year period, with no more than $2 million being raised. This will cut the costs faced by SMEs when making small scale offerings without exposing investors to unnecessary risks.

To facilitate SME fundraising, a company will be able to raise funds from sophisticated investors without preparing a prospectus in a wider range of circumstances.

Clarifying Directors' Duties

Effective corporate decision-making is hampered by legal uncertainties arising from the liability of directors for their actions. A business judgment rule will be introduced to provide directors with a safe harbour from personal liability in relation to honest, informed and rational business judgments. The rule will apply where an officer makes an informed decision in good faith, without a material personal interest in the subject matter of the decision and rationally believes that the decision is in the best interests of the company.

The objective of the rule is to protect the authority of directors in the exercise of their management duties. It is not designed to, and will not, insulate them from liability for negligent, ill informed or fraudulent decisions. The rule will not lead to any reduction in the level of director accountability, but will ensure that they are not liable for decisions made in good faith and with due care.

Directors will benefit from the certainty that the rule provides in terms of their liability as they will be encouraged to take advantage of business opportunities and not behave in an unnecessarily risk averse way.

To reflect modern business practices, directors will, where appropriate, be able to delegate functions to, and rely on advice and information provided by, other persons. The availability of an indemnity for legal actions and directors' liabilities in corporate groups will also be clarified.

Greater Accountability to Shareholders

A new 'representative' action will be introduced to enhance shareholders' rights to pursue an action on behalf of shareholders where the company is unable or unwilling to do so.

This new right of action will provide an incentive for management to exercise powers appropriately and for the benefit of shareholders. Safeguards will be introduced to ensure that company management is not undermined by unjustified or vexatious litigation. The court will need to be satisfied that proceedings brought on behalf of a company are appropriate in that there must be a serious case to be tried, the applicant must be acting in good faith and the action must be in the best interests of the company.

Making Accounting Standards More Useful for Business

Financial reporting requirements play an important role in Australian companies' ability to compete effectively and efficiently.

Accounting standards that are responsive to the needs of the Australian business community and investors have to be developed, thus ensuring that Australia maintains an informed and efficient capital market.

To bring an investor and business focus to the standard setting process, an advisory body, the Financial Reporting Council (FRC), will be established with membership drawn from peak professional, business and government organisations. The FRC will have broad oversight of the Australian accounting standard setting process. It will report to the Minister and provide advice on the effectiveness of accounting standards. As a result, the accounting standard setting process will become more responsive to the needs of preparers and users of financial statements.

A key role of the FRC will be to ensure that the Australian Accounting Standards Board is committed to, and works towards, adopting international standards having regard to what is taking place in major capital raising economies.

The FRC will report to the Government on the acceptance of international accounting standards in overseas capital markets, on the progress made by the International Accounting Standards Committee on developing a core set of international standards and on the International Organisation of Securities Commission's acceptance of those standards.

Streamlining Takeover Rules

The current takeover rules are complex and impose excessive costs on bidders and target firms. The bill reforms the current takeover legislation to make requirements simpler and clearer.

To facilitate a more competitive market for corporate control, a bidder will be able to exceed the takeover threshold (more than 20 per cent of the total voting rights in a company) through a new mandatory bid procedure before being obliged to make a general takeover offer.

The mandatory bid rule will provide two big advantages. First, by giving potential bidders the choice of which takeover method to employ, they are more likely to proceed with their bids, resulting in an increased likelihood of assets being used in their most productive way. Secondly, the mandatory bid rule will ensure that all target company shareholders will have the opportunity to sell their interest at a fair price and to benefit from the premium a bidder for control places on the securities.

The conditions generally applying to takeover bids will usually apply to mandatory bids. However, certain other conditions will also apply to mandatory bids to protect minority shareholders. For example, the conditions are designed to ensure that the mandatory bid complies with the equal opportunity principle—that target shareholders be given a fair opportunity to exit the company completely at a fair price.

Takeovers Panel

To address concerns with the current dispute resolution mechanisms for takeovers, the existing Corporations and Securities Panel will be reconstituted to become the primary forum for resolving takeover matters. The Panel will retain its existing jurisdiction to enforce compliance with the spirit of the Law. It will also be given jurisdiction to review decisions of the Australian Securities and Investments Commission (ASIC) on exemptions from the takeover rules given to corporations. All interested parties will be able to bring matters before the Panel, not just ASIC. Court proceedings in relation to a takeover bid or proposed takeover bid will not be able to be started until after the end of the bid period except on the application of ASIC or another public authority of the Commonwealth or a State.

Listed Managed Investments

Investors will also have the benefit of the takeover rules applying to listed managed investment schemes.

This program of reforms will ensure that Australia's corporate laws meet the challenges of the present and future marketplace in a forward thinking, responsible and innovative way. The reforms are designed to encourage free enterprise for the benefit of all Australians.

Parliamentary Joint Committee on Corporations and Securities

On 10 December 1998, the Senate resolved that the provisions of the bill be referred to the Parliamentary Joint Committee on Corporations and Securities for inquiry and report. The Committee released its report into the bill on 12 May.

In response to the Committee's report, the Government has foreshadowed that it will be moving amendments to the bill to implement almost all of the recommendations of the majority report and a number of the recommendations of the minority reports. The Government will also be moving a number of other amendments necessary to ensure that the stated policy objectives of the bill are appropriately met.

I commend the bill to the Senate.

TAXATION LAWS AMENDMENT BILL (No. 6) 1999

This bill makes amendments to the income tax law and other laws to give effect to the following measures:

Spectrum licences

The measures will implement the proposal announced on 11 March 1998 for a deduction to be allowed for expenditure incurred in acquiring a spectrum licence. The deduction will be allowed over the period of the licence.

The measures will also amend the law to ensure that Australia is able to assert its taxing rights over income from the use of spectrum where a spectrum licence is owned by a non-resident, including amending the International Tax Agreements Act 1953 and the definition of royalty to include payments for use of spectrum licences.

The amendments apply to licences obtained from 11 March 1998.

Technical amendments

Schedules 2, 3 and 4 contain a range of technical amendments to the rewritten income tax law to correct minor errors in translating the fine detail of the Income Tax Assessment Act 1936.

Schedule 5 includes in the Income Tax Assessment Act 1997, the rewritten education and training payments provisions of the Income Tax Assessment Act 1936 as amended by Taxation Laws Amendment Act (No.1) 1997 and the Social Security Legislation Amendment (Youth Allowance Consequential and Related Measures) Act 1998. It also closes off the Income Tax Assessment Act 1936 provisions.

Provisional tax uplift factor

This bill will also amend the way in which the provisional tax uplift factor is calculated. The amendments take account of a change in the presentation of the National accounts published by the Australian Bureau of Statistics which took effect for the September 1998 quarter.

Youth allowance and austudy payment

Schedule 7 contains amendments to correct a technical error which occurred in the Income Tax Assessment Act 1936 as a result of amendments contained in the Social Security Legislation Amendment (Youth Allowance Consequential and Related Measures) Act 1998. The amendments also ensure that the rewritten provision in the Income Tax Assessment Act 1997 is correct.

The amendments ensure that both youth allowance and austudy payments to full-time students are included in assessable income but subject to the beneficiary rebate, as intended.

Full details of the measures in this bill are contained in the explanatory memorandum circulated to honourable senators.

I commend the bill to the Senate.

NATIONAL HEALTH AMENDMENT (LIFETIME HEALTH COVER) BILL 1999

This Government is committed to ensuring a balance between the public and private health

sectors. This balance will ensure Australians have a level of choice as well as universal access to excellent health care.

We have demonstrated this commitment through recent reforms to private health insurance including, the introduction of the 30 per cent rebate and loyalty bonuses, the promotion of simplified billing and reforms to make the private health insurance industry more market responsive and flexible.

These reforms are based on a 1997 inquiry into private health insurance conducted by the Industry Commission and extensive consultation with consumer and industry groups.

Lifetime Health Cover is another major and important reform arising from this process.

This bill amends the National Health Act 1953 to introduce Lifetime Health Cover into private health insurance.

Under Lifetime Health Cover, health funds will be required to set different premiums depending on the age at which a member first takes out hospital cover with a registered health fund.

Lifetime Health Cover encourages people to join a health fund early in life and to maintain their membership and discourages 'hit and run' behaviour. All of which increases the stability of the industry and helps to contain the rising cost of health insurance premiums.

Under Lifetime Health Cover, people who take out hospital cover with a registered organisation before the age of 30 and maintain their membership will pay lower premiums throughout their lifetime relative to people who delay joining.

People who join after the age of 30 will pay a 2 per cent premium loading for each year that they delay joining.

The loading is capped at a maximum of 70 per cent above the premium payable by a person who joins at the age of 30.

To ensure a fair and equitable transition to Lifetime Health Cover, existing members of private health insurance who have hospital cover, no matter what their age, will be treated as if they had joined a fund by the age of 30.

People currently without private health insurance will be given the chance to join and pay the 30-year-old rate, irrespective of their age, in a twelve-month period of grace from 1 July 1999 to 30 June 2000.

Special provisions also apply to older Australians.

People born before 1 July 1934 can take out hospital cover at any time in the future without paying a loading for joining late in life.

If people in this age category choose to join a health fund, at any time, they will pay the same premium as a 30-year-old new member.

This Government recognises that people may need to discontinue their private health insurance membership for a period of time due to, for example, a change in income, or an overseas posting. Lifetime Health Cover, therefore, allows people a 24-month absence from private health insurance without a loading being applied to their premium when they return. An individual who is absent for more than 24-months and then returns to private health insurance will incur a loading of 2 per cent on top of their premium for every additional 12-months that they were absent from private health insurance.

This bill allows for regulations to be drafted to allow health funds to extend the allowed period of absence for individuals in special circumstances.

It also allows for the Minister for Health and Aged Care to determine that people in exceptional circumstances, who were unable to lock in the lower premium rate on 1 July 2000 due to proven hardship are to be given the base rate premium. Determinations of this kind will be made on an individual basis and regulations will specify the circumstances under which such a determination is able to made.

Lifetime Health Cover complements the major reforms to private health insurance already undertaken by the Government.

It delivers another important part of the Government's commitment to reform the private health insurance industry and to maintain the balance between the public and private health sectors.

STEVEDORING LEVY (COLLECTION) AMENDMENT BILL 1999

Waterfront reform is an essential element of the Government's efforts to improve the competitiveness of the Australian economy for the benefit of all Australians.

In 1998 the Government introduced a series of administrative arrangements designed to facilitate waterfront reform. Those arrangements included the provision of funds to assist stevedores to meet the cost of redundancies that resulted from the implementation of reform and restructuring in the stevedoring industry.

I am pleased to say that the program announced in 1998 has been an overwhelming success. This Government has succeeded in encouraging real and effective reform on the waterfront.

Since April 1998 over 800 people have taken redundancy packages from the stevedoring industry and there are more to come. The take up rate of redundancies has been even greater than we could have predicted when the program was announced.

Stevedoring companies across the country both large and small are all reporting the benefits of the Government's reform initiatives. The reforms that have been introduced have assisted stevedoring employers to address many of the key industrial relations issues within their workplaces, which have long stifled productivity. The resultant gains in terms of productivity and operational effectiveness will be consolidated as the restructuring spreads throughout the industry and is bedded down.

Much still remains to be done however and the Government remains strongly committed to assisting stevedores to introduce further reform. The Government remains equally committed to ensuring that the industry bears any costs associated with the introduction of the changes required, not the Australian taxpayer.

Let me now turn to the bill. Today I introduce the Stevedoring Levy (Collection) Amendment Bill 1999, which delivers on both of these commitments. This bill underpins the Government's commitment that the waterfront reform program would be funded by industry not the Australian taxpayer.

The bill increases the appropriation within the existing legislation from $250 million to $350 million. The additional funds will be used to meet the greater than anticipated cost of redundancies.

The increased appropriation will also ensure that there are sufficient funds available for stevedoring companies seeking to implement worthwhile non redundancy related reforms aimed at improving their operations.

These reforms could include the introduction of new technology such as electronic commerce; or new wharf facilities; occupational health and safety training programs aimed at reducing the rate of injury; or training programs aimed improving the employee's ability to use new equipment.

The Government will be assessing each proposal carefully, and will only agree to fund those reform initiatives which have objectives or outcomes that are consistent with the Government's seven waterfront reform benchmarks as the basis for continuing improvement.

This bill will allow this work to continue, by ensuring that the Government has the funds available to assist stevedores to complete their redundancy programs and implement other worthwhile projects, aimed at improving productivity and efficiency.

The Government has set the rate for the stevedoring levy by regulation at $6.00 per vehicle and $12.00 per container and it is not intended that this be changed. The period for collection of the levy will therefore be extended to raise the necessary funds. The Government believes that this approach provides the best outcome for the industry.

Conclusion

The Australian stevedoring industry has entered a new era in which employers are restructuring their operations with the aim of achieving world's best practice in productivity and reliability and offering a service that is internationally competitive.

The Government identified the reforms that needed to be addressed and provided the legal framework to facilitate these changes. This legislation underpins the administrative arrangements already in place and ensures that the vital reforms and restructuring which have commenced will continue.

TAXATION LAWS AMENDMENT BILL (NO. 5) 1999

The bill makes amendments to the income tax law and sales tax law to give effect to the following measures:

Sales Tax (Exemptions and Classifications) Act 1992

The bill amends the sales tax law to correct a deficiency relating to the exemption for goods incorporated into property owned by, or leased to, always-exempt persons or the government of a foreign country.

Access to the exemption will now be available only where the property is occupied principally by an always exempt person or the government of a foreign country or where the property is used principally for the provision of services to an always exempt person or government of a foreign country. The amendment applies to dealings after 2 April 1998, unless the goods concerned were acquired on or before 2 April 1998.

Arrangements treated as a sale and loan and limited recourse debt

These amendments were originally introduced as part of Taxation Laws Amendment Bill (No. 4) of 1998. The bill was passed by the House of Representatives and was referred to the Senate Economics Legislation Committee. The bill lapsed when Parliament was prorogued. Since that time the Government has consulted with professional and industry bodies. Consequently, several technical changes have been made to the legislation as originally introduced.

The bill will implement a measure announced in the 1997-98 Budget to prevent taxpayers obtaining deductions for capital expenditures in excess of their actual outlays. The measure will apply where the expenditure has been financed by hire purchase or limited recourse finance and the debtor does not fully pay out the capital amounts owing.

In those circumstances, an amount will be included in the debtor's assessable income to compensate for

excessive deductions that were allowed to the taxpayer based on the initial cost of the relevant capital asset or specified capital expenditure. The adjustment to taxable income will reflect amounts that remain unpaid when the hire purchase or limited recourse debt arrangement is terminated. The amendment applies to debts that are terminated after 27 February 1998.

Two major technical changes to the original bill are concerned with limited recourse debt. First, where a debt is terminated and refinanced on arm's length terms, payments of the terminated debt that are funded by a replacement limited recourse debt will be counted in calculating any adjustment to be made. This will allow investors to refinance assets without adverse tax consequences.

Secondly, debt will not be treated as limited recourse debt where the conditions of the debt and any associated security arrangements do not have a limiting effect, for example, where ordinary business debts are fully secured by a floating charge over the assets of a debtor (other than the financed asset).

Another amendment will treat taxpayers who finance assets by hire purchase as the owners of those assets for purposes of applying the various capital allowance deductions. Hire purchase and instalment sale transactions will be treated as the equivalent of sale, loan and debt transactions in assessing the taxation liability of the financier and the hire purchaser respectively. The amendment applies to arrangements entered into after 27 February 1998.

Full details of the measures in the bill are contained in the explanatory memorandum.

I commend the bill.

Debate (on motion by **Senator Quirke**) adjourned.

Ordered that these bills be listed on the *Notice Paper* as separate orders of the day.

AVIATION FUEL REVENUES (SPECIAL APPROPRIATION) AMENDMENT BILL 1999

CUSTOMS TARIFF AMENDMENT (AVIATION FUEL REVENUES) BILL 1999

EXCISE TARIFF AMENDMENT (AVIATION FUEL REVENUES) BILL 1999

First Reading

Bills received from the House of Representatives.

Motion (by **Senator Ellison**) agreed to:

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

Bills read a first time.

Second Reading

Senator ELLISON (Western Australia—Special Minister of State) (4.47 p.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

AVIATION FUEL REVENUES (SPECIAL APPROPRIATION) AMENDMENT BILL 1999

This bill amends the Aviation Fuel Revenues (Special Appropriation) Act 1988 to give effect to the Treasurer's announcement in his budget speech that there will be a small increase in excise and customs duty on aviation gasoline (avgas) and aviation kerosene (commonly referred to as aviation turbine fuel or avtur) from midnight 11 May 1999.

The additional duty raised will address a shortfall in industry's contribution to aviation safety programs and will help maintain air traffic control services at regional and general aviation airports.

The bill is one of a package of three bills which give effect to the Government's decision. The other bills are the Excise Tariff Amendment (Aviation Fuel Revenues) Bill 1999 and the Customs Tariff Amendment (Aviation Fuel Revenues) Bill 1999.

Customs and excise duties on avgas and avtur are levied under the Customs Tariff Act 1995 and the Excise Tariff Act 1921. The money raised by these duties is then appropriated under the Aviation Fuel Revenues (Special Appropriation) Act 1988.

The Excise and Customs Tariff Amendment Bills increase the rates of duty on avgas and avtur to 2.71 cents per litre. The duty on aviation gasoline will still be 15.8 cents per litre lower than it was when the Government took office in 1996.

The increase comprises an increase of 0.467 cents per litre for the duty on avgas and 0.391 cents per litre for the duty on avtur, which brings both rates of duty to 2.2 cents per litre for appropriation to the Civil Aviation Safety Authority (CASA).

The new rate also includes a temporary surcharge on avgas and avtur of 0.51 cents per litre to offset the Airservices (Location Specific Pricing) Subsidy. The surcharge is limited to two years and will be reviewed before the two year period ends.

CASA has produced a negative operating result for the past two years. The increase in duty will

address this by raising an additional $8.6 million per annum.

The rates of duty on avtur and avgas were identical until November 1995 when avgas reverted to the July 1995 rate due to a technicality. The rates will now be brought back in line.

The Government has provided a subsidy to Airservices Australia to enable it to maintain reasonably priced tower services at regional and general aviation airports. The current subsidy of $13 million, comprising $11 million for 1998-99 and $2 million 1999-2000, will be boosted by an additional $9 million for 1999-00 and $7 million for 2000-01. This will bring the total subsidy to $29 million.

The subsidy will be administered by the Department of Transport and Regional Services to ensure that the payments to Airservices are sensibly managed and to achieve the Government's objectives.

The bill expands the definition of 'eligible aviation fuel' to include aviation kerosene from 12 May 1999 in addition to aviation gasoline. This will enable avtur to be treated the same way as avgas under the principal act.

The bill also repeals requirements for mandatory consultation with the boards of CASA and Airservices in relation to setting the 'statutory rate' and on setting the respective shares of revenue between CASA and Airservices. Determining these matters is ultimately a Government responsibility and legislated consultation is not appropriate. However, I will continue to consult with the boards of CASA and Airservices as appropriate.

To enable the new arrangements to take effect from 12 May 1999, the bill provides for an adjustment to be to the amounts payable to CASA in relation to overpayments collected during the interim period, between 12 May and the commencement date, once the bill receives the Royal Assent.

The increase will make an important contribution to ensuring Australia's skies remain safe and the industry can afford to pay for control towers at regional and general aviation airports.

CUSTOMS TARIFF AMENDMENT (AVIATION FUEL REVENUES) BILL 1999.

The Customs Tariff Amendment (Aviation Fuel Revenues) Bill 1999, which is now before the chamber, contains amendments to the Customs Tariff Act 1995. It implements increases in customs duty on aviation kerosene (avtur) and aviation gasoline (avgas) that were announced by the Treasurer in his Budget speech. These increases are operative from the twelfth of May 1999.

The new rate of duty on both avtur and avgas will be $0.0271 per litre. A portion of the increase will be directed to the Civil Aviation Safety Authority (CASA) to fund its role of fostering air safety regulation in Australia. The remainder of the increase will defray the government's subsidisation of Airservices Australia operations at a number of control towers at regional and general aviation airports.

An increase in the customs duty of 0.391 cents per litre on avtur and 0.467 cents per litre for avgas will be assigned to CASA. It is estimated that the increases on Aviation fuels attributable to CASA will raise $8.6 million per annum in combined excise and customs duties.

An additional increase of 0.51 cents per litre on both avtur and avgas will off-set the government's subsidisation of Airservices. It is expected to raise $11.1 million per annum in combined excise and customs duties.

I commend the bill.

EXCISE TARIFF AMENDMENT (AVIATION FUEL REVENUES) BILL 1999

The Excise Tariff Amendment (Aviation Fuel Revenues) Bill 1999, which is now before the Senate, contains amendments to the Excise Tariff Act 1921. It implements increases in excise duty on aviation kerosene (avtur) and aviation gasoline (avgas) that were announced by the Treasurer in his Budget speech. These increases are operative from the twelfth of May 1999.

The new rate of duty on both avtur and avgas will be $0.0271 per litre. A portion of the increase will be directed to the Civil Aviation Safety Authority (CASA) to fund its role of fostering air safety regulation in Australia. The remainder of the increase will defray the government's subsidisation of Airservices Australia operations at a number of control towers at regional and general aviation airports.

An increase in the excise duty of 0.391 cents per litre on avtur and 0.467 cents per litre for avgas will be assigned to CASA. It is estimated that the increases on aviation fuels attributable to CASA will raise $8.6 million per annum in combined excise and customs duties.

An additional increase of 0.51 cents per litre on both avtur and avgas will off-set the government's subsidisation of Airservices. It is expected to raise $11.1 million per annum in combined excise and customs duties.

I commend the bill to the Senate.

Debate (on motion by **Senator Quirke**) adjourned.

A NEW TAX SYSTEM (CLOSELY HELD TRUSTS) BILL 1999

A NEW TAX SYSTEM (ULTIMATE BENEFICIARY NON-DISCLOSURE TAX) BILL (No. 1) 1999

A NEW TAX SYSTEM (ULTIMATE BENEFICIARY NON-DISCLOSURE TAX) BILL (No. 2) 1999

First Reading

Bills received from the House of Representatives.

Motion (by **Senator Ellison**) agreed to:

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

Bills read a first time.

Second Reading

Senator ELLISON (Western Australia—Special Minister of State) (4.48 p.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

A NEW TAX SYSTEM (CLOSELY HELD TRUSTS) BILL 1999

This bill will amend the Income Tax Assessment Act 1936 and associated tax laws and impose tax specifically so as to ensure that, broadly speaking, the trustee of a closely held trust with a trustee beneficiary discloses to the Commissioner of Taxation the identity of the ultimate beneficiaries of certain net income and tax-preferred amounts of the trust. This disclosure must occur within a specified period after the end of the year of income.

Where the trustee of the closely held trust fails to correctly identify the ultimate beneficiaries within the specified period, the measures specifically impose tax at the top marginal rate plus the Medicare levy in the case of net income. In the case of tax-preferred amounts such a failure produces offences under the Taxation Administration Act 1953.

Where there are no ultimate beneficiaries of net income of the closely held trust, the measures specifically impose taxation at the top marginal rate plus the Medicare levy.

The amendments form part of the Government's tax reform package and apply to present entitlements created after 4.00 p.m. on 13 August 1998.

Full details of the measures in this bill are contained in the explanatory memorandum circulated to honourable senators.

I commend the bill to the Senate.

A NEW TAX SYSTEM (ULTIMATE BENEFICIARY NON-DISCLOSURE TAX) BILL (NO. 1) 1999

The background to this bill was detailed in my second reading speech of the A New Tax System (Closely Held Trusts) Bill 1999.

This bill imposes taxation at the highest marginal rate plus Medicare levy where trustees fail to correctly identify ultimate beneficiaries of net income of the trust.

Full details of the measures in this bill are contained in the explanatory memorandum circulated to honourable senators.

I commend the bill to the Senate.

A NEW TAX SYSTEM (ULTIMATE BENEFICIARY NON-DISCLOSURE TAX) BILL (NO. 2) 1999

The background to this bill was detailed in my second reading speech of the A New Tax System (Closely Held Trusts) Bill 1999.

This bill imposes taxation at the highest marginal rate plus Medicare levy where there are no ultimate beneficiaries of net income of the trust.

Full details of the measures in this bill are contained in the explanatory memorandum circulated to honourable senators.

I commend the bill to the Senate

Debate (on motion by **Senator Quirke**) adjourned.

IMPORT PROCESSING CHARGES AMENDMENT (WAREHOUSES) BILL 1999

CUSTOMS AMENDMENT (WAREHOUSES) BILL 1999

First Reading

Bills received from the House of Representatives.

Motion (by **Senator Ellison**) agreed to:

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

Bills read a first time.

Second Reading

Senator ELLISON (Western Australia—Special Minister of State) (4.49 p.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

IMPORT PROCESSING CHARGES AMENDMENT (WAREHOUSES) BILL 1999

This bill is the second in the package ensuring goods that enter into what is known as an MIB warehouse and are subsequently exported do not pay fees and charges otherwise payable to Customs for processing entries.

The bill imposes a charge for processing entries made for goods that move from an MIB warehouse into Australian commerce.

This means these goods have to pay the same fees and charges as goods imported into Australia through a general warehouse have to, as well as of course the relevant customs duty and sales tax ordinarily payable on imported goods.

However, goods exported from an MIB warehouse do not have to pay these charges.

Whilst keeping the maximum amount payable for processing various types of entries in the act itself, the amendments proposed in this bill will also allow the Regulations to make changes to Customs fees and costs structure so it can provide flexibility in meeting emerging industry requirements.

This flexibility will remove the rigidity in the current structure and enable cost recovery charges to be adapted more easily in the future to meet government initiatives and other changed circumstances.

The changes contained in the bill are to commence from 29 April 1999, the date the Government announced this initiative.

CUSTOMS AMENDMENT (WAREHOUSES) BILL 1999

In December 1997, the Government announced in the "Investment for Growth" industry statement that it proposed to introduce schemes designed to make Australia more attractive as a site for regional manufacturing and warehousing.

One such initiative announced in 1998 was a scheme to encourage manufacturing activities in bond called MIB warehouses.

However, up until now, operators of MIB warehouses were subject to import processing charges and fees that were introduced in 1997 to recover the costs incurred in processing what are known as "customs entries".

Currently, a charge applies to entries lodged to allow imported goods to be moved into, and, if goods go into Australian commerce, out of warehouses.

Industry has claimed that these charges and fees make the operation of MIB warehouses uneconomic, and serve as obstacles to attracting international manufacturing and investment to Australia.

The Government has responded to representations by industry and is addressing the problems through the amendments to the Customs Act proposed in this bill.

If goods are imported into MIB warehouses, and manufactured goods are exported, no customs duty, fees or charges would be paid on goods entering or leaving the MiB warehouse.

The changes contained in the bill are to commence from 29 April 1999, the date the Government announced this initiative.

Debate (on motion by **Senator Quirke**) adjourned.

TELECOMMUNICATIONS (CONSUMER PROTECTION AND SERVICE STANDARDS) BILL 1998

TELECOMMUNICATIONS LEGISLATION AMENDMENT BILL 1998

TELSTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 1998

TELECOMMUNICATIONS (UNIVERSAL SERVICE LEVY) AMENDMENT BILL 1998

NRS LEVY IMPOSITION AMENDMENT BILL 1998

In Committee

Consideration resumed.

TELSTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 1998

(Quorum formed)

The CHAIRMAN—The question is that schedule 2 stand as printed. We are dealing

with Greens (WA) amendment No. 5 on sheet 1267.

Senator MARGETTS (Western Australia) (4.52 p.m.)—I would like to respond briefly to the comments made by Senator Allison in relation to the Democrat objection to my amendment 5. The reason I want to respond is to explain why the inclusion of a so-called social bonus in relation to the sale of a further part of Telstra is inappropriate. We have seen a number of statements by this government over time in relation to bonuses. We heard, leading up to the 1996 election, all sorts of statements in relation to the bonuses to the environment. What is the reality in that case for the environment? The reality is that the government of course pulled money out of the environment fund—and we have seen a huge drop in total environment funding—so all it was doing was basically using the sale of a public asset as a means of removing support for the provision of other services.

I have just received a letter from the Communications, Electrical and Plumbing Union—the CEPU—who want to talk about the Rural Transaction Centres Program and the sale of Telstra. I will quote from the letter where they are talking about the decline of rural banking services and in Australia Post outlets:

> In this light we are concerned at recent statements concerning the Rural Transactions Centre Program and its connection to the further sale of Telstra. While the notion of re-establishing basic services such as banking, telecommunications, post and Medicare services in rural areas is laudable, this union fears that key aspects of the RTC program could in fact see a further reduction in services to these areas.

This is not just a fanciful statement when you look at what happened to the environment program. We objected of course—as many people did—to the fact that you could pick out something that many people support, like a better standard for the environment, and make it contingent on the further sale of part of Telstra. But here we have it again in relation to the provision of social services or the so-called social bonus. I do not believe this government when they indicate that, somehow or other, this is something extra. What I believe is that they will do what they have done before and consider these as optional and only contingent on further sales of assets, such as perhaps the next chunk of Telstra, so I do not wish to give the government credibility on this.

It is not a matter of giving the government pats on the head when they have done something good; I believe it is a further justification for doing what they are doing and what they will be doing in the future. It is not even a matter of making this bill acceptable, as the ALP has indicated in relation to some amendments. It is a matter of justifying the con that we saw in relation to the first tranche of Telstra, which has—quite clearly and demonstrably—simply been an excuse for pulling out funding from areas that most Australians think are important, and quite clearly the government can be shown in the Senate and in the budget papers to have done so.

Here we have a situation where perhaps we are making these important services dependent on this and further sales of Telstra, and therefore the funding for those issues simply falls off if there are no further sales of such assets coming. So it is not just a slip of the mind by the Greens (WA) in not including that contingent on the sale of Telstra. We believe that those issues are things that the community does believe governments have a responsibility to fund. They should not be contingent on the sale of Telstra because, as has clearly been demonstrated, the ongoing revenue from the sale of Telstra and other public assets could in fact be used for the provision of these kinds of services and it does not require the sale to justify these services.

Senator ALLISON (Victoria) (4.56 p.m.)—I want to put some questions to the minister at this point about the social bonus package. I note that the minister's press release of 8 March talks about $150 million in funding which is going to install telecommunications infrastructure for untimed local call access to 37,000 families and households who live in outer extended zones in remote Australia and to replace the pastoral call with a much fairer preferential call rate. I want to ask the minister whether this addresses the criticism which was put by the Isolated Children's Parents Association, who said in their submis-

sion that isolated families feel as though they have been slighted by the government's social bonus package.

The association will not accept the 'ageing Telstra' argument that the provision of untimed local calls within an extended zone between neighbouring extended zones and to local service towns will cause excessive congestion. It says Telstra have never produced documentation to support their argument. It says isolated families living in the outer extended zone will receive very little benefit from this social bonus; they will still have timed calls to their service town, their School of Distance Education, their children boarding at the local boarding facilities, their local doctor, their local banks and their local Internet provider. The list goes on to include virtually every service and social contact that is accessible untimed to their urban counterparts. The association says:

This is not a cost issue—

and it goes on to say—

the issue is one of equity, of comparable benefits, of implementing and enforcing solid legislation reassuring isolated rural/remote dwellers that their interests can be protected by the universal service obligation and that they need not fear further privatisation and sale of Telstra.

I wonder at this point if the minister could respond to that criticism.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (4.58 p.m.)—The provision of up to $150 million to provide untimed local calls in remote Australia is a huge breakthrough. Until now there were very significant areas of land occupied by a relatively small number of people who were simply required to pay for long distance calls—and indeed often even the preferential rate was only, I think, four minutes for 25c—and Telstra always ran this argument that, if you were to somehow do what we are now proposing to do, that would clog up the system. We therefore made that money available in order to put the hardware and infrastructure in place so that Telstra does not have that threshold argument to run.

But if you were to go further than that and to effectively advocate, as Senator Allison's quotation seems to do, that there should be local calls between extended zones, you would be effectively ripping up the whole notion of call zones. You would be having calls that might be 1,000 or 2,000 kilometres apart but, because they happen to fall between two defined extended zones, they would become a 25c untimed local call. Whilst there are those who would argue quite radically that the true cost of calls does not come close to the actual calling rate, it is a big step to argue that you should effectively treat Australia as one local call zone, or that you should treat states as one local call zone or large areas of sparse population as one call zone.

Whilst the transmission cost, once the equipment is in place, may be not nearly as high as it is now, the fact is that the rollout is what often costs a lot of the money. Certainly, you defeat the whole notion of call zones if you are able to convert two extended zones into one local call zone. You would certainly do away with the notion of community calls and even a preferential rate. People who were 50 kilometres outside the metropolitan area would say, 'This is ludicrous. Why shouldn't we have a local call rate when people who are thousands of kilometres away from each other in extended outer zones are able to have local call rates?' The cascading effect of that sort of comparative justice would cause the collapse of the whole zoning system. What we have done is to make it, we think, a lot fairer. That is quite some distance away from arguing that there should not be any zones at all. From what I heard of your proposal, that is getting pretty close to it.

Senator Allison—Minister, it is not my proposal.

Senator ALSTON—The one you were quoting.

Senator SCHACHT (South Australia) (5.02 p.m.)—The reason I rise to speak—

Senator Alston interjecting—

Senator SCHACHT—Listen, bonehead, you are doing about as well as Collingwood are at the moment, footballwise.

Senator Alston—There can only be one reason why you're here, and that's to fill in time.

Senator SCHACHT—To try to fill your head in would be a better description, Minister. It is so vacuous at the moment. There are two matters to raise but if the minister keeps provoking me I will think of 25 issues to raise. I will not do so: I will just stick to the two issues. One relates to call zones. The minister responded to Senator Allison on the basis of a suggestion that the Democrats may have made or alluded to that you get rid of all call zones. There is no doubt that there are some areas in Australia—and the technology is making it available—where the cost of the present structure of STD call zones should be rapidly moving in favour of the consumer.

One thing I want to put on record here—unfortunately, Senator Harradine is not in the chamber—is that in the deal that he has done with the government in getting extra funding for everything that apparently moves and does not move in Tasmania the one thing I have not seen in the press is his taking up the suggestion that we made at the last election to have all of Tasmania included as one local call zone. Obviously that proved very popular in Tasmania. We won five seats out of five and we won three senators out of six. It was the worst Liberal Party result, I think, since 1972 or 1974. That was a regional development issue for Tasmania. Of course, we know that Eric Abetz was helping us all the time, just by being there.

Senator O'Brien interjecting—

Senator Mackay—Jocelyn was handing him back.

Senator SCHACHT—The help from my Tasmanian colleagues I cannot ignore. It is true that the quality of the Liberal Party in Tasmania did help us significantly in winning the five seats and at least half the Senate seats for Tasmania. The minister may correct me: Senator Harradine may have this on the list and you may have agreed to it. But for all the individual lumps of money that he has got for Tasmania—there is investment overwhelmingly in capital equipment, in one-off projects and in improving the infrastructure for expansion of the Internet and so on—everybody in Australia knows that the fundamental issue about getting people access to the new forms of communication overwhelmingly is the cost, the charging rate. From what we were able to calculate, if the whole of Tasmania became one local call zone it would cost Telstra, in revenue, no more than $25 million a year, from a revenue of $17 billion. We saw this as a way of encouraging economic and regional development for the whole of Tasmania by reducing the costs, in particular, of small business in Tasmania doing their business within Tasmania.

As the minister represents small business in the chamber, I thought that might have resonated with him a little. This is not a large amount of money. When we did our calculation and announced it, I did not see the minister throwing hand grenades or bombs at it as a crazed idea: he just ignored it. I did not see any announcement from Telstra that this would send them broke and that it was a terrible decision on their charging system. I hope I can stand to be corrected, that this is the one thing that Senator Harradine may have got for Tasmania—that is, the abolition of the STD charging zones, that a phone call from anywhere to anywhere in Tasmania will be at the untimed rate of 25c per call.

If Senator Harradine has not got that on his agenda to negotiate with the government, I think he has given Tasmania away very cheaply. This is not a one-off amount that is paid and then disappears: it is $25 million a year for this year and every year thereafter. Every year thereafter there is a significant reduction in communication costs in Tasmania. I am more than a little surprised why Senator Harradine would not put this on the agenda and demand that this be the fundamental benefit that Tasmania would get. He knows how popular this is in Tasmania. He knows that the opposition is still committed to this policy.

In the first shadow ministry meeting held in Tasmania after the election, the first policy that Kim Beazley, on behalf of the Labor Party, recommitted us to for the next election was turning Tasmania into one local call zone. It was very popular policy in Tasmania, and it is extremely important for the economic development of Tasmania to get their cost structure down. I have not yet seen all the

details of the deal, but I find it extraordinary that Senator Harradine would have missed this one on the way through. If he had forced it out of you, we may have ground our teeth a little and showed some chagrin that our excellent idea had been taken over by Senator Harradine, but at least the Tasmanian people would have got what undoubtedly would have been an improvement in their communications costs.

Minister, through Telstra, all the regulatory organisations and your own department you have access to more information than all the rest of us on this side, and you know as well as we do that the cost per unit of making a call from anywhere in Australia is rapidly coming down. The real issue is: who is going to benefit from cheaper calls—the shareholders you want to take over the company or all Australians, the whole 18 million? The best way to provide them with cheaper calls is to ensure that the present inherited structure of STD call zones, which has been around now for nearly 30 years, changes. It should not be used as a way of gouging profits out of people in regional Australia to go into the bottom line of Telstra. We want some benefit to go back to the consumer.

The technology has changed rapidly in only the last three or four years to allow this to occur. We do not mind that the Australian people get the benefit. That is why we are in favour of full public ownership of Telstra. Even if they were making some excess profit at the consumer end, it would always come back to the consumer as a dividend to the government which would be reinvested in Australia. With your policy of privatisation you will get 16 per cent out of Senator Harradine. We believe you have to get serious about ensuring that all the telecommunications consumers, particularly in regional Australia, start getting the benefit of what technology can provide in calls around Australia. Although we may not yet be able to agree with some suggestion that the whole of Australia should be one local call zone, there is no doubt that if technology and switching equipment continue to develop at the present pace, the cost of making calls from anywhere to anywhere in Australia will be extremely cheap indeed and those benefits should be available to all consumers.

Senator ALLISON (Victoria) (5.11 p.m.)—I want to follow up my first question. Minister, I was not asking that untimed local calls be available across Australia, although like Senator Schacht I agree it is time we had a good look at that—it ought to be affordable. My question is specifically about rural and remote dwellers. The ask from the Isolated Children's Parents Association—again, I think it is reasonable—was that rural remote dwellers have untimed local calls within the customer's extended zone. That is not anywhere in Australia but between neighbouring extended zones and between their extended zones and their nearest service centre. We are not asking for all calls everywhere to be untimed; simply, we are asking for some of the benefits which those who live in rural areas enjoy over and above isolated dwellers. That was my point.

There are such generous parts of this package for things like continuous mobile phone coverage along 11 of the nation's busiest highways, which again I would argue is of more benefit to urban dwellers, people who travel from city to city and those people in the not so remote regional areas. This is not going to benefit people who are a long distance from any sort of centre. I would argue that we have very generous telecommunications packages for people who already have reasonably good access, but not for this very important group of people for whom the costs of, and the lack of, telecommunications services are really serious problems. I ask the minister for his comment on my first remarks.

The next point in the submission is that the telephone rebate scheme does not address the legislated right of the majority of people who live and work in remote rural areas, unless they personally are the registered subscribers on the phone line on which they make their calls. There are many families in remote areas with children in distance education who will still pay full STD rates to contact their teacher.

The government has accepted Telstra's preferred model of providing a comparable benefit to untimed local calls instead of

listening to the people who live in remote rural areas. No other people in Australia have a cap on their local call expenditure, so why should these residents be any different? Many of these isolated remote rural residents are women who through necessity teach their children via distance education. They can be caring for children with disabilities or medical problems and ageing family members, and are not the actual subscriber on the phone. So they do not receive a rebate and hence no untimed local call, as remote rural residents are experiencing.

It is very important that there can be networking between residents. They should know that they are not alone but are supported in their isolation and need for contact. And they should not have to worry about incurring a high expense. It should be at an untimed local call rate. Minister, can you respond to those very important pleas in this submission from the Isolated Children's Parents Association?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.14 p.m.)—I am not sure that I fully understand the point but, to the extent that your concerns about distance education revolve around children being able to have access to the Internet at local call rates, the $36 million that we are providing will do just that. In other words, everyone in Australia will have the capacity to hook onto the Internet at local call charges. Indeed, I give credit to Senator Boswell for squeezing the last $11 million out of us on that front to ensure that it was a truly universal scheme. Beyond that, if you are arguing that people in remote areas should simply be able to make local calls irrespective of where the call is, I am afraid that goes against the logic of zones. I am not sure where you draw the line. We certainly have gone a considerable distance in providing this latest capacity, but I am not sure how much beyond that you go, short of effectively abolishing all the zones.

Senator ALLISON (Victoria) (5.15 p.m.)—I will go through it again. I was not talking about abolishing all the zones. The request is that isolated people in remote areas have untimed local calls within the customer's extended zone, between neighbouring extended zones, and between their extended zones and their nearest service centre. We are not talking about the whole country; we are just talking about a fairly limited area within which these people are saying they should have untimed calls.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.16 p.m.)—Within extended zones they do get a local call charge. To the nearest community service town they get the preferential rate, which is now 12 minutes for 25c, as opposed to four minutes under the old community rate. I find it very difficult to accept the proposition that you need to spend more than 12 minutes on the phone to a community service town. If it is an emergency call, you certainly do not have time to spend more than 12 minutes on it. If you cannot accomplish your business with your community service town, which is in theory at least meant to be the place where most of the tradespeople you deal with are located, it greatly puzzles me to think you would argue that you effectively need—

Senator Schacht—What is the cost of the 12-minute call on average?

Senator ALSTON—It is going to be a lot more than 25c, presumably. This is a concessionary rate because otherwise it would be a long-distance call. Traditionally, it has been regarded as a community call, which is four minutes. We are extending a four-minute—

Senator Schacht interjecting—

Senator ALSTON—There was previously a community call rate of 25c every four minutes. Now it is 12 minutes. Given that the average local voice call is still only three to four minutes, I cannot possibly see why that is not effectively an untimed local call. They are getting an untimed local call within the zones and effectively one to the community service town.

Senator ALLISON (Victoria) (5.18 p.m.)—Picking up on the minister's remarks from a moment ago about the Internet: to what degree will the network of rural transaction centres meet the needs of people in remote areas? I do not know how many of these centres there are going to be in this $70

million initiative, but will they be outside regional centres? It seems to me that this does not offer a great deal to those remote families who depend on longer calls. I will just mention an example of one of their needs, that is, for children to talk with distance education teachers. People in remote areas need better access—and many of them do not have access at all—to Internet services because of their isolation.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.19 p.m.)—The Rural Transaction Centres Program will involve funds being made available to help small communities establish their own centres providing access to basic transaction services, such as banking, postal services, Medicare easy claim facilities, phone and fax. Rural communities with populations of up to 3,000 are eligible for assistance. However, the program is also open to other towns with a strong case. My recollection is that in the order of 500 places are likely to benefit, but the actual detail will be developed by Senator Macdonald as the Minister for Regional Services, Territories and Local Government. Beyond that, I do not think I can give you any more precise numbers.

Senator SCHACHT (South Australia) (5.20 p.m.)—I wonder if I can get an answer about whether you had any consideration from Senator Harradine about turning Tasmania into one local call zone. Senator Bishop has just reminded me that in the package announced by press release yesterday Tasmania got $150 million all up, out of one bill. By our calculation at the last election, which no-one has disputed, we would say to all Tasmanians that turning Tasmania into one local call zone would mean $25 million in total per annum. Within six years that amount would reach the $150 million under your program and after that there would be a net saving. That is the point we wish to make. I am surprised that Senator Harradine has got individual amounts of money out of you—squeezed you very hard—but, in the end, a bigger benefit for all Tasmanians would be to have Tasmania turned into one local call zone.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.21 p.m.)—That clearly is not Senator Harradine's assessment of the situation. It is not a proposal that has been seriously considered in any of our discussions. In fact, I remember when this was put on the table during the election campaign. Indeed, it was accompanied by an outrageous proposition from Mr Beazley, put out selectively in a local press release, that residents of Mandurah—which just happened to be in his electorate—would also get local call charges. Talk about selective treatment! I do not know by what logic that could be extended to Tasmania, other than, as Senator Schacht quite ingenuously says, 'It helped us win two seats.' That was presumably about the only logic involved; otherwise it was an outrageous preference for a particular group or location. How you would resist—

Senator Schacht—What are you doing now?

Senator ALSTON—Do you want the answer to your question? What we are doing now is offering a package of benefits that will be enormously more beneficial to creating the right infrastructure and the right educational, economic and social benefits for Tasmania to turn it into an intelligent island. I do not see what is particularly intelligent about giving one group of the population local call rates that no-one else gets, simply because they have a couple of marginal seats on offer. That is basically your logic. That did not appeal to us, I have to say. When you announced it at the time, I saw it as the death knell for your performance and, quite clearly, it was. But it was not something we were going to emulate and I do not think anyone else has seriously emulated it since.

If you want a further testimonial, look at what Premier Bacon had to say in the papers today. He welcomed it as a very constructive package for Tasmania. So whilst you might have thought it was very smart politics to pick up a couple of marginal seats, everyone else obviously saw it for what it was: a grubby little bribe that was trotted out at a moment in time when you did not think you were going to win anyway but you managed

to con a couple of people in a few marginal electorates in Tasmania. We are much more interested in taking a national approach to these issues. If you are serious about reforming call zones, you do not do it by looking at where the marginal seats are and you do not do it by preferring one state ahead of all the others; you do it on a logical, rational basis. And I have not heard any evidence that you even understand what that means.

Senator SCHACHT (South Australia) (5.23 p.m.)—I now wish to turn to something that was raised in estimates two weeks ago and to which I again wish to draw the Senate's attention. On 26 and 27 May the minister said that there were no plans to close any call centres in Australia and that Telstra's plans are to grow the call centre business. Yet at the Senate estimates hearing I was able to provide evidence, which the staff from Telstra did not in any way disagree with, that the Adelaide and Brisbane MobileNet centres would be significantly changed in the way they operated, that the employment levels of the staff would be turned from permanent to temporary and casual and that there was no guarantee that a number of call centres in my own state of South Australia would all be maintained. The best we got from Telstra was that they hoped they would be maintained at such places as Murray Bridge, Mount Gambier, Kadina and Port Pirie—just to name some of them. Minister, where are we at with your promise in late May that no call centres would be closed when, in the estimates, Telstra quite honestly—and I congratulated them on their honesty—could not give that guarantee?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.25 p.m.)—If ever we needed evidence of a filibuster, we have just had it. This line has got nothing whatsoever to do with anything that is before the Senate. You paddled around on this for about three quarters of an hour in estimates and you got nowhere. You consistently want to run the line that somehow call centres are a downgrading of employment opportunities when you well know they are one of the big growth sectors. But your union mates keep telling you they are sweatshops so you trot out the party line. It has nothing to do with the price of fish, let alone this bill. It is simply demonstrable evidence that you have been sent in here to fill in time.

Senator SCHACHT (South Australia) (5.26 p.m.)—Minister, I mention the MobileNet centre in Brisbane in particular as one which would have its staffing conditions changed, according to evidence given by the Telstra staff at estimates. Also, in view of the fact that I understand that Senator Colston has made some remarks that he wants to ensure that employment with Telstra in regional Queensland is not adversely affected, does your statement in late May guarantee Senator Colston and Queensland that all existing call centres, including the 013 regional call centres, are going to be maintained at the present level of employment?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.27 p.m.)—We are currently debating an amendment to omit all of schedule 2. Senator Schacht is intent on introducing red herrings for the purpose of delay, and I do not propose to go along with him and play that game.

Senator SCHACHT (South Australia) (5.27 p.m.)—I am aware that we are debating schedule 2 of the bill, which is a significant part of the bill to further privatise Telstra. One of the fundamental issues in the community, Minister, which you may be absolutely deaf to, is that there is a substantial majority of Australians opposed to any further privatisation of Telstra because, when you use the word 'privatisation', to them it means reduced services and lost jobs, particularly in regional Australia. You gave an assurance in the Senate in late May that jobs would be protected in call centres, irrespective of the privatisation process. That is why I am asking you now, when you have apparently reached a deal with Senator Colston and Senator Harradine to sell a further 16 per cent, whether your promise of 24 and 26 May still stands—that there would be no job losses in the call centres with the 16 per cent privatisation. That is what I raised in estimates. That is what I raise here. It is absolute-

ly part of the debate we are now having on this schedule and on other clauses of this bill.

Senator MACKAY (Tasmania) (5.28 p.m.)—I want to carry on from comments made by Senator Schacht. Minister, we might get more specific and not just talk about South Australia but perhaps talk about Tasmania in relation to the call centres. I want you, if you would, to give some indication to the Senate that there will be no diminution of employment in the call centres in Tasmania into the future—along the lines of the commitment that you gave previously that Senator Schacht has alluded to. Would you also give us a commitment that the directory assistance call centres in both Hobart and Burnie will not be either closed or casualised, given that there are a number of full-time staff there at the moment? We understand—and you are the minister and you may be able to clarify this for us—that there is a desire by Telstra, as Senator Schacht indicated, to centralise these sorts of operations. It is utterly germane to the argument and the discussions we are having now. I ask you those two questions: will the directory assistance call centres in Hobart and Burnie remain under current staffing levels, and will they remain open?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.30 p.m.)—This is even more outrageous. Senator Mackay well knows, because we canvassed it before lunch, that not only has Vodafone established a brand-new call centre there with the potential for hundreds of jobs but also something like 2,500 jobs have been committed to Tasmania by way of call centres in the last year or two. We are talking about a huge growth area, and you have the cheek to get up and ask me about the likelihood of reductions in employment in relation to call centres. The matter under debate at the moment is whether the social bonus provisions and provisions enabling the sale of Telstra shares beyond one-third should be omitted from the bill. The questions that I have been asked have got nothing to do with that, and I have got nothing to add.

Senator MACKAY (Tasmania) (5.31 p.m.)—Let us do a quick summation of where we are at in relation to the questions that the minister will not answer specifically on Tasmania, and Senator Bishop and Senator Schacht can outline their own. We currently have a situation whereby you, Minister, will not provide us with adequate information on staffing levels in Tasmania. We have a situation where you have refused to rule out 60 redundancies post the magic 30 June date in terms of the operational staff. We have a situation where you have refused to rule out a potential further 30 redundancies in the data purity area in Tasmania.

And now we have a situation where you have refused to rule out closure or diminution of the Telstra call centres, the directory assistance call centres in Hobart and Launceston in Tasmania. That is where we are at. You have not answered a single one of the issues that we have raised. I just want to say that so everyone understands where we are in relation to that.

Let us move on to another part of the deal with Senator Harradine which we traversed most inadequately from your perspective previously, and that is the issue of the one-area establishment. Minister, you would be well aware, because you gave the commitment to Senator Harradine in the first place, that the work management centre in Hobart was rationalised out of Hobart because of Tasmania's diminution of status in relation to the area issue. As you would also be aware, there was the abolition of the fault reduction centre in Bendigo and the removal of that fault reduction centre to Launceston, as a result of the Vic-Tas regional initiative. What I would like to know at this point is: as a result of the arrangements made with Senator Harradine, will Tasmania get back the work management centre, in recognition of its new status as a region? Will Bendigo get back its fault reduction centre, as a result of the separation of the Vic-Tas region?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.33 p.m.)—I am asked about an agreement with Senator Harradine. All I would say is that we made announcements yesterday which are contained in a press release, which I presume Senator Mackay has

read. I would not expect Senator Schacht to have got around to reading it, but it spells out the nature and extent of the additions to the Telstra social bonus. On that basis, as I understood what he had to say yesterday and today, Senator Harradine regards that as a big win for Tasmania. So does the Premier of Tasmania, and so does anyone with an open mind on the subject. That is the basis of the way in which we will be proceeding to make commitments to all states, including Tasmania.

Senator MACKAY (Tasmania) (5.34 p.m.)—I want to clarify that the Premier of Tasmania has made it explicitly clear that he opposes any further privatisation of Telstra in Tasmania. He has made that very clear on a number of occasions—

Senator Alston—He's a boofhead.

Senator MACKAY—So let us put that one to rest right now. Minister, you again refuse to answer these issues.

The TEMPORARY CHAIRMAN (Senator Crowley)—Excuse me, Senator Mackay. Minister, you will withdraw that remark, thank you.

Senator Alston—I am sorry. I was just using a term that Senator Murphy had used about the Premier of Tasmania.

The TEMPORARY CHAIRMAN—Withdraw it please, Minister.

Senator Alston—I withdraw.

The TEMPORARY CHAIRMAN—Thank you. I call Senator Bishop.

Senator MARK BISHOP (Western Australia) (5.34 p.m.)—I want to raise a few issues arising out of schedule 2, the matter under discussion before the chamber. In schedule 2 there is an allocation of $1.35 billion to the Natural Heritage Trust. Part 9, clause 43 gives the simplified outline of this part: rural transaction centres—$75 million over five years; extended access to untimed local calls—$150 million over three years; meeting the telecommunications needs of people in isolated island communities in the Antarctic Territory; Internet access for people in rural and regional areas—$36 million over three years; mobile phone coverage along highways—$25 million; and a range of other matters. Later on in schedule 2, divisions 2, 3, 4 and 5 essentially establish the funds and provide authority for allocation of the funds and presumably, in due course, for disbursement of those funds by the relevant agencies of departments that have been given that responsibility.

Yesterday there was a series of press releases: three or four by the minister, one by Senator Ian Campbell, one by the minister for regional affairs, Mr Anderson, joint press releases from three or four government senators from Tasmania and a couple of press releases from joint coalition senators in Queensland. They outlined, from a range of perspectives, the additional $314 million that the government has allocated by way of social bonus in this process. There was a range of descriptions, and the minister's press release is quite comprehensive in the detail of the social bonus. The BITS program gets $158 million; the BARN program, Building Additional Regional Networks, $70 million; Networking the Nation local government fund, $45 million; expanded mobile phone coverage, $3 million—a little sweetie given to South Australia, Western Australia and Tasmania for no apparent reason apart from the fact that they did not qualify for other programs, which is a useful precedent; and Trials in Innovative Government Electronic Regional Services—TIGERS—which we will return to.

There will be environmental spending, money for connecting Tasmanian schools and a couple of little beauties down there: an athletics centre in Tasmania is going to have its track upgraded to the value of $600,000, and there will be a couple of other minor allocations of funds in Tasmania. So there is $314 million in addition to the $670-odd million already allocated as part of the social bonus.

I was interested in Senator Margetts's earlier comments when she responded to matters raised by Senator Allison. She hit the nail right on the head when she said that, as far as her party was concerned, no-one seriously quarrels with the proposition that a lot of the programs outlined for funding in the social bonus are worthy programs, and that

people in rural and remote areas should have access over time, at sound cost, to the same sorts of programs that we in the cities regard as basic. Indeed, most of the little beauties that have been added down in Tasmania are probably worthwhile programs in their own right.

There is no real reason to be overtly critical of the nature of their programs but probably good reason to be critical of the allocation of funds and why it is so critical to allocate $158 million here and $40 million there to things in Tasmania. I am sure all Tasmanians think it is a wonderful idea, but if the programs do not stand on their own merits, it raises interesting issues of public policy as to why they are being funded. To finish that point, Senator Margetts from the Greens was correct. I think the additional programs outlined in terms of the rural transaction centres, untimed local calls, remote island communities, Internet access for people in rural or regional areas and mobile phone coverage along highways are all worthwhile things. One would have thought that with the ever decreasing cost of technology—the ever decreasing cost of telecommunications around the world and in this country—these relatively modest programs would have been funded by government over time as part of its obligation to the sensible allocation of taxpayers' funds.

Senator Mackay—It's a dividend.

Senator MARK BISHOP—It is indeed the dividend. The government is taking $1.8 billion a year out of Telstra. The opposition does not quarrel with that. Indeed, with the growth in the telecommunications market, the switch and the huge growth in volume of data transference, the huge growth in Internet access, uptake and use both at consumer and business level, it is no surprise that the price of Telstra and other telecommunications shares have risen, continue to rise and will probably rise more so in the next couple of years.

Of the allocation of $1.8 billion—approaching $2 billion—that the government receives in dividends, a modest amount is allocated to a range of modest initiatives. The series of press releases outlined the detail of those yesterday. But I ask the minister: when does the government intend to legislate for that improved package of benefits totalling $314 million? When will we receive the amendments in this chamber, or this parliament, that address the improvements that have been negotiated with Senator Harradine?
The current bill reflects government commitments at the last election. They said up-front that there was a social bonus of $671 million. They predicated the implementation of the programs they outlined on the sale of the next 16 per cent, so it is a contingent social bonus, if you like. We say it should have occurred out of normal planning by DCITA and normal allocation of government funds to fairly modest and basic improvements in the telecommunications infrastructure in this country. Nonetheless, the government went down another path. They won the election, and this bill we are discussing now reflects their election commitment. We do not quarrel with that.

In the last two weeks there have been a series of negotiations, presumably between Minister Alston and Senator Harradine. In Senator Harradine's second reading contribution a fortnight or three weeks ago, he indicated a number of markers. He said he was inclined—in fact, he said it more strongly than that—to support the sale of the next 16 per cent. He ruled out the other 51 per cent, and he indicated that either he or someone would move an amendment to delete schedule 3 at the appropriate time. But, in terms of his critical remarks about price—and most things, if not all things, come down to price—Senator Harradine indicated his price was relocation of structural and management functions to Tasmania, and that has been ticked off. He indicated his price was not low paid or low valued or minimum wage jobs in Tasmania but high value jobs in management and administrative fields, and that has been ticked off. He indicated that he wanted Tasmania to receive a significant net additional investment from government—that there were significant economic and structural problems in that state.

He did not say it then but he has said at other times that there is a population decline. Young people leave that state to go to the

mainland—to Melbourne and Sydney—to seek careers, homes and families elsewhere because there is perceived to be a lack of opportunity for their careers post the age of 18 when they leave high school in Tasmania. So he indicated that the third thing to be ticked off was allocation of significant funds to universities, research institutions and think tanks in modern new and emerging technologies. Again, the $40 million for the development of Tasmania as an intelligent island has been ticked off.

So all of the markers that Senator Harradine laid down in his second reading comments when the debate closed have been accommodated by the government, and the opposition is not overly critical of that. But what we do want to know is a little more than what is going on by way of press release. The nine or 10 press releases from the joint coalition senators in Queensland, the one from Mr Anderson and a range of others, including one from Parliamentary Secretary Campbell, all rehashed old ground. There was nothing new in those press releases. The press release of consequence was Minister Alston's. Also of consequence, of course, was the joint press release from the coalition senators in Tasmania.

It is interesting to observe the process of negotiations because the social bonus totals in the order of almost $1 billion. Tasmania's population is something less than two per cent of the total of this country—might be a little bit more.

Senator Alston—It is 2.6.

Senator MARK BISHOP—It is 2.6 per cent, I am told by the Minister. The state's gross state product is also less than 2.5 per cent of Australia's GDP, but the total allocation of funds in the social bonus, to 2.6 per cent of the population, is in excess of 15 per cent of the social bonus. That raises a whole range of equity, access, administrative and merit issues.

The opposition does not quarrel with the upgrading of an athletics track in the city of Hobart to make it modern. If the same principle is to be applied, we would probably like to have new hockey fields in Western Australia, where the bulk of the Australian Hockeyroos come from; we would probably like to have new and additional swimming pools in New South Wales; we would probably like to have new archery fields in Victoria; and we would probably like to have new kayak and other facilities in Queensland, because in each of those states, for whatever reason, the local population has developed expertise or excellence in those particular sports.

If the principle is that you can whack out $600,000 by the Commonwealth to upgrade an athletics track—you beaut, we will be into that and we will have a couple of million dollars here for a hockey field and $5 million for a swimming pool there. It seems to be a new approach to public policy. If that is the name of the game, the opposition is not slow; we will give that some thought and come to you with a range of propositions and I am sure you will adopt them in due course.

What we need to come to grips with is: when will we see the amendments to this bill that provide the structure for the allocation of this additional $314 million? It is a lot of money: $158 million for Building IT Strengths, and $40 million to develop Tasmania as an intelligent island. I notice in passing that in a range of the other programs—Building Additional Rural Networks, BARN (don't we love acronyms in this place?) and Networking the Nation Local Government Fund, $45 million—the funds allocated to each of those programs has simply been divided up. The aggregate total has been divided by the six states and a few extra bob thrown in for the two territories.

In terms of all of those other programs, if the allocation is $50 million, they have given $45 million divided by six for each of the states and the other $6 million divided by two for the two territories, the ACT and the Northern Territory. A different approach appears to apply to BARN, Networking the Nation, the expanded mobile phone coverage, Netwatch, the TIGERS program—although that is in Tasmania only—and the additional environmental spending.

When will the amendments come forward? Do you intend that they be part of the discussion that we are currently engaged in? Sched-

ule 2 is the appropriate place for those additional amendments to be discussed. Are we, therefore, going to be doing it as part of this process? Or do you simply intend to implement the additional $314 million by administrative action once the programs have been established, or will you bring the amendments to this bill for discussion at a later time?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.49 p.m.)—That was an interesting, if not extraordinarily discursive, contribution from Senator Bishop. It took all of 15 minutes. It could have been reduced to the one question that he asked at least four times: will legislation be required?

The answer to that is no, we do not think it will be. The BARN program—and I pause to pay tribute to the acronym deviser extraordinaire in my office, Mr Fletcher—and the Networking the Nation Local Government Fund are both going to be dealt with through the existing Networking the Nation program. There may be additional administrative measures that will need to be developed, but generally we do not see a need for legislation. These are clearly commitments that will be honoured in the same way that the package that we took to the last election was honoured.

I should say in passing that, if you want the ultimate example of a pork-barrel, it has to be that Mandurah commitment of Mr Beazley's. I could not believe that he would have the cheek to put that out selectively by local press release or local brief to the media—we could not actually find the press release. What I did find quite extraordinary, to compound the felony, was that when he argued that we should be using the existing Telstra dividend for a range of other initiatives, he conceded that that was money that was already being spent on other social programs. Although this notion of somehow hypothecating the dividend was sold as a new initiative, there was nothing to it. There was no money attached to it because the money was already there.

The Labor Party now seems to have learnt very quickly from Senator Allison's pre-lunch contribution that what Mr Beazley did yesterday was a massive blue, getting out there and bagging the whole concept of helping the bush rather than saying, 'No, they are good in principle but you have to find the money from somewhere so we would find it from the dividend.' You would suffer from the same problem. All that money is already allocated. You did not go to the last election promising to spend anything like $671 million. In fact, Senator Schacht's lasting contribution to the Labor Party's defeat was that he went out there and said that they would close down Networking the Nation—

Senator Mackay—He did not.

Senator ALSTON—He did. He absolutely did. We have the press release to prove it. Maybe he was asleep at the wheel and somebody else put it out in his name but the fact is—

Senator Mackay interjecting—

Senator ALSTON—A moratorium—I see. Get your signals right. What is anyone in the bush meant to read into that: that you were going to put a freeze on our five-year commitment to spend $250 million? In other words, you reserved the right to reappropriate $150 million into something else. They were smart enough to work it out for themselves. You were going to hit this little project on the head. Not only were you not funding any social bonus initiatives, but you were also actually telling them in no uncertain terms that you were not going ahead with our commitment which was worth approximately $150 million.

Here we are with another $314 million—to round it up to $1 billion—and now, belatedly, you say that these are worthwhile initiatives but that you still do not have any source from which you would pay them. If it is new money, we will put that down on the ledger for the next election. If not, then it is not to be taken seriously.

Senator MARGETTS (Western Australia) (5.52 p.m.)—First of all, I wonder whether the minister knows where Mandurah is and that it is now considered to be a southern suburb of Perth. The reason that Rockingham initially was included in the local call area was that it was in fact a southern suburb of Perth, and it is ridiculous that people actually

have to pay more for calls to what in fact becomes a southern suburb.

I have not yet heard what the ALP is likely to do in relation to my amendment. We have had some general debate on it, but I am still curious as to whether this fits within the opposition's 'No, no, a thousand times no' category or whether this fits into the category of 'We will support those amendments which acknowledge that we do not want to sell Telstra but we will continue on with some of the service benefits of the rest of the bill.'

Senator MARK BISHOP (Western Australia) (5.53 p.m.)—I should have said that before, Senator Margetts. This falls into the latter category, and the opposition will be supporting the Greens on this matter.

Senator MACKAY (Tasmania) (5.53 p.m.)—I want to make it very clear that we find it very interesting that there is no intention on the government's part to have any legislative backing to this package. Presumably, we are required to take the government on trust again in relation to deal 2 of tranche 2 in relation to Tasmania.

Senator Calvert interjecting—

Senator MACKAY—I notice Senator Calvert interjecting. Senator Calvert knows very well, because he actually did a lot of work behind the scenes to help in relation to this, that the work management centre was part of deal 1, tranche 1. In fact, Senator Harradine got commitments directly from the minister in relation to that. Of course, that closed in January. Not only that, but part of deal 1, tranche 1 was also the retention of the Hobart Telstra store, which is of course now going to close on 30 June. That was strike two for deal 1, tranche 1. Now we are being asked to trust the government in relation to the initiation and implementation of the initiatives, and the minister in a blase manner says, 'You can trust us; we had no reason not to do this.' This is the very minister who gave Senator Harradine a personal commitment on the work management centre, which is no more.

Senator Alston—You mean Telstra gave a commitment.

Senator MACKAY—No, Minister, you gave Senator Harradine a commitment on the work management centre. Your office gave Senator Harradine a commitment on the work management centre being opened. We can go through that if you want. If you want to waste several hours on the saga of the work management centre, we can go through that.

On 30 June, Senator Harradine loses his powerful position in relation to the Senate and the honouring of this deal for Tasmania. It is an in-joke in Telstra in Tasmania and nationally that they are counting the sleeps until 30 June so that they do not have to be bothered with Tasmania and Telstra anymore. In fact, the CEO of Telstra has made comments to, as I understand it, a group of middle managers—if I am wrong, I am sure the minister will correct me—to the effect that he is not very interested in what happens in the Senate in relation to Telstra and staffing levels in Tasmania and that Telstra will be making the decisions in terms of staffing levels. That is correct. That is why the minister cannot answer any of these questions about staffing levels. He cannot give commitments in relation to prospective redundancies. We know—and it is the worst kept secret in Tasmania—that a number of redundancies have been put on hold until after 30 June.

The question I would again ask the minister is: given that Senator Harradine loses his position of influence on 30 June, how can it be empirically guaranteed that the deal that has been done with him will be carried out, given that deal 1, tranche 1 was not carried out, that we are still waiting for a number of initiatives and that a number of the commitments that were given were breached?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.56 p.m.)—If there is one thing I ought to make perfectly clear, it is that we are not expecting the Labor Party to take anything on trust because we know their position. They are implacably opposed to this because of union inspired ideology. So this simply does not come into the equation. What is of concern is that those with open minds in the chamber are interested in the sorts of proposals that we make and reduce to writing and

to which we will adhere. If that is sufficient to persuade some people to vote for the legislation, then I think that is very much in the national interest. The tragedy is, of course, that you dealt yourself out of the game from the very beginning. You are supposed to be here representing Telstra—I mean representing Tasmania.

Senator Mackay—No, you're representing Telstra.

Senator ALSTON—As the designated shareholder minister, yes, you are right. I am certainly not privy to any of the meetings that you have apparently been a fly on the wall at, and I would be very surprised if there have been any discussions along those lines. I simply say that you had the opportunity to get a better deal for your state, as did all other senators. You chose not to accept that opportunity. We are not asking you to accept anything; we just accept that you are going to blindly vote no, irrespective of what is put up and whatever is moved by way of amendment. That is your right. Hopefully, you will not prevail.

Senator MARK BISHOP (Western Australia) (5.58 p.m.)—I want to pursue this Building on IT Strengths, BITS, program for $158 million. In the minister's press release he advises that, as part of the BITS program, $40 million will be allocated to the development of Tasmania as an intelligent island.

Senator Alston—That should be an 'even more intelligent island'.

Senator MARK BISHOP—An even more intelligent island. That leaves something in the order of $118 million to be allocated to the other six states and the Northern Territory. My question is: how will that $118 million be allocated to the other states and territories? Will we just divide by six or is it going to be done on a population basis or on an application for proposals basis to the relevant department? For example, on what basis will my state get its share of the $118 million?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (5.59 p.m.)—The BITS program is divided into three core elements: incubator centres to assist IT&T SMEs, $78 million; test beds and advanced information infrastructures, $40 million; and developing Tasmania as an intelligent island, $40 million. If you want more detail on each of those, I can provide it for you, but essentially it is funding designed to build the strength and competitiveness of the Australian information industry sector, including fostering much stronger commercialisation links with R&D organisations and the creation of clusters of innovative IT&T businesses.

Senator MARK BISHOP (Western Australia) (6.00 p.m.)—I thank the minister for his comment, but he has not really answered the question. When you look, for example, at the BARN program and Networking the Nation for local government in terms of the BARN program, there will be $10 million allocated to each of the states and in the local government funding for Networking the Nation there will be $6 million allocated to each of the states, with a few bob left over for the territories in respect of both the programs. You just outlined the program establishment process, if you like, dividing BITS into three separate programs. Once you take the $40 million out for the intelligent island program, that leaves $118 million. Do we simply divide the $118 million by six to work out the grant to each of the other states, or is it going to be done on some other basis?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.01 p.m.)—Essentially this will be done on the merits rather than simply carved up on a state by state basis. You will note from the fact sheet that accompanied the press release that one centre will be funded in each mainland state and territory. The size of the Commonwealth support to a centre may vary broadly in proportion to the size of the information industries and related R&D organisations in the region. The centres will build on and complement existing generally available programs, including R&D Start, the R&D tax concession and the innovation investment funds. The Commonwealth will call for suitably expert agencies, whether they are state government based, private sector, academic institutions or a combination, to operate the centres. The designs will be flexible. It is

expected that involvement of relevant tertiary institutions and venture capitalists will form a key element of all centre proposals. Selection criteria for managers will focus on factors such as business skills and experience, knowledge of the information industries, extent of state government and private sector support and involvement, the ability to contribute to regional development objectives and the likely impact of the centres on commercialisation of R&D. So clearly it will involve a fairly sophisticated assessment of the needs and requirements of a whole range of areas.

Under the BITS program, centre managers will be able to respond quickly to requirements. Managers will be able to provide funds of up to $50,000 as one-off assistance for concept development and up to $250,000 for a maximum of two years for seed funding on a three to one, Commonwealth to private funding, basis. One target group for project based concept development funding will be multimedia content developers, who often face greater difficulties than other businesses in attracting finance for their operations because of the nature of their work. Once again there is sufficient flexibility in the program hopefully to address a very significant proportion of the needs in this area.

Senator MARK BISHOP (Western Australia) (6.03 p.m.)—I thank the minister for that response, because it clearly indicates that the funds are not going to be allocated on the same basis as the other two programs that I identified. If I can summarise what the minister said, funds will be allocated upon a fairly comprehensive application process having to do with the existing strengths, existing infrastructure, existing interest and existing capacities of the states for this allocation of these funds. Minister, there are cooperative multimedia centres in each state, from memory, and I think there are two in New South Wales. How will this allocation of funds mix in with current funding for those multimedia centres?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.04 p.m.)—It is possible that there may be some overlap. If you take the Software Engineering Australia project, which also serves as an incubator project, the CMCs are principally research driven whereas the incubator centres are designed to assist small businesses to get off the ground and will make available seed funding and the like and provide expert financial management and technical advice. So the incubators are more business focused and I think the CMCs are more research focused.

Senator MARK BISHOP (Western Australia) (6.05 p.m.)—I think that is fair comment. I notice that in your press release the allocation of funds, minus the $40 million for Tasmania as an intelligent island, is essentially capital allocation for the purposes identified in the two paragraphs under the heading 'BITS'. That suggests to me that once the capital has been allocated the program would conclude unless further allocation of funds were to come from government. You might advise us whether there is any capacity for operational costs to be covered by the grants and whether that is intended to be covered from other sources. If the answer to both of those is no, what life in years do we anticipate the BITS program to have?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.06 p.m.)—There is not a strict time limit on it, because we clearly do not want to spend all the money at once. At the same time it is not intended to be an ongoing, forever and a day support arrangement. The fact is that this is probably a critical time to be providing this sort of assistance because IT&T is really starting to take off, as you would know. Electronic commerce is only in its infancy. It is predominantly business to business but it is likely to move to business to consumer in the near future, and there are enormous opportunities there. You have only got to listen to people like John Chambers from Cisco, who says that less than one per cent of American households currently have high-speed access to the Internet. The prices that are currently being charged are equivalent to the prices charged for cable television, which services something like 70 per cent of households in America.

It is yet another example of the information age only really just starting. You would not

want to set aside funds over a 10-year period. I think you would want to be spending the money sooner rather than later, but you would need sufficient discretion to be able to spend it on projects as they emerged and not simply use it all as quickly as possible without being able to respond to a new program. Again, it is intended that there be flexibility in the approach, but we are generally seized by a sense of urgency in the overall attitude we have to these programs.

Senator MARK BISHOP (Western Australia) (6.08 p.m.)—Minister, you would be aware more than most of the situation in the two major states of New South Wales and Victoria. Taking Victoria first, the Victorian government has a de facto industry policy, for want of a better description, in terms of the development of multimedia. In New South Wales there has been a significant, indeed a huge, allocation of funds to locate the Fox Corporation there in terms of film manufacturing, film processing and film production. Indeed, the same thing happened to a lesser extent in Queensland. Do you anticipate the funds allocated to the BITS program being able to be accessed by the governments of Victoria, New South Wales and Queensland for the funding of particular programs or issues of concern, or are they going to be ruled out in terms of having access to the funding?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.09 p.m.)—I think we would probably adopt the same approach that we took to Networking the Nation. Whilst it is a Commonwealth program and it is designed to provide direct funding, we certainly do not want to deprive ourselves of access to advice from state governments. We would very much encourage them to give us a statewide view of what their needs might be. In relation to the incubator centres, for example, we say that we will call for suitably expert agencies, whether state government based or others, to operate the centres. They would not be ruled out from a place in that particular element.

I do not envisage that it is simply another means of funding state programs; they are meant to be Commonwealth. The Commonwealth Technology Port, for example, at the Docklands in Melbourne, is probably an area that might be of particular interest. Certainly, Melbourne has already established itself as a multimedia centre. There are hundreds of small to medium sized enterprises on the south bank of the Yarra alone, let alone clustering around places like La Trobe University and RMIT. It will very much depend on the level of activity that is already in place. I would think a program like this would actually attract a lot more bids as well. It is much broader than simply state government structures, but that is not to say that we will not want to consult and work closely with the state and territory governments.

Senator MARK BISHOP (Western Australia) (6.10 p.m.)—So to paraphrase the minister, you would anticipate ongoing consultation with the relevant state governments that have an interest in this area, but you would not anticipate this huge sum of money replacing state allocation of funds to their own indigenous industries that have developed over the last three or four years. Is that correct?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.11 p.m.)—Yes, it is essentially a Commonwealth program, so it is not going to be us handing it over. We do value their input. I am sure they will not be shy in coming forward and volunteering their views on how we can best spend it. At the end of the day, we will make those decisions.

Senator MARK BISHOP (Western Australia) (6.11 p.m.)—These industries are growing, as you say, in nearly all of the states. There is a whole range of different plans emerging. Senator Harradine has probably correctly identified the location of a lot of these sorts of programs in his own state as being necessary for its economic development in the future. Has the government or the department engaged in any reports, retained any consultancies or done any research that might suggest that this allocation of $158 million is justified in this area? What empirical research does the government have, apart from purely allocating $158 million as part of a social bonus distribution?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.12 p.m.)—I do not think we have commissioned any formal consultancies because unless and until the legislation is in place the money is not available for any of these projects. We have drawn on the accumulated knowledge and experience of a number of places around the world which have tried to emulate the Silicon Valley experience. Certainly there is no shortage of advice from the venture capital industry, for example. The innovation investment funds that we established are now starting to hit their straps. At different levels and in different ways we are trying to stimulate this sort of activity. This is really giving another major fillip to an embryonic industry and one that most of us are fairly familiar with in terms of the essential ingredients.

You do not really need to do a study of the general structure of support. You may, in due course, need to do that to become more specific about who precisely gets the funds, but at this stage what we are doing is putting down a blueprint which we believe provides a sufficient basis for support of the legislation. I would certainly hope that, once the legislation is through the parliament, we will be in a position to undertake more work on identifying precisely what the needs might be.

Senator MARK BISHOP (Western Australia) (6.14 p.m.)—So the government or the department has not to date commissioned any report or research that suggests that we provide justification for this allocation of $158 million? Am I being too harsh on what you said, Minister?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.14 p.m.)—If you are asking me whether we have undertaken specific research in order to formulate these proposals, the answer is no, we have not. We have been able to draw on the accumulated experience that we have had over the last few years. We have given enormous emphasis to IT and IT related issues and we have looked at what is happening around the world and how people are endeavouring to simulate what is occurring in Silicon Valley. In all sorts of ways we are doing very well, but there is more you can do if you have the money available. We do not have an open-ended chequebook in this area, but we have done the best we can to strike a balance between the various projects. The sum of money that is available under this segment is quite substantial and I have no doubt that it will be very useful. Certainly no-one would suggest that it is far in excess of what is needed; some may say it is not enough. That is always the case in politics. You have to do your best to find the money and apply it usefully.

Senator MARK BISHOP (Western Australia) (6.15 p.m.)—Thank you, Minister, for those comments. I refer you to the first paragraph of your press release on the BITS program. It says:

> The program will provide $158 million to address current market failures and policy gaps that are preventing the optimal growth of new and developing innovative Australian IT and T businesses.

In the last sentence you make reference to the venture capital sector. We are aware from press reports that you have been to the United States in the last few weeks discussing the issue of venture capital and capital gains tax relief. It has been a topical issue for both parties now for 18 months or so. It arose from a Senate Economic References Committee report on industry policy which, from memory, recommended concessions be made in the area of capital gains tax. Both the government and the opposition are exploring that particular option in their own way.

How does the government see addressing current market failures and policy gaps through the allocation of funds having any impact at all on the venture capital sector when, as I understand the position of the government, the major roadblock to the growth of a significant venture capital sector in Australia, both from local funds and from imported funds from United States pensions, is the fact that there is such a high capital gains tax to be realised when a matter comes to fruition? How will this allocation of funds assist that, or is it not relevant at all?

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (6.17 p.m.)—No, it is relevant. You

will see in the second sentence of the first paragraph that we say:

> Private sector run incubators will be established in each state and territory to provide a range of developmental assistance to IT and T SMEs including mentoring, business management assistance, improved links to universities, research institutions, a venture capital sector, proof of concept grants and seed capital.

Clearly, venture capital is a factor in that area and there are a number of possible approaches one could take, drawing on the Silicon Valley experience, and they are essentially in the area of specific capital gains tax relief, script for script swaps for mergers, or MNAs, and the question of relief for share options and the relative attractiveness of them in encouraging entrepreneurs and those in existing businesses to take a risk and set up their own enterprises.

Venture capital comes into it, but each of those, to the extent that they are able to be provided and would not otherwise be available, are examples of market failures. They are obviously at the early stage and therefore critical to the success of many small and medium enterprises. As a result we think we are addressing all of the needs by tackling those matters.

Senator MARK BISHOP (Western Australia) (6.19 p.m.)—You are correct to say that some of the problems with the venture capital sector and capital gains tax are examples of market failure. Of course they are market failures because of taxation legislation. I ask the minister: would it not be appropriate for the government to resolve its position on the issue of capital gains tax relief and solve the market failure by reference to the matter that causes it—that is, the legislation—as opposed to allocation of funds in a different way?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.19 p.m.)—I am sure the minister was listening closely to Senator Bishop's question and will come back to it as soon as possible.

Progress reported.

BUSINESS

Days and Hours of Meeting and Routine of Business

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (6.20 p.m.)—by leave—I move:

(1) That on Tuesday, 22 June and 29 June 1999—

(a) the hours of meeting shall be 12.30 pm to 6.30 pm, and 7.30 pm to 11.10 pm.;

(b) the routine of business from 12.30 pm to 2 pm, and from 7.30 pm to 10.30 pm, shall be government business only; and

(c) the question for the adjournment of the Senate shall be proposed at 10.30 pm.

(2) That on Wednesday, 23 June 1999 consideration of government business continue from 6.50 pm to 7.20 pm.

(3) That on Thursday, 24 June 1999—

(a) the hours of meeting shall be 9.30 am to adjournment;

(b) the routine of business from 3.30 pm to 6.30 pm shall be government business only;

(c) divisions may take place from 6 pm to 6.30 pm;

(d) the question for the adjournment of the Senate shall be proposed at 6.30 pm; and

(e) the time limit of 40 minutes for the adjournment debate specified in standing order 54(5) not apply and the Senate adjourn at the conclusion of the debate.

(4) That the Senate shall sit on Friday, 25 June 1999 and that—

(a) the hours of meeting shall be 9.30 am to 4.25 pm;

(b) the routine of business shall be government business only;

(c) the sitting of the Senate shall be suspended for 45 minutes from approximately 12.30 pm; and

(d) the question for the adjournment of the Senate shall be proposed at 3.45 pm.

(5) That at the adjournment of the Senate on Wednesday, 30 June 1999, the Senate stand adjourned till Monday, 9 August 1999.

(6) That leave of absence be granted to every member of the Senate from the termination of the sitting on Wednesday, 30 June 1999, till Monday, 9 August 1999.

This puts in place an agreement that was reached at a meeting of leaders and whips

earlier this afternoon. There has been one change to the motion that was circulated to leaders and whips earlier this afternoon and that was at the suggestion of the Manager of Opposition Business in the Senate: in clause 3, subsection (c), we have allowed for divisions to take place between 6 p.m. and 6.30 p.m. After 6.30 p.m. we will be considering the question for the adjournment. It will be an unlimited debate, designed to allow for valedictories for retiring senators. There will be no need for divisions after that time.

Senator BROWN (Tasmania) (6.22 p.m.)—As the Manager of Government Business in the Senate will know, I oppose this motion. I do not believe that the Senate should be sitting extended hours at this time of its proceedings. I do not agree with these extended sittings because of the political nature of the reasons underlying them; that is, the need for the government to pass legislation, including legislation which is not of an urgent nature. Besides the no doubt long debate that there will be over the GST package and the attendant diesel fuel levy rebate package, which is designed of course to give a massive hand-out to supporters of the government, there is going to be debate on a number of other pieces of legislation which in no way can be seen as urgent.

One of those is one of the most significant pieces of legislation that I will see in my period in this Senate. Other senators may disagree with that because they do not count the environment as being a matter of importance, but I do—and I have the support of greens right around this country when I say that. Among the two pieces of legislation which the government has listed here is a bill to change the whole nature of the administration of environmental law in this country. This bill, which purports to bring up to date—after 20 years of serial environmental change—the laws of this country, is effectively a handover of government powers over the environment to the states and the territories. The salient matter here is that this legislation is not important, it is not urgent, it is not pressing and it does not have to be pushed through the Senate under this sort of change to the ordinary Senate hours. I would ask all other senators, including those on the government benches, to consider this matter. The urgency is not there.

It may well be that the Democrats and the government have struck a secret deal on this legislation—and if so, be that on their heads—but I am not going to be party to allowing an extra day's sitting between now and next Wednesday before the next elected Senate comes in to deal with such matters. I have heard no reason from the Minister for the Environment and Heritage, the Prime Minister or anybody else in government as to why we should be sitting extended hours to push through that sort of legislation. It is going to need—and ought to properly have—extensive review by the public before this Senate debates it. It is not going to get that. I will tell you why it is not going to get it, even though this legislation is there as a priority by the government: because the public does not know what the deal is. No-one out there knows what the secret arrangements between the Democrats and the government are. We do have the legislation, as brought into this parliament, before us but we also know that is not what we are going to be dealing with, that there have been extended and lengthy negotiations between the government and the Democrats on this matter.

Nobody has told me, for example, as a representative of green voters for the Australian Greens, what the details are of this amended document. The government is saying, 'Well, we're not going to tell you'—and the Democrats are saying, 'We're not going to tell you'—'but we are going to bring this bill in as early as tomorrow and you're going to have to deal with it.' Well, I am not going to be party to that sort of ramrodding and railroading of extremely important legislation through this place, because I hold it in higher regard than that. I hold the national environment in higher regard than that and I hold the importance of being able to inform an electorate before we deal with legislation like that in high regard, so I am not going to support this motion. I am not going to be party to changing the hours to allow that sort of legislative railroading to occur in this place. If there were decency in this process,

if an obligation were felt by the government and the Democrats to allow millions of Australians—who will feel, when they get to know about it, that this legislation is important—to understand it, to discuss it and to have feedback on it, we would not be having this process.

Besides that legislation there is the regional forest agreements legislation which is part of this environmental fix, which gives us an indication of the direction that this is taking. What has happened there is that the national government has signed agreements with several state governments to absolve itself of all responsibility as far as the environment is concerned and to lock into place for 20 years the destruction of forests and wildlife around this country, regardless of what the environment so-called protection bill does. That is what we are dealing with here, but the public out there are not aware of the ramifications of that. What the government is saying to me is that we are going to have to accept its dictates and, no matter how important and fundamental this issue is to our constituents, become part and parcel—by amending the hours—of allowing this legislation to be put through.

I will not stand for that. I am not going to be party to that. If the Democrats want to be, let them be. If the Democrats, at the end of this tawdry process, are going to be part of guillotining these pieces of legislation to prevent their proper debate, let that be on their heads as well. But I am not going to go along compliantly with a process which has that end result, because these matters are too important. The government ought to recognise that as far as I am concerned, as an Australian Green standing here, these are top priority matters which cannot be dealt with in a cavalier fashion. Let the government go out and explain to the electorate why it is doing this.

Senator Ian Campbell—You explain to Dee about the party on Wednesday night.

Senator BROWN—The minister opposite says to me, 'Well, I'll threaten you'—

Debate interrupted.

Sitting suspended from 6.30 p.m. to 7.30 p.m.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (7.30 p.m.)—by leave—I move the following amendment to the motion:

(1) paragraph (1), omit "and 29 June".

(2) paragraph (2), omit the paragraph.

Senator CARR (Victoria) (7.31 p.m.)—The opposition supports the motion before the chair. We take the view that at this time of the year there is, inevitably, great pressure upon the legislative program. I think the opposition has demonstrated throughout this parliament, as it did in the last parliament, that we have a very responsible attitude towards the management of the legislative program. We hold the view that the legislative program as circulated by the government is ambitious. In fact, one might suggest that it is grossly ambitious. It is an ambit claim at the very best that clearly demonstrates the government has not thought through some of the consequences of the decisions it has taken in regard to the legislative priorities of this chamber.

We take the view, however, that it is the government's responsibility to determine its own legislative priorities and we will do our best to assess thoroughly and appropriately the measures that are put before this parliament. That is precisely the job that we are undertaking at the moment. Senator Bishop has demonstrated, on behalf of the opposition, that the issues that have been considered in regard to Telstra are matters of great importance to the people of this country and ought be thoroughly examined. Of course, the implications of those ought be understood. We will be seeking the support of this chamber in regard to the positions that have been put forward on behalf of the Labor Party. I understand, however, that there may well be arrangements in place that will not see those matters brought to a successful conclusion, as Senator Bishop has indicated on behalf of the Labor Party.

I say that the legislative program itself is flawed in so far as we are given to believe that the government places great emphasis upon its new tax package and it suggests to us that the issue of the tax reform is the most fundamental facing the government at the

moment. We are told that it is probably the largest package ever to come before the parliament in terms of a reform agenda—that is, a reform agenda as defined by a conservative government. Yet we are in a position on Monday night with a legislative program outlining the proposals for discussion tomorrow and have yet to see the amendments that are being placed before this chamber, or allegedly being placed before this chamber. We are told that there might be hundreds of amendments, yet they are not available for us to examine.

We are concerned about the priorities that the government has attributed in terms of its forward program. We note, for instance, that there are two new bills in this package. We have not seen them. This raises serious questions, particularly in view of the suggestions that are being made about proposals to introduce a gag motion. I notice that the Manager of Government Business in the Senate has suggested as of 11 o'clock today—that is, 1½ hours before this chamber commenced its deliberations—that the government was considering a gag motion so that its tax legislation would be considered in its time lines. The Manager of Government Business in the Senate, Senator Ian Campbell, said that he would seek the Democrats support to bring an end to the tax debate if time was running out.

Senator Ian Campbell—I didn't say that at all.

Senator CARR—Senator Campbell indicates that he did not say that. What I am quoting from is a news report from the ABC News Online service of today's date at 10 minutes past 11. So an hour and a half before the chamber commenced its deliberations today on the Telstra questions the government was threatening to use guillotines and various other means by which—

Senator Ian Campbell—Very sloppy reporting from the ABC.

Senator CARR—The senator indicates that it was sloppy reporting. There is no doubt in my mind that that is what the government intends to do. It intends to use the guillotine to secure the passage of its tax legislation. We ought to understand the context in which these matters are now being proposed—that is, over 100 amendments which we have not seen. We are told that the Democrats themselves have yet to see 15 of these amendments. I can only speculate as to how many they have actually understood. That might be an interesting discussion in itself. But when we are told on the Monday night, the day before this package of bills is supposed to be introduced, that we have a situation where the Democrats themselves have not seen 15 of their own amendments, which go to the heart of this deal that they have entered into, one has to wonder about the appropriateness of asking the Senate to consider these matters in the particular time lines which the government proposes. I say further that two whole new bills are being presented to this parliament and we have yet to see any detail.

I ask senators, when they consider this motion—and I have no doubt that the motion will be carried—to bear in mind the threats that are being made and the positioning that the government is trying to engage in to encourage people who are interested in parliamentary matters to take the view that there has been an undue level of delay in the way in which the Senate is processing the government's legislation. We have a program which is totally unrealistic. We have here various measures being proposed—for instance, legislation on voluntary student unionism. Quite clearly, that is a proposition which is dead in everyone's mind, except the mind of the minister for education. Yet it is listed on this government program as a matter of priority.

We have here various other measures being proposed for consideration which, clearly, the Senate will not have time to consider in the best of all possible worlds with the best of all possible motives of all senators concerned. So we have to ask ourselves: why is such an ambit claim put before the Senate? It is quite clear that it is because the government is seeking to generate an environment in which it can use the guillotine to undermine the

capacity of the Senate to examine its tax legislation in particular. I am especially concerned about the tax legislation and will encourage Senator Bishop to continue in his efforts to study carefully the government's proposals in regard to Telstra and the other packages that are associated with the measures designed to consider a new regulatory regime for telecommunications. One cannot get over the fact that this government is seeking to put in place a situation where it can legitimise the use of a guillotine to prevent proper consideration, scrutiny and public accountability of the measures that it is undertaking.

With those remarks, I indicate to Senator Ian Campbell that I appreciate his amendments made to the proposal a few moments ago. I am sure that the opposition will continue to consider the government's measures in a most reasonable and thorough manner and I trust that the level of cooperation will extend across the chamber. I have no doubt that the Senate will ultimately see the wisdom of such proposal, even if the government seeks to move its guillotine.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (7.39 p.m.)—We had not actually voted on my amendment. Do we need to do that?

Senator Carr—No.

Senator IAN CAMPBELL—I think I have made a mistake in deleting 29 June. I think the intention of the opposition was that at this stage we not agree to sit at 12.30 p.m. on 29 June. If that is the case, I was going to amend the motion so that we not start sitting at 12.30 p.m. on 29 June, but we are sitting until 11 p.m. on 29 June. Is that so?

Senator Carr—No. I think there will be ample opportunity to consider those matters. My intention was to remove 29 June from this particular motion.

Senator IAN CAMPBELL—Remove it altogether. That has been done and is reflected in my amendment. I commend my amendment to the Senate.

Senator MARGETTS (Western Australia) (7.39 p.m.)—I am so glad Senator Ian Campbell sought the leave of the Senate to speak again to the motion!

Senator Ian Campbell—I sought leave to discuss my amendment.

Senator MARGETTS—Sure. I rise briefly to indicate that the very fact that there have been amendments negotiated over dinner would indicate that the Senate did need a little bit of time to consider this motion, which came on quite quickly in its final form. Senator Ian Campbell seemed to be very cross before dinner that Senator Brown exercised his right to actually speak to the motion—shock, horror! Fancy speaking to a motion about the way we are going to operate in the next week and a half! However, it has been done.

The Greens have made no secret of the fact that we were not in favour of shoving in all these extra days and weeks when there was no great reason for that. There was certainly no secret in relation to the leaders and whips meeting. I was there and Senator Brown made no secret of the fact that he was not in favour of the extra hours and weeks. Why in his private time Senator Ian Campbell should feel it necessary to have a go at anybody for speaking on this issue, considering these are the issues which have been put quite clearly to the government, I have no idea. Nevertheless, I gather that the numbers are here and this is the reality. Obviously, I am grateful that the Senate is considering the needs of those—myself among them—who will be leaving the Senate, but I also indicate that that does not, in any case, take away the rights of any senator in this place to respond and speak to a motion.

Motion (by **Senator Ian Campbell**), as amended, agreed to.

COMMITTEES

Scrutiny of Bills Committee

Community Affairs Legislation Committee

Meeting

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

(1) The Standing Committee for the Scrutiny of Bills be authorised to hold a briefing session during the sitting of the Senate on Tuesday, 22 June 1999 from 8 p.m., to take evidence for the committee's inquiry into the review of the fairness, purpose, effectiveness and consistency of right of entry provisions in Commonwealth legislation authorising persons to enter and search premises; and

(2) The Community Affairs Legislation Committee be authorised to hold a public hearing during the sitting of the Senate on Friday, 25 June 1999 from 9.30 a.m., to take evidence for the committee's inquiry into the Australia New Zealand Food Authority Amendment Bill 1999.

TELECOMMUNICATIONS LEGISLATION

Declaration of Urgency

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (7.43 p.m.)—I declare that the following bills are urgent and I move:

That these bills be considered urgent bills:

Telstra (Transition to Full Private Ownership) Bill 1998

Telecommunications (Consumer Protection and Service Standards) Bill 1998

Telecommunications Legislation Amendment Bill 1998

Telecommunications (Universal Service Levy) Amendment Bill 1998

NRS Levy Imposition Amendment Bill 1998

Question put.

The Senate divided. [7.48 p.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	37
Noes	35
Majority	2

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferguson, A. B.	Ferris, J.
Gibson, B. F.	Harradine, B.
Heffernan, W.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	Macdonald, S.
MacGibbon, D. J.	McGauran, J. J. J.
Minchin, N. H.	O'Chee, W. G. *
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Tambling, G. E. J.	Tierney, J.
Troeth, J.	Vanstone, A. E.
Watson, J. O. W.	

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, T. M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Collins, J. M. A.	Conroy, S.
Cook, P. F. S.	Cooney, B.
Crossin, P. M.	Crowley, R. A.
Denman, K. J.	Evans, C. V.
Forshaw, M. G.	Gibbs, B.
Hogg, J.	Lees, M. H.
Lundy, K.	Mackay, S.
Margetts, D.	McKiernan, J. P.
Murphy, S. M.	Murray, A.
O'Brien, K. W. K. *	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.
Woodley, J.	

PAIRS

Newman, J. M.	Hutchins, S.
Synon, K. M.	Faulkner, J. P.

*** denotes teller**

Question so resolved in the affirmative.

Allotment of Time

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (7.52 p.m.)—I move:

That the time allotted for consideration of the remaining stages of the bills be as follows:

Telecommunications (Consumer Protection and Service Standards) Bill 1998 and 4 related bills:

Remaining stages to 11 pm, with the allotment of time in committee of the whole to be as follows:

Telstra (Transition to Full Private Ownership) Bill 1998	1 hour
Telecommunications (Consumer Protection and Service Standards) Bill 1998	)
Telecommunications Legislation Amendment Bill 1998	)
Telecommunications (Universal Service Levy) Amendment Bill 1998	) until 10.45 p.m.
NRS Levy Imposition Amendment Bill 1998	)
Remaining stages, all bills:	until 11 pm

I do not want to delay the chamber, because I think we are inevitably going to have another division on this matter, but I simply want to spell out that to date we have occupied almost 17 hours on this package of bills, which compares to two hours 56 minutes for the last time we debated the Telstra (Transition to Full Private Ownership) Bill 1998 and 31 hours 26 minutes for the first package of bills, the Telstra (Dilution of Public Ownership) Bill 1996.

Anyone who has been paying even a modicum of attention to the debate in this chamber will understand that there has not been a serious discussion taking place, not just for today but almost from the commencement of proceedings. It is perfectly obvious that there are tag teams who have been asked to come in here and simply fill in time, to talk about everything other than the matter under discussion and, quite clearly, to filibuster this through until kingdom come but, at the very least, until the 30 June next. In those circumstances, the only effective way to ensure that we are able to make some significant progress in completing the program of legislation before the chamber—and there is indeed still a long way to go—is to put some time constraints on the balance of this debate.

There will be time allowed—and I say this particularly for the benefit of Senator Faulkner, who has been known to express concerns in the past—for a vote to be taken separately on each amendment, whether government or non-government. If we can stick to those time limits, then I think we will all be put out of our misery.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (7.55 p.m.)—I first of all indicate to the chamber that I believe the Australian Democrats need to take these procedural issues very seriously. I do think we have a unique situation in Australian politics at the moment where the Australian Democrats, though voting against the declaration of urgency, are able, because they have a full hand in relation to their capacity to deal with the government, to make absolutely clear on the Telstra bill, on the other package of telecommunications bill, on the environment bills and on other legislation that will come before this chamber, that they will not cooperate with the government on a GST guillotine if these other measures are dealt with procedurally in this way. That is absolutely within the gift of the Australian Democrats at this time. I do not want anyone in this chamber or outside to misunderstand the significance of the position that the Australian Democrats find themselves in.

The allegations that have been made by the Deputy Leader of the Government in the Senate are of course absolutely false. We have had a situation where in terms of public policy in this country the privatisation of Telstra—or from the perspective of the opposition, the retention of Telstra in majority public ownership—is something that must be considered by all of us to be one of the key policy issues for debate in this country. We have a situation now where the government is proposing that the Telstra (Transition to Full Private Ownership) Bill 1998 be dealt with for only one hour to conclude debate on that bill in the Senate. That is totally inadequate for such a significant measure.

It is outrageous, because the telecommunications package—dealing with issues like universal service obligations, dealing with issues like phone sex, dealing with local call zones and the like—deserves far more consideration by this chamber at this time than the government is proposing to provide. It strikes me that we have a situation where the government has determined that, with its arrangements with the Australian Democrats,

it can guillotine through—possibly gag but certainly guillotine—the GST package at a time when it cannot provide to non-government senators in the chamber any of the amendments that the government itself proposes to sponsor for the committee stage debate. The amendments are not available to the opposition and they are not available publicly. One assumes that the government has them and one assumes the Australian Democrats have them, but this is all part of a proposal to deal as quickly as possible with the Telstra issue and to move on to the GST package while keeping all non-government senators—apparently with the exception of the Australian Democrats, though they can explain themselves on that issue—in the dark.

It strikes me that the Senate is entitled to see what the government's proposals are on legislation of this significance, and there has been no effort by the government to provide those amendments. There has been no effort by the government to facilitate debate in relation to the GST package in any way. The opposition has stood ready to debate this legislation sitting-day in and sitting-day out, sitting-week in and sitting-week out. But time and again it has been the government that has sponsored a decision to defer debate on this important legislation.

It is the government that has taken the Telstra bill off the legislation program for the Senate. It is the government that has chopped and changed countless times not only in relation to the Telstra (Transition to Full Private Ownership) Bill but also in relation to the GST legislation, which it considers to be the most significant tax reform in the history of the Commonwealth of Australia—so significant that it cannot provide the Senate, the parliament or the public with its proposals even at this late stage, even though it is hell-bent on seeing this legislation dealt with by the Senate before 1 July. We all know why that is the case: there is a change in terms of the Senate numbers on 1 July, and the government wants it to be long gone by 1 July.

But the Australian Democrats, regardless, can actually stand up to the government on these issues. The Australian Democrats are about to cave on Telstra. The Australian Democrats are about to cave on the environment legislation. You cannot pretend that you are not interested; you cannot pretend that you are going to vote against the guillotine. Just go and say to the Prime Minister of Australia, Mr Howard, 'We won't support a guillotine on Telstra. We won't support a guillotine on the environment legislation. If you do bring in the guillotine on that legislation, we will not vote for the GST package.' You can do that. You can have the intestinal fortitude to do that. And I hope Senator Brown, who fights over a constituency with the Australian Democrats, makes that point also.

What we are about to see is a massive sell-out, and not just on the issue of the GST: the Democrats are about to sell out on Telstra. They are going to ensure that the Telstra vote comes on before 1 July. That is what they are about, because they cannot hide on Telstra after 1 July; after 1 July, even on the commitments they made—which are probably not worth the paper they are written on—they will probably have to vote against the bill. They are in a fix with the government to bring it on for a vote now and bring on the environment legislation that you hear so many sleazy comments about from the Democrats—how they are going to go to the ends of the earth to stop this outrageous legislation being agreed to by the parliament. But they are in the swim with the government on it.

We are dealing now with a motion that means that more of Telstra will be flogged off. That is what it means. And it is being done deliberately, cold-bloodedly, with the connivance of the Australian Democrats, and they ought to be exposed for it. Having said that, let me make it clear that what we have heard from the government on this guillotine motion is absolute hypocrisy. We have heard them, year in and year out, oppose the use of the guillotine because it is 'so undemocratic'. We have heard that time and again from people like Senator Hill and Senator Alston. It is nauseating to hear the hypocrisy in the chamber tonight.

I want to make it clear that the opposition is consistent in relation to the full privatis-

ation of Telstra. We are going to fight this out to the end. We are going to defend and protect Telstra in public ownership and we are going to expose those running dogs of the government who have been assisting them in this aim. *(Time expired)*

Senator ROBERT RAY (Victoria) (8.05 p.m.)—History has been rewritten a little tonight, certainly by Senator Alston. He says this matter is urgent, but what was the history of these bills? We actually got to the second reading stage, and who then pulled the bills off? Senator Alston pulled the bills off. Then we went into other debates, and then they pulled the GST bills off. Both times it has been the government who have pulled these two bills off. When they pulled the GST bills off they brought the Telstra bill back, and we debated that to the second reading.

Throughout the whole history of this, the order of the bills was Telstra (Transition to Full Private Ownership) as No. 1 and all the rest of the bills followed. But what happened when we turned up here on the Thursday morning last time? They reversed the bills again. They pulled the bills off, then they reversed the bills, and then we had the humiliation at lunchtime today of them reversing the order again; and now they are moving the guillotine.

Note the timing of the moving of the guillotine. They did not ring us up at six o'clock and say to the Labor Party or the Democrats or the Greens, 'We are about to move the guillotine.' No, they were smooching up over the extra sitting hours. These lying hounds opposite did not—

The ACTING DEPUTY PRESIDENT (Senator Watson)—Order! Senator Ray, you will have to withdraw 'these lying hounds opposite'.

Senator ROBERT RAY—Sorry. Yes, I do withdraw. The so-called honourable people opposite—

Senator Allison interjecting—

Senator ROBERT RAY—Did you know about the guillotine, Senator Allison?

Senator Allison interjecting—

Senator ROBERT RAY—You see, that is what you agreed to—

The ACTING DEPUTY PRESIDENT—Address the chair, please.

Senator ROBERT RAY—at the leaders and whips meeting—through you, Mr Acting Deputy President—earlier today. But I would suspect that, if Senator Allison, the Democrats' representative there, were to ask if tonight's guillotine was foreshadowed—was it? Senator Alston looks blankly, like a—

Senator Ian Campbell—Kim Carr said I set it at 11 o'clock today.

Senator ROBERT RAY—I see. But you didn't, did you? Okay, Senator Campbell, it is a good laugh; you have won that one. You got the extra sitting hours and you double-crossed us five minutes later, fine. There is more than one day; what comes around goes around and we will remember that. The next time you seek cooperation, we will say, 'Well, you're probably just lying to us as you usually do in order to sucker in the negotiations and then suddenly you'll present a guillotine.'

There is nothing intrinsically wrong with a guillotine; I have never argued that. Guillotines sometimes are necessary to the parliamentary process. After all, I did introduce a guillotine in this chamber once, and it is a record that will never be equalled, I suspect. But what did we get from the Senator Alstons and the Senator Hills at that stage? It was the end of democracy! They said it was horrific and that we were being cryptofascists. And what happens? They move from this side of the chamber and they adopt exactly the same principles. We have a word for that; it is called hypocrisy. And what specialists they have become on that side of the chamber, because what they argued in opposition suddenly becomes 180 degree reversed in government. I am not going to do that. I say there are some reasons on some occasions for having a guillotine—preferably a rolling one over several days, and people understand that they can ration the amount of time according to their own priorities. But this is not being done on this occasion.

The great value of a guillotine for this government is that it protects Senator Alston. He does not have to stand here and answer questions that he does not know anything about. Just for once, we have him in the chamber to answer questions on legislation. Normally he duckshoves it to the lickspittle junior parliamentary secretaries that want to get a place in the sun, like Senator Campbell. He is usually the mug that has to pick up Senator Alston's legislation. But really Telstra is a bit too big for Senator Alston to dodge; he has to take it through the chamber.

The ACTING DEPUTY PRESIDENT—Order! Senator Ray, the term 'lickspittle' will have to be withdrawn.

Senator ROBERT RAY—Sorry, I certainly withdraw it. Former Democrat member, Senator Campbell, is the one that usually gets the job in these particular matters.

Senator Bartlett interjecting—

Senator ROBERT RAY—I am sure you are shocked at these revelations, Senator Bartlett, but look on the bright side: he left you. This guillotine means that Senator Alston does not have to answer any of the technical questions he does not know. He will waffle on now; he will absorb all the time. If ever you have seen a pathetic performance, it was Senator Alston on the last Thursday sitting night. He talked out the amendment—we were all ready to vote on it, and he talked it out because he just cannot help himself. He is the reverse of a smorgasbord; he just cannot help himself. He has to get up and show everyone his erudite knowledge on this area, but when he gets exposed, he seeks to guillotine and gag the debate so he will not be exposed.

Even though I do not read it in the motion, Senator Alston has indicated that this guillotine, unlike other ones, will allow other party amendments to occur. If that is the case, this is an improved guillotine on their previous efforts—if they do allow Green, Democrat and Labor Party amendments to be put once the guillotine cuts in.

Let me now turn to how the guillotine got its numbers tonight. I accused the Democrats of gross stupidity in not being able to negotiate. You have this government gone for all money. They are just waiting—begging you. All you have to do is flick your fingers and say, 'Sorry, we won't allow a guillotine on this if we want to stand up on our rights on GST.' But you do not do it. You just give them anything they want.

The coalition says to the Democrats, 'Jump.' All the Democrats can say is, 'How high?' Their attitude seems to be, 'Please beat us.' Wake up to yourselves! You do not want Telstra privatised. This government, if it has to choose between the two, is going to choose GST. Use your numbers—use your new influence. And if you do not, go back and explain to your own supporters why you are responsible for the sell out on Telstra. Go back and tell them why.

Senator Conroy—They're not interested in what their supporters have to say.

Senator ROBERT RAY—As Senator Conroy said, they are so interested in their supporters, they are not even willing to put it to a ballot. This resolution went through on the votes of Senator Colston and Senator Harradine. They probably would not have voted for a guillotine one week ago, two weeks ago or three weeks ago. Why not? They were not in the cart. But isn't it amazing? The moment the price is sufficient—the moment they sign up for the bill—they will sign off every other senator's rights to debate it. They will sell them out as quickly as they can. They do not want a debate around their sleazy deal over Telstra. Of course not. So they vote everyone else's rights down the drain. How often have we heard pleas for the rights of Independents? Well, we have rights too. We represent 52 per cent of the preferred vote at the last election so we have some rights too in this chamber. We are not people who got 20,000 or 30,000 votes; we are talking about millions of votes. We are entitled to put that point of view here. We are not entitled to the dominant view; we understand that. But we are entitled to put the view.

What we have here tonight is a guillotine by ambush which was unnecessary. We should have been given notice of this before the negotiations on the sitting hours. It may

well have been that we would have agreed to a reasonable guillotine on these matters because we know inevitably there is going to be a vote on these Telstra matters. There is no way we can put that off; we know that that is coming. We also know that there will be a vote on the tax laws. Why? Because the Labor Party gave its word that these matters will be resolved by 30 June.

Finally, we know there will be a vote on the appropriation bills because we have no choice but to do that. Therefore, what this guillotine represents is not a judicial murder; it is just a thrill kill by these people opposite, introduced straight after the resolution on the extra sitting hours went through. Okay, it is not going to break my heart, but I tell you what: the next time they come to us for cooperation they will get less and less because we will not be treated in this particular way. If you have a guillotine, tell us about it—we might agree; we might disagree—but it would be a better way of doing business than springing it straight after a resolution where we have given you extra sitting hours.

Senator BROWN (Tasmania) (8.15 p.m.)—The opposition is absolutely right on one matter here and that is that the Democrats have a lot to answer for already. Before we finish the next 10 days and leave this place, the Democrats will have three times at least sold out on the democratic principles that give them their name, the principle that a full and proper debate on issues are important to their core constituencies as much as anybody else's. Tonight, through their failure of ability to negotiate with a government which is consistently outfoxing them, we are facing a precipitate guillotine here which was not forewarned to anybody else in the Senate. I do not know whether the Democrats knew about it, but they are so close to the government these days it certainly did not come across to anybody else if they were told about it. The big item that has been discussed in the electorate is the GST package and the sell-out by the Democrats on their social justice and environmental principles there, not least the latter.

Senator Allison—You would not know.

Senator BROWN—Senator Allison might intervene on that and say that I would not know. The reason I would not know is, as Senator Faulkner said, that while we are expected to debate this within the next week, with its massive ramifications for the Australian electorate, the Democrats have become part of the collusion with government in not allowing this chamber or the people of Australia to know what is in those amendments so that we can have the proper feedback in a properly functioning democratic system to debate it informed by our electorates.

The Democrats have turned their back on their electorate, but they have no right to expect that everybody else should do the same. Between this legislation on Telstra, for which they are allowing the guillotine, and the legislation for the GST and the diesel fuel package, where they will be part of the guillotine process, there is important environmental legislation, the so-called environmental protection legislation, which is, of course, environmental sell-out legislation, environmental exposure legislation.

What I do right here and now is ask Senator Allison to get up following me and tell this chamber what is going on behind closed doors about that piece of legislation and to give a commitment to this chamber that the Democrats will not be part of a guillotine on that piece of legislation.

Senator Robert Ray interjecting—

Senator BROWN—You are absolutely right, Senator Ray, they will not even get up and speak. Five of them, including the leader, Meg Lees, have fled the chamber, but there are two here. Those two ostensibly take responsibility for the environment. Let either of them have the gumption to stand up for the indefensible position they are taking on the environment in the GST legislation and in the so-called environment protection legislation and the bill coming down the line, the so-called Regional Forest Agreements Bill, which is a prescription for wholesale destruction of the forests around this country.

Senator Allison—We are voting for that as well.

Senator BROWN—Senator Allison says they are voting for that as well. I do not know what they are doing on that. It is for her to get up and say that. What I do know is that the Democrats, who came into being—remember Don Chipp on this—demanding honesty and transparency in politics, are in the process of comprehensively selling out both of those imperatives. They are selling out their origins and their so-called tenet of honesty and transparency in politics. Moreover, they are selling out the long-held principles of social justice and the environment which come with them.

The question I put to the Democrats, if either of them in here have the gumption to get up and follow me, is to explain to this chamber what the process of negotiation with the government is at the moment. I can tell them this: if they are not going to do that tonight they are not going to do it down the next two years. They are becoming part of a collusive club with the Howard-Costello government, and it is not good enough for Senator Allison, or any of the other Democrats, to laugh that off with a nervous giggle. These are important matters. The senator might laugh again but the fact is that these are important matters, not just to Australians as a whole but also to a million people who voted Democrat at the last election and who had a right to expect better. They had no idea that this sort of behaviour from the Democrats was coming down the line. They are thunderstruck by the comprehensive sell-out by the Democrats of their time-honoured policies and they are aghast when one Democrat senator can openly address a forum of business people and say, 'We are in the big league now. It is time you gave us some of the donations which go to the other established big league parties.'

What sort of Democrats is that? Again, Senator Allison laughs. I submit this is not a laughing matter. This is serious stuff. If Senator Allison does not understand it and cannot take it seriously then she should go back and listen to her electorate, which does understand it. The Democrats might have an executive stacked with staff members and senators that can override their membership, but let me say this: politics is not as easy as that; people are not fooled as easily as the Democrat senators might submit. Their membership may be taken as fools by them, but they are not fools, and the retribution will come down the line.

We have another senator from Queensland here tonight—Senator Andrew Bartlett, who, I am glad to see, is taking notes. I suspect if Senator Allison does not have the gumption to get up, he may be the one. But if any of the Democrat senators think that the next five or six days in this place is going to be the time where they assert a new-found power in politics, let me tell them that they are going to come under very intense scrutiny and criticism on the road to trying to establish that. You do not sell out on your constituency and expect that, in this or any other place, it is going to come as easy as you might think it will.

As Senator Allison laughs yet again, I say: let her get up and tell her constituency—and tell the media so that they can tell her constituency—what is going on behind closed doors as far as the environmental parameters in both the GST bill and the so-called environment protection bill are concerned. Can Senator Allison tell this chamber that the Democrats have not been negotiating with the government on that legislation? Can the Democrats tell this chamber that they are not negotiating amendments to that legislation with the government as we sit in this chamber tonight? Can the Democrats tell this chamber that that legislation will not be dropped on this chamber tomorrow or the next day or Friday without their constituency or any other constituency having an opportunity to look at it and give them feedback? What is the situation? If I am making these charges with no foundation, let them get up and say so. They are not responding to anybody else; let them respond to this chamber.

I join the Labor Party in saying to the Democrats that, when you start down this process, you have to know where you are going. You cannot just drift, because if you are drifting—and they are drifting—you leave yourselves, your direction and your ultimate goal in the hands of other more experienced

players. If the Democrats want that to happen, want to allow the coalition to be the dictators of their future political fortunes, they are going the right way about it. But that is the wrong way as far as their membership and their voters are concerned.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (8.24 p.m.)—I will not delay the Senate, but I do want to respond to a couple of allegations made by honourable senators opposite. Firstly, I was accused tonight of not giving notice about this, but less than an hour ago the Manager of Opposition Business in the Senate accused me of giving notice at 11 o'clock this morning to the whole world via the ABC. He accused me here an hour ago of saying, 'There is going to be a gag; there is going to be a guillotine; we are going to chop all this.'

Senator Robert Ray—What a puerile point.

Senator IAN CAMPBELL—I thought it was a puerile point when he made it, quite frankly, Senator Ray. Senator Ray squirms and squeals when someone points out his own hypocrisy on these matters, but when someone points out that his own Manager of Opposition Business came into this place and accused me of telling everyone that we are going to be looking at guillotines and time management procedures and then, of course—

Senator Robert Ray—Did you raise it at the meeting of the leaders and whips?

Senator IAN CAMPBELL—Senator Ray says, 'Was it raised at the leaders and whips meeting?' I attended the leaders and whips meeting for a few short minutes and then came in here to chamber duty. I am told that in fact rolling guillotines and guillotines were discussed at length in the leaders and the whips meeting. The issues of rolling guillotines are raised regularly in this place, and Senator Ray knows all about them. He gets up in this place and says, 'This guillotine is not a very good one. I was the best guillotine person in the history of Australia.' That is proven. He would not have told you because he did not have the figures in his hand, but I suspect he is referring to the use of the guillotine in this place in—was it 1992, Senator Ray?

Senator Robert Ray—About that, yes.

Senator IAN CAMPBELL—When he guillotined 61 bills through.

Senator Robert Ray—It was 62.

Senator IAN CAMPBELL—A tremendous achievement, Senator Ray. We are trying to put four or five through or whatever it is, and he says that it is outrageous. Do you know why it is outrageous? Because we did not tell him about it. The Manager of Opposition Business says that I told the whole world about it at 11 o'clock, but I did not tell him about it.

Can I get Senator Ray and his comrades opposite to contemplate the sort of notice that his government gave in 1993 when they gagged through the native title amendments, when Gareth Evans, the former honourable senator—or should I say 'distinguished' now that he is going for this job at UNESCO—gagged through native title. Senator Ray says, 'We always gave you guys notice.' That is simply not true. On the one occasion that I recall, Senator Ray—

Senator Robert Ray—I did not say that. You are a liar.

Senator IAN CAMPBELL—That is exactly what he said. We will use the old Senator Bob Collins trick and say, 'Go and check the *Hansard*.' This is not a very good guillotine because you were not given notice. We spoke about the guillotine at the doorstop at 8 o'clock this morning. Senator Ray says that guillotines are okay if he moves them but not if we move them. They are a sensible time management approach if he moves them, but you cannot give notice. But he always gave notice. Now he is trying to say, 'We didn't always give notice. Maybe Gareth Evans didn't give notice.'

Senator Robert Ray—You're just a liar.

Senator IAN CAMPBELL—So Senator Gareth Evans did not give notice, but Senator Robert Ray did.

The ACTING DEPUTY PRESIDENT (Senator Watson)—Order! Withdraw that.

Senator Robert Ray—He is lying.

Senator IAN CAMPBELL—Mr Acting Deputy President, these people come in here and talk with forked tongue. They came in here and said, 'Where are the amendments to the tax bill?' As if they could care less where the amendments are. What did they do with the Native Title Bill in 1993? Senator Lees and others remember this. They came into this chamber on the absolutely final sitting day of the sitting pattern for 1993 with the Native Title Bill that they had been negotiating with Senator Kernot, who used to sit down the end there, for days and days in secret. Senator Boswell remembers this. We did not know the relationship that was developing then between Senator Kernot and the Australian Labor Party, but it was developing then. They negotiated hundreds of amendments. As I recall, they came in here with no running sheet, except for something that had been scribbled out by Gareth. It probably had Cheryl's coffee spilt on it. They came in here and tabled, as I recall, something like 253 amendments.

The ACTING DEPUTY PRESIDENT—Order! Senator, refer to people by their correct title, please.

Senator IAN CAMPBELL—Who was that—Mrs Kernot?

The ACTING DEPUTY PRESIDENT—You used two christian names.

Senator IAN CAMPBELL—Sorry. Former Senator Kernot and former Senator Gareth Evans came in here and said, 'We have 253 amendments.' They circulated amendments after the debate came on, and yet we have Senator Sherry, Senator Conroy and Senator Cook saying, 'Where are your amendments?' You will get them before you get the bills under this government. When you guys were in government, you came in here with one of the most complicated pieces of legislation and then, with no notice whatsoever, you used the gag and the guillotine to push it through on Christmas Eve, allowing a relatively short debate.

So what is the Labor Party's form on this? It is absolutely gross, absolutely rank hypocrisy. Certainly on the last occasion of their use of the guillotine, in relation to the native title bill, they used the guillotine with no notice whatsoever.

Senator Robert Ray—You squealed like a stuck pig.

Senator IAN CAMPBELL—You sound like one, Senator Ray, right now. You really do. You are squealing. I have not actually heard a stuck pig. For the man who claims credit for guillotining 61 bills—

Senator Robert Ray—Sixty-two, I claim.

Senator IAN CAMPBELL—It says 61 here. It has got a two next to it. But let us not argue over one bill. Senator Robert Ray did that in 1992. In 1990 it was 53 bills; in 1988, 37 bills; in 1987, 54 bills; and in 1984 it was 14 bills—a total of 221 bills. That is an incredible record, and it is incredible hypocrisy to be complaining about a single guillotine here tonight, for a bill that has had what can only be described as fairly thorough, exhaustive examination by the Senate. In relation to the Telstra (Dilution of Public Ownership) Bill in 1996, it was the same issues as we are discussing tonight, if we have actually been discussing anything to do with Telstra for the last few days—

Senator Alston—Not much.

Senator IAN CAMPBELL—That is right. It was 16 weeks in committee, eight weeks for the transition to full private ownership bill and another 13 weeks for this bill. It is 37 weeks these issues have been in Senate committees and, as Senator Alston said, in excess of 75 hours in the chamber. The debate on this bill has been going for 17 hours already.

We asked an honourable senator opposite how long did they think this bill would go for. This was just a couple of hours ago; I think it might have been just before dinner. The response was, 'You might get it by later this week if you are lucky, but not before Wednesday.' If anything helped us make up our minds that sensible time management was required tonight—

Senator Faulkner—Another lie.

Senator IAN CAMPBELL—The person over there will probably tell you who it was, Senator Faulkner, but I won't, because it is

not fair. I would not do that, but one of your people over there indicated to us that there is no chance of getting this bill until the end of the week. The need for these matters to finally be brought to a vote is well and truly shown. The appalling time wasting and filibustering of those opposite on this issue has become a national disgrace. I commend this motion to the Senate.

Senator CARR (Victoria) (8.33 p.m.)—The government tonight have introduced a guillotine. They have done so against the backdrop of a meeting this afternoon which they requested that all parties participate in and at which the proposition of a guillotine was not raised by the government. It was mentioned by the Labor Party in an attempt to establish what was the government's routine of business and their intentions. We were told that there would be a report back to us on that matter.

Before this motion was put before this chamber, the preceding motion was on the question of the extension of sitting hours, which the opposition approached in a cooperative manner. In putting our views on that, I explained that I was concerned about a press report that the government was associated with from 11 o'clock this morning asserting that there had been a waste of time by this chamber. One and a half hours before the Senate actually began its deliberations today, the Manager of Government Business had already indicated his view that this Senate was not going to use time appropriately and effectively. What we have established throughout the course of this discussion, both in terms of the previous motion and this one here tonight, is that the propositions that I advanced were completely correct. We saw a misleading and quite deceptive approach taken by this government in the way in which it has treated other parties in this chamber. We have seen quite clearly a deliberate attempt to mislead the opposition in the way in which the government has presented its case for extra sitting hours, and it has abused the level of cooperation that we have extended to it.

We have before us tonight a proposition that the government has not given notice of. It is quite clearly in contradiction of the commitments that it made at the meeting at three o'clock this afternoon. It was Senator Harradine who proposed the question of a rolling guillotine, and we were told by the government that it would come back to us on the proposition.

Senator Ian Campbell—We were.

Senator CARR—You have come back, haven't you? You have come back into this chamber with the ultimate ambush. This is the nature of the political process being followed by this government. We are all consenting adults and we all understand the implications. As Senator Faulkner indicated today, there are always consequences in politics for taking the sorts of actions that you have taken today.

I think we ought to have a look at what is proposed here. We currently have a package of five bills being considered by this chamber. The most controversial measure is the Telstra (Transition to Full Private Ownership) Bill 1998. The proposition to give effect to the deal, the arrangement, that you entered into only on Sunday has yet to be moved. What we are being asked to consider tonight is the proposition of 100 per cent privatisation. The proposition to go up only 16 per cent to 49 per cent or any other proposition that has been advanced in the media has yet to be moved in this chamber. There are some 39 other sets of amendments. That goes to probably a couple of hundred amendments in total, I am advised, yet to be considered by this chamber. Yet we are expected to rule off this matter by 11 o'clock tonight.

We were also told in the previous arrangements about the standing orders in regard to the sitting hours for tonight—that there was to be an adjournment at 10.30. Of course, what this ambush does is overrule that proposition, so we go an extra half-hour—yet another sleazy, underhanded arrangement which will come back to haunt you in due course.

I think it is important that the Senate do consider the arrangements that have been made, because only yesterday we were told that there was a $1 billion sweetener for the Telstra sell-off. We were told that these were social bonuses, but they were quite clearly to

purchase the votes of certain senators in this chamber. I think we are entitled to ask: what is the nature of those arrangements? We are entitled to consider the implications for the rest of Australia of the special arrangements entered into for one particular region.

We heard that there are concerns within the Liberal coalition in this country. I heard the Deputy Premier of Western Australia this morning indicating his concern about the implications of this proposal for the good people of Western Australia. I can tell you, in the case of Victoria, similar concerns emerge. I know as a result of the last deal you did there was a disproportionate level of pain and suffering inflicted upon the working people of Victoria, because that is where the job losses were greatest as you transferred resources from Victoria to Tasmania. I think as senators we are entitled to consider the implications of those measures. But that is not being allowed under this proposal. That is not being considered within any matters we see before us tonight.

We were also told in the *Age* this morning that the Senate will agree to this proposition tonight. We understand how these things get in the papers. It is quite clear that the government were confident that they could secure these arrangements. I am of the view that that was an intrinsic part of the arrangements made with Senator Harradine to get the guillotine in place. That is not what you say, of course, but that is what you do. It is quite apparent from the reports in the paper this morning that the Telstra share sale that the Senate is expected to approve today is a $17 billion end of millennium blockbuster for the government and for the firms conducting the auction. According to the paper this morning, the process is already being shaped by plans for the biggest sale of all—that of the remaining 50 per cent of Telstra.

I think we have to understand the context in which these arrangements have been made, because this is not just a question that goes to a 16 per cent sale of Telstra; it goes to a whole range of other matters which I think Senator Bishop has drawn to our attention in a very competent manner. What we have actually seen is the impact that such proposals are having on the people of this country. We are entitled to ask: what is the government doing about these measures? We are entitled to consider properly and appropriately the measures that are under consideration in the Senate at the moment. What this motion does is prevent that from occurring. What it does not do is in any way hinder the proposition that there would be a $200 million-plus float feeding frenzy of the various firms seeking to advance their share of the arrangements they wish to secure as a result of the privatisation of another tranche of Telstra.

We have already considered the total effect of this measure with regard to various people in this country. We have seen the loss of services. We have seen rural and regional Australians severely disadvantaged. We have seen the effect in terms of the public finances arrangement. We have seen the quite devastating impact that it has had in terms of employment. These are important matters that ought to be properly considered.

These measures do not just go to the privatisation of Telstra, they go to the whole regulatory regime. As I said, there are 39 sets of amendments which have yet to be considered by the Senate. We are expecting that they will be put without debate. We have been told that, under this measure, these will be presented in such a manner that there will not be a proper discussion. There are eight pages on the running sheet of further amendments to be considered. You do not want the scrutiny. You do not want to be held publicly accountable. What you do want is to put this package through in a manner that avoids public discussion of the nature of the deal that you have undertaken with various senators in this chamber to secure their support in the dying stages of this parliament. That is clearly what we are going to do.

Senator Ray has indicated some of the consequences of these measures as far as the Labor opposition is concerned. Senator Faulkner, in his contribution, indicated the responsibilities of the Democrats in this regard. They do have an opportunity which they cannot walk away from. They have the capacity to say to the government, 'These sorts of measures are not appropriate.' We are

told that the Democrats are not interested in a guillotine on Telstra. Why don't they use the strength of their bargaining position with regard to the GST to ensure that this guillotine is not moved? We are not going to see that, are we? What we are going to see is the Democrats cravenly caving in, yet again, to the pressures that are being mounted by this government because of a proposition in terms of the GST, the detail of which is being kept from this parliament.

As I understand it, we are seeing a proposition that is being kept from the Democrats themselves. Fifteen amendments have yet to be seen on the GST package. But we have to race through this Telstra debate. We have to race through consideration of these measures so that we can get onto discussion of the GST. Of course, we have not seen the detail and we have not heard whether or not the Democrats are actually committed to all the fine print, because as far as they are concerned those sorts of matters are not questions that should be properly considered in this context.

There are two extra bills being proposed in this GST package, yet again we are being told that we have to race forward to examine these matters without proper regard to the due process within this chamber. Senator Ian Campbell indicates that we have spent a fair bit of time on these measures so far. *(Time expired)*

Senator MARGETTS (Western Australia) (8.43 p.m.)—I have been involved in debates on gagging mercifully few times since I came to the Senate in 1993. Native title in 1993 was one of them. There have been, I am glad to say, very few in recent times. Part of the issue with gagging is that, in the past, there was a double whammy due to the fact that there were bills that as a Senate we did not get a chance to see much of at all. Fortunately that was before my time as well. It was as a result of work by my colleague former Senator Christabel Chamarette, who required that the Senate have a chance to look at legislation, that that changed. There was very good reason for that.

Funnily enough, people in the community—our constituents, the people we are supposed to be representing—want to be able to see and comment on the legislation upon which we are being asked to vote. That includes, I believe, the details of major legislative changes that occur as a result of negotiations between parties—governments and whichever parties will allow a certain piece of legislation, which may be highly controversial, to get through the Senate. The general principle of all of this legislation is that, as far as possible, if there are major changes within legislation, we should all have the chance to see what those changes are and what the implications are.

Senator Campbell has said that the difference between the current government and previous governments is that they are going to allow us to see the amendments before we get the bill. That is going to be really interesting because, if the rumours are correct, we are going to have the environment legislation shoved on us tomorrow and most, if not all, of the environment movement do not have a clue about what is now being proposed in the bill. If Senator Campbell is correct, we will have a chance before we vote—before we go to the second reading—to have a look at what the government are proposing.

The problem is that in the last eight days of sitting—theoretically seven days—we are being asked to deal with a program which is far too great for the time allocated. Perhaps if all waking hours were to be included—and that is just about what we have at the moment—we would still have a program far too great to be properly considered in the time. Does that mean that we then have a process in the Senate such that whoever agrees to a bill—one would assume the reason people agree is that they think the legislation and the deal they have struck is supportable and able to be defended—has to apparently sign on the dotted line, saying, 'By the way, I not only agree to this bill, I agree to it not being debated. I agree that the issues not be brought out, I agree that the questions not be properly asked and I agree with the implications of these amendments and this legislation not being debated.'

We are well used to this situation when we see it in the House of Representatives. That

is what happens when there is a lack of democracy in either chamber of this parliament. I would like to think that at some stage in the future, if and when we get proportional representation in the House of Representatives, that monstrous undemocratic process will cease. However, what we do see, sometimes from both sides of the chamber—the government and the opposition—is that they often think the Senate has far too much say; that is, that the community, via the Senate that is meant to be representing it, has far too much say in the process of debate and review and that they would all like to have a go at weakening the rights of the Senate, to reduce the Senate to simply a rubber stamp for whoever happens to scrape over the line in an election.

Tonight not only have we had a debate about whether we are going to gag the debate on the bill in relation to the sale of Telstra, but also it has been rightly pointed out that the government have been on again, off again, on again, off again in relation to this bill and others simply because they had not stitched up the numbers at that stage. I had the embarrassment this morning of standing up to deal with the services bill and Telstra and finding out that in fact the government had brought on another bill instead. So there you are, on again, off again this morning. I had to deal with a piece of legislation that the government had not had the courtesy to even let me know was on and on which I had the first amendment. We were particularly pleased about that, but not for the dummy spit right now where the government are saying, 'How dare the Senate not behave?' As I say, it was the government that basically brought on and changed the program without telling us this morning.

Then we had a situation just before the dinner break—it was not recorded in *Hansard*—where Senator Campbell was very cross that we should have any debate about the sitting hours. We know now why Senator Campbell was very cross—not just that there was any debate on the sitting hours but that anybody should still be in this chamber after dinner to hear the end of the debate. Why was he cross about that? Because he knew what was coming up. He also knew that the rest of the chamber had not been advised about what was coming up. In the normal way of things there would have been just those people in the chamber to deal with the Telstra sale bill—those people in each of the parties who were dealing with it. Of course, unprepared, there may not have even been this debate because it would have gone through quite quickly—so quickly that we may not have even got our 10 minutes.

Can I indicate that I was actually standing to speak even as Senator Alston moved his motion on the suspension of standing orders. Everybody was in such a hurry to push this through and to gag debate in the Senate that I was not even recognised in the chamber. Maybe I should have yelled out louder, but basically it was a rush to gag and to stop the rights of the Senate to debate and to find out what is actually in the deals—first of all, the deal in relation to the sale of Telstra. Of course, as we go on this week we all know that the only way to get that big a legislation pile into that time is going to be to squash the democratic process.

I know Senator Ray said he was quite proud of guillotining 62 bills in the parliament. I would like to have thought that that is not the way the Senate operates now, considering it has other people who can stop that process going on. But no, in the last days before 30 June everyone seems to be wanting to get on the bandwagon to see which bit of the bill they can sell out as quickly as possible with the least possible debate. What do you think the rest of the community in Australia thinks about this process? Think about what it is going to do to the environment, to rural and regional Australia and to our economy and employment. And this is what the government says is the right way to deal with it.

Like other people who have spoken on this side of the chamber, I am going to vote against this gag. I would like to think that if the process is wrong for this gag the process is also wrong for any potential gags in relation to the GST package or any potential bill in the environmental protection package. I am sorry the Democrats have not yet spoken.

Maybe there is still time. I would like to see them answer not just my concerns and not just the concerns of members of this side of the chamber but also the concerns of the constituents in Australia whom we are all meant to represent.

Senator BARTLETT (Queensland) (8.51 p.m.)—You would not believe it, based on what other people have been saying for the last three-quarters of an hour, but the Democrats are actually going to vote against this guillotine motion. I could say that it was because we were persuaded, after due consideration, by the force of your arguments, that because you argued your case so cogently we have been persuaded to vote against this motion. Of course, that would obviously be difficult to prove. You folk who have been speaking for the last hour or so did not notice that we actually voted on the same side as you in relation to the suspension of standing orders. Despite all the allegations about the Democrats supposedly being in the swim with the government, we were actually sitting here voting against the government.

We are voting against this guillotine for the reasons that have been put to us with some degree of cogency by some of the previous speakers. There are some significant changes that are going to be put forward in relation to this legislation—some more amendments—and it is appropriate in the Democrat view that as much time as possible be given to highlighting and examining those amendments and to highlighting the reasons it is important to stop privatising more of Telstra.

Of course it is no surprise that the Democrats will be holding firm to their position in opposing the privatisation of Telstra—as the one party that does have consistency on issues of privatisation in this parliament. Unfortunately, the other speakers would not realise that the more they have been going on in relation to this particular guillotine motion, the less time has been available to consider the actual Telstra legislation. *(Time expired)*

Question put:

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

The Senate divided. [8.57 p.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	37
Noes	35
Majority	2

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H. *	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferguson, A. B.	Ferris, J.
Gibson, B. F.	Harradine, B.
Heffernan, W.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	Macdonald, S.
MacGibbon, D. J.	McGauran, J. J. J.
Minchin, N. H.	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Reid, M. E.	Synon, K. M.
Tambling, G. E. J.	Tierney, J.
Troeth, J.	Vanstone, A. E.
Watson, J. O. W.	

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, T. M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Collins, J. M. A.	Conroy, S.
Cook, P. F. S.	Cooney, B.
Crossin, P. M.	Crowley, R. A.
Denman, K. J.	Evans, C. V.
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Lundy, K.
Mackay, S.	Margetts, D.
McKiernan, J. P.	Murphy, S. M.
Murray, A.	O'Brien, K. W. K. *
Quirke, J. A.	Ray, R. F.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.
Woodley, J.	

PAIRS

Newman, J. M.	Reynolds, M.
O'Chee, W. G.	Hutchins, S.

*** denotes teller**

Question so resolved in the affirmative.

TELECOMMUNICATIONS (CONSUMER PROTECTION AND SERVICE STANDARDS) BILL 1998

TELECOMMUNICATIONS LEGISLATION AMENDMENT BILL 1998

TELSTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 1998

TELECOMMUNICATIONS (UNIVERSAL SERVICE LEVY) AMENDMENT BILL 1998

NRS LEVY IMPOSITION AMENDMENT BILL 1998

In Committee

TELSTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 1998

Consideration resumed.

The CHAIRMAN—The question is that schedule 2 stand as printed.

Senator HARRADINE (Tasmania) (9.01 p.m.)—I will speak briefly. I would like an undertaking from the minister.

Senator Robert Ray—Why did you gag us if you are going to use all our time?

Senator HARRADINE—I hope to be one minute. On the last occasion, the first tranche of Telstra, the government quarantined the Natural Heritage Trust Fund and the Regional Telecommunications Infrastructure Fund from the Commonwealth Grants Commission processes. I wonder whether the government would give a guarantee publicly in the chamber that the funds provided to Tasmania in accordance with this agreement will be excluded from the Commonwealth Grants Commission assessments of the equalisation relativity factors and, further, that the Commonwealth will not treat Tasmania in a disadvantageous manner compared with other jurisdictions in the context of the introduction of new or changes to existing specific purpose payments as a result of Tasmania receiving these funds. I ask that question because it is one that a number of people, including the Tasmanian government, want to know the answer to.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (9.03 p.m.)—This issue first arose in relation to the funding decisions made by the government associated with the first one-third sale of Telstra, when the government made available funds of $1.5 billion for the Natural Heritage Trust and the Regional Telecommunications Infrastructure Fund. The approach which the government took on that occasion was that it dealt with these matters in the terms of reference which were sent to the Grants Commission for its consideration of financial assistance grants to the states. In those terms of reference, the government instructed the Grants Commission to disregard any allocation which a state had received under the Natural Heritage Trust or the Regional Telecommunications Infrastructure Fund in making a determination as to the amount of the grant which the state should receive. The government proposes to take the same approach in relation to the allocation of funds under the social bonus associated with the sale of a further 16.6 per cent of Telstra.

Senator MARGETTS (Western Australia) (9.04 p.m.)—I have just received a letter from Telstra Information and Connection Services which I think would be useful for this debate. I quote from the letter:

> Over the past few months we have looked across the business at initiatives we can put in place to build a better and more sustainable business for the future. This has included business growth and cost reduction initiatives.
>
> Following that review, we have determined that our first priority is revenue growth.

Later on the letter states:

> In addition to our focus on revenue growth, we are also looking to improve our existing outsourcing arrangements.

Further, the letter states:

> Going through change is always a stressful process and open communication can raise concerns.

I mention that because the motion we are considering is in relation to my amendment to remove that section about the privatisation of Telstra. This would indicate that, according to Telstra, their ambition, their priority, is revenue growth. There is not one word in this letter about a focus on customers. The focus

is on revenue and outsourcing. I commend my amendments to the committee.

Question put:

That schedule 2 stand as printed.

The committee divided. [9.09 p.m.]

(The Chairman—Senator S. M. West)

Ayes	42
Noes	28
Majority	14

AYES

Abetz, E.	Allison, L.
Alston, R. K. R.	Bartlett, A. J. J.
Boswell, R. L. D.	Bourne, V.
Brownhill, D. G. C.	Calvert, P. H. *
Campbell, I. G.	Chapman, H. G. P.
Colston, M. A.	Coonan, H.
Crane, W.	Eggleston, A.
Ellison, C.	Ferguson, A. B.
Ferris, J.	Gibson, B. F.
Harradine, B.	Heffernan, W.
Herron, J.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Lightfoot, P. R.	Macdonald, I.
Macdonald, S.	MacGibbon, D. J.
McGauran, J. J. J.	Murray, A.
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Stott Despoja, N.	Synon, K. M.
Tambling, G. E. J.	Tierney, J.
Troeth, J.	Vanstone, A. E.
Watson, J. O. W.	Woodley, J.

NOES

Bishop, T. M.	Bolkus, N.
Brown, B.	Campbell, G.
Carr, K.	Collins, J. M. A.
Conroy, S.	Cook, P. F. S.
Cooney, B.	Crossin, P. M.
Crowley, R. A.	Denman, K. J.
Evans, C. V.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lundy, K.	Mackay, S.
Margetts, D.	McKiernan, J. P.
Murphy, S. M.	O'Brien, K. W. K.
Quirke, J. A. *	Ray, R. F.
Reynolds, M.	Schacht, C. C.
Sherry, N.	West, S. M.

PAIRS

Newman, J. M.	Faulkner, J. P.
O'Chee, W. G.	Hutchins, S.

*** denotes teller**

Question so resolved in the affirmative.

Senator ALLISON (Victoria) (9.13 p.m.)—by leave—I move amendments Nos 3 to 6 and Nos 8 to 10 on sheet 1255:

(3) Schedule 2, page 5 (lines 12 and 13), omit:

. The main source of money for the Reserve is $1.35 billion from the partial sale of Telstra.

substitute:

. The main sources of money for the Reserve are proceeds from the partial sale of Telstra and Telstra dividends.

(4) Schedule 2, page 5 (lines 18 and 19), omit the Note.

(5) Schedule 2, page 5 (line 22), omit the heading section 22A, substitute "**$250 million derived from Telstra dividends**".

(6) Schedule 2, page 5 (line 25), omit "proceeds of the sale of shares in", substitute "dividends".

(8) Schedule 2, page 14 (lines 20 and 21), omit "the partial sale of Telstra", substitute "dividends received from Telstra".

(9) Schedule 2, page 15 (lines 21 to 30), omit the definition of ***proceeds of the sale of shares in Telstra***.

(10) Schedule 2, page 16 (lines 17 and 18), omit "proceeds of the shares in", substitute "dividends from".

The effect of these amendments is to provide for the payment of the social bonus out of Telstra's dividends rather than the proceeds of the sale of 16.6 per cent of the share in Telstra. As I mentioned in my speech in the second reading debate, the Australian Democrats are of the view that it does not make economic sense to sell any more of Telstra. Furthermore, Telstra's performance in rural and remote areas just is not good enough to make us comfortable about any further privatisation.

We do not believe that the $671 million social bonus is going to solve all of the telecommunications problems for people in rural and remote areas. We think the improvement of those services should be part of an ongoing commitment and should be funded recurrently rather than as a one-off payment. We would like to see a proper plan in place, a systematic program of upgrading services governed by a well planned strategy to, as closely as possible, reach the equality of services between rural Australia and the cities.

Consequently, we do not think that the social bonus program is an ideal program, but again it is a start, which is better than nothing. I will be moving amendments later regarding the social bonus distribution committee, which will be an expert committee to deal with the grants that will arise from this bonus.

Senator MARK BISHOP (Western Australia) (9.14 p.m.)—On behalf of the opposition, I want to make a few comments concerning Democrat amendments Nos 3 to 6 and Nos 8 to 10. This set of amendments comes within that second category of amendments I addressed earlier in my opening remarks. It seeks to improve the effect of the bill by giving effect to the initial social bonus of $671 million and the latter social bonus of $300 million. When it comes to a vote the opposition will oppose these amendments. The opposition takes the view that the whole issue of the social bonus has become something of a bad dream; it is a trick. To date, something in the order of $671 million has been allocated or promised by the government should the Telstra sale bill go through, that is, if the next tranche—the 16 per cent shareholding—of Telstra should be sold, the government will gross proceeds somewhere in the order of $16 billion to $17 billion. After costs are deducted, the net gain to government will be something in the order of $15 billion to $16 billion.

Out of those net proceeds the government has allocated two tranches, if you like, of social bonus: the $671 million already allocated, $200 million for the Natural Heritage Trust, $70 million over five years for the rural transaction centres, $150 million over three years to allow or improve untimed local call access, $81 million over five years for regional communication needs and $120 million over five years for the television fund. So the first tranche is $671 million of taxpayers' money, to be achieved via the sale of 16 per cent of Telstra and distributed in a rather uneven fashion to certain groups within the community. The opposition takes the view that there is nothing wrong, in principle, with the allocation of those funds to those particular causes, but that allocation should have come out of the normal, routine, day-to-day government operation concerning funds and disbursements. It should have been part of the routine planning processes involved in the telecommunications portfolio. Similarly, the latest tranche of something in the order of $300 million, making a total of $1 billion over the next two to five years, should again be categorised as normal, routine government planning and allocation of funds.

The social bonus in total is something in the order of almost $200 million a year for five years. When you break it down it is about $10 per week for five years for every Australian. We compare that with the huge amount of fees and costs that is to be paid to a range of interests involved in the privatisation of the next 16 per cent of Telstra. If we look at the facts of this issue—and these were discussed in the Senate hearing in February of this year and referred to in the minority report by opposition senators—bankers and brokers received over $260 million in fees from the sale of the first one-third of Telstra, more than the government allocated to its $250 million Regional Telecommunications Infrastructure Fund. The Auditor-General drew attention to a range of improper practices in the disbursement of those funds, slack accounting records, poor internal controls on disbursement of funds and a range of abuses that occurred in many cities of the world as the roadshow went around selling off Telstra.

It is fact that, of the $671 million so-called social bonus, only $351 million over five years is to be spent directly on telecommunications infrastructure. The rest is to be used to boost the Natural Heritage Trust and create the rural transaction centres. As a result of negotiations between the government, Senator Harradine and a range of interests over the last three weeks since we last met, an additional $300 million has been allocated in the form of a social bonus. As I indicated earlier, it is remarkable that of that total of almost $1 billion, something in the order of $150 million is going to be allocated to Tasmania.

Minister Alston indicated earlier, in response to a series of questions, that the government has not gone through any particular planning or processes or commissioned

any research in respect of the range of programs it has identified; it simply struck the government as a good idea that the range of programs suggested in negotiations should be implemented. That strikes the opposition as a remarkable way to be running public policy in the allocation of some hundreds of millions of dollars. I think it is fair to categorise the social bonus, particularly the latter part, as a bribe. The way those funds are going to be dispersed raises questions of integrity in public policy.

We recently had an election in New South Wales where the opposition parties went to the people with a proposition to privatise the entire power network in that state. It was suggested that something in the order of $20 billion would be raised through the privatisation of the New South Wales power system. Serious incentives, if you like, or serious bribes, were offered to the electorate in New South Wales. From memory, something in the order of $1,000 plus was offered to every electricity user in New South Wales if they voted for the actual privatisation of the New South Wales power distribution system. The community poured scorn on that idea.

Two or three days after the Leader of the Opposition in New South Wales announced her position, the opinion polls and newspapers reflected community opinion—that is, that votes were not up for sale, were not up for grabs. The opposition continued on a downward spiral throughout that election campaign and remains in opposition to this day. The proposition that every voter, every electricity user, in New South Wales could somehow or other receive a bonus of $1,000 by voting for the then opposition, voting for the privatisation of the power network in New South Wales, was rejected by the people.

In terms of some of the programs that are part and parcel of the second tranche, as I said earlier, there is nothing particularly wrong with those programs in isolation. If they were part of on an ongoing plan, an ongoing development of particular states or regions, they would probably have worth on their own. But we find that the allocation of funds simply reflects the perceived needs of the government to privatise the Telstra Corporation.

One program on its own, worth $15 million—connecting Tasmanian schools to the Internet and providing extra capital to provide computers to school students—is, on its own, not an unworthwhile idea. I am sure every state and territory in Australia that runs a public education system would like to have access to a similar amount of funds to provide computers and software to all of their students. But Tasmania, as we all know, is a state where there is a serious and real population decline. The schools have fewer and fewer children every year. That suggests that there is no demand for an allocation of a huge amount of money for computers in the school system because parents are not having children and children are not attending the schools. When children turn 16, 17, or 18, there is no longer employment and they leave Tasmania to go elsewhere seeking employment.

It is similar with the mobile phone coverage. The black spots program to extend mobile phone reception on Australia's major highways is in itself a good idea—no-one quarrels with that. But it should be part of normal government planning, normal government processes, to attend to problems that emerge as new technology emerges and fix them up for all road users and for all mobile phone users. But the government allocate $1 million for mobile phone coverage to Tasmania, South Australia and Western Australia. They allocate that $1 million as part of this program on the basis that those three states did not qualify for the other grants. They did not qualify for the other grants, because the black spots problem did not exist in those states. So to keep those states quiet they are all slung an extra $1 million for each of these programs.

So the opposition is not particularly opposed to these programs. They may well have merit. They may well bring benefit in terms of the distribution of the social bonus. But we make the point, as I close my remarks, that the social bonus distribution should be spread all around Australia; it should be spread equally to all of the states and it should be

allocated to areas of need on a basis that has been identified by proper planning and allocation of resources. The allocation in total of $150 million to Tasmania out of a social bonus distribution of almost $1,000 million is a misallocation of resources. It is a wrong set of priorities and it just repeats the mistake that was made by the current opposition in New South Wales with respect to the privatisation of the power system. It is nothing less than a gentle bribe. It is something the opposition is not comfortable with. We place on record our opposition to it, and we will continue to maintain that position.

Senator COLSTON (Queensland) (9.26 p.m.)—On the last occasion the Senate considered the sale of Telstra, I had a number of concerns about any further sale of Telstra. In brief, these concerns related to: the corporate culture of labour and customer relations within Telstra; possible deleterious employment effects within rural and regional communities; the provision of telecommunication services to those communities; competition policy; the universal service obligation; and the Commonwealth's proposed use of further sale proceeds.

On that previous occasion, there was insufficient time to negotiate and debate the ramifications of the full sale of Telstra. Indeed, at that time, it could be argued that the government held no mandate relating to those proposals. On this occasion, the government clearly has a mandate to proceed with plans for the full sale of Telstra. It has become apparent, however, that it intends to proceed only with a partial sale, including a further 16.6 percent of the Commonwealth's Telstra asset. Some observers would have noticed that the government fudged its mandate a little. In the election campaign last year, the government said it would first move to increase the public holding of Telstra to 49 per cent. We find that this bill would increase the public holding to 49.9 per cent.

Since the last occasion on which the sale of Telstra was debated, there has been considerable time to negotiate and debate the government's proposals with many stakeholders. Those parties have included the government, Telstra, the CEPU and Telstra's customers, shareholders, employees and competitors. In the course of those negotiations, it has been established that the concerns I raised previously remain as the core issues relevant to this debate. There is evidence that the proceeds of the sale will provide important benefits to Australia, both in terms of debt reduction and the various projects involved in the enhanced social bonus package, an expansion of which has been announced. Those benefits will be shared by my constituents in Queensland, just as they will be by all Australians.

In addition, the competition regime associated with this legislation appears to balance the interests of all communications carriers and provide benefits for consumers. Furthermore, there is a commitment on the part of the government to continue serving the interests of consumers through the universal service obligation with the intention to review and enhance the USO on a regular basis.

The last year has also seen a change in personnel at the highest levels within Telstra. That change has brought a welcome shift in Telstra's corporate approach in a number of areas. For example, I have received assurances from the highest levels within Telstra that the corporation intends to be at the forefront of halting the drift from small rural communities to the capital and regional cities. The indications are that Telstra's approach on this matter includes a commitment to continued provision of new-generation telecommunication products in those regions, in addition to the maintenance and extension of Telstra's existing infrastructure.

Telstra's rural and remote trainee program—in which young Australians from rural and remote communities are trained to become communications technicians—has been provided as another example of Telstra's commitment to employment and skill infrastructure within those communities. One may cite numerous examples of the remarkable change in corporate culture that have been associated with the personnel change to which I have made reference. Two further examples, however, are worthy of note.

The casualties of Telstra issue has been, to some degree, a watershed in terms of custom-

er relations. Telstra's recent approach to the settlement of the CoT cases is most welcome. So, too, is Telstra's commitment to pursue a multifaceted approach to restructuring. While recognising that change in the telecommunications industry is inevitable, it is clear that better approaches than those used previously are available. Telstra's recent adoption of a culture of consultation and proactive involvement of staff affected by possible changes are beneficial for both the staff and Telstra's financial performance. Further, when restructuring is necessary, Telstra's commitment to offering redeployment, redundancy, or reskilling, retraining and job placement is a productive and welcome approach to labour relations.

Once more, I acknowledge the assistance of the minister, his staff, Telstra officials, the CEPU, Telstra's competitors, shareholders and customers, as well as my own staff, in assisting with my deliberations on this matter. Those deliberations, on balance, indicate that an important and beneficial revision of Telstra's customer and labour relations has occurred and that a further partial sale of Telstra will have lasting benefits for all Australians. Thus I will be supporting the sale proposed by the government, which still leaves the government as a majority shareholder in Telstra.

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate) (9.33 p.m.)—I certainly welcome the commitment given by Senator Colston to the sale of the remaining 16.6 per cent of the shareholding. What will remain in government hands will be 50.1 per cent. It is absolutely gratifying to hear Senator Colston give those commitments, because rural and regional Australia needs cheaper, faster and more clever communications, and the social bonus from the further 16 per cent sell-down of Telstra gives exactly that.

Each state stands to gain $150 million from the social bonus, but Queensland should do a lot better than that, because of the decentralisation of regional and rural Australia. Queensland is the most decentralised state in Australia. This $1 billion social bonus is to upgrade telecommunications for regional and rural Australia. Therefore, because most of this bonus will be given out on a needs basis and because regional Queensland is the biggest regional area in Australia, Queensland should do very well out of this.

Senator Margetts—It is not actually the biggest.

Senator BOSWELL—Western Australia is bigger, but it has not got the decentralisation that Queensland has. Queensland has the most digital radio concentrators, and the users who stand to benefit from them will get a $150 million network upgrade. We also have many local governments in regional areas. New initiatives that bring the total funding up to $1 billion include $158 million for the Building Information Technology Strengths program; $70 million for the Building Additional Rural Networks, or BARN, program; $45 million to help local governments to get online; an extra $3 million on top of the already announced $25 million to expand mobile phone coverage; and $3 million to fund a network to promote safe Internet content.

We have already announced $686 million, $150 million for untimed local calls and a new preferential call rate of 25c for 12 minutes. Together with the $160 rebate, that gives rural Australians the equivalent of 2.4 hours of local calls per week if their service centre is outside their zone. That is a huge initiative for rural Australia. $36 million will go to installing points of presence in each zone so that all Australians will be able to have access for local calls. Time and time again we have heard, at various points when we have gone around rural Australia, that what is required to ring their neighbour—or sometimes, on their own property, to ring down to the cottage—results in a timed called.

There is $70 million for Rural Transaction Centres to restore services to the bush, like Medicare, banking, post, fax and phone. A $120 million TV fund extends SBS to another one million Australians for the first time and eliminates TV reception black spots for others. Of this, $10 million goes to small self-help towns to subsidise the cost of equipment necessary to receive the second commercial broadcaster. The government has also boosted

the universal service obligation to ensure that 64 kilobytes of data downlink speeds will be available on demand to all Australians. Regional Australia also benefit significantly from the $250 million boost to the Natural Heritage Trust.

The package for the bush is historic in size and it follows intensive negotiations by National Party senators with the minister, Senator Alston, and also the Prime Minister. The final package delivers much more than the Queensland National Party asked for in its Bundaberg resolution as a prerequisite to supporting the full sale of Telstra.

I was going to move amendment ER249, which reduces the government's holding in Telstra by 16 per cent down to 50.1 per cent. If that is not in front of the chair at the moment, I will say that if it gets to be the question before the chair, then I will take the advantage of moving it. At the moment it is doubtful whether we will get to it because of the guillotine, but I want to signal that it is my intention to move that amendment when it comes before the chair. The amendment will secure a generational leap forward in communications and assure that all Australians, whether they be in Coen or Kirribilli, have equitable access to it.

Senator Murray—Madam Chair, I rise on a point of order, which goes to relevance. The senator should be speaking to the motion before him, which is the amendments put by the Democrats.

Senator Alston—Madam Chair, on the point of order: Senator Murray would appreciate, if he has been following the debate, that we have had many hours occupied by particularly Senator Mackay and her friends when there has been absolutely no relationship to the matter before the chair. It is particularly important in this instance, where Senator Boswell does wish to put his position on the record in relation to a matter which is unlikely to get before us until the time expires—

Senator Margetts—Whose fault is that?

Senator Alston—It is the fault of those who spent 17 hours in fruitless and irrelevant discussions which led to a guillotine being put in place. I simply ask Senator Murray for a short indulgence to enable Senator Boswell to complete his commitment which he would not otherwise be able to put on the record.

Senator Murray—If I may respond to the point of order, Madam Chair: Minister, I was not concerned with your general remarks. My concern is that you are now speaking to a specific amendment which is not before us, and we have our own amendments to deal with.

Senator Alston—My point of order was perhaps not made clearly enough, but Senator Boswell carefully refrained from purporting to speak to another amendment. He simply indicated that, if and when it came on, he would be. So he was foreshadowing an intention to do so. We are technically still considering the Democrat amendment.

The CHAIRMAN—I am sure that Senator Boswell will in some way relate his comments back to the Democrat amendments in due course.

Senator BOSWELL—I will try to take up the challenge to talk to the Democrat amendments, but I say this: I am very pleased that Senator Colston is going to support this bill, because a vote against it would deprive rural Australia of fairness, equity and a future. It is with a great deal of happiness, Senator Colston, that I note that you are going to support this bill, and I welcome it.

Senator MARK BISHOP (Western Australia) (9.40 p.m.)—Sometimes, when one listens to debates in this chamber, one could be forgiven for thinking one is in another place. I listened closely to Senator Boswell's comments. As he was making them and outlining the perceived benefits, from his perspective, that would flow to rural Australia and the state of Queensland, I was looking through the media release put out by Senator Alston late yesterday afternoon where he outlined in detail the $314 million involved in the second tranche social bonus. As I listened to Senator Boswell and looked at Senator Alston's press release, there was no correlation at all between the two.

Going through each element of the package one by one, I draw to rural Australia and Senator Boswell's constituency the facts of

the matter. They are these: the Building IT Strengths—the BITS—program is going to be allocated $158 million, and $40 million of that will be allocated to Tasmania for development of the intelligent island. That leaves $118 million for distribution in the remainder of Australia. Senator Alston, prior to dinner, was kind enough to tell the chamber that that $118 million outstanding from the BITS program is not going to be allocated on a proportionate basis to each or any of the states but will be broken up into three internal programs and that applications will be solicited and it is anticipated that the bulk of that $158 million will go to the two states, Victoria and New South Wales, that already have active ongoing and developed IT industries and multimedia programs. So that is $158 million out of the $314 million that will not be going to rural and regional Australia and will not be going to Queensland.

In terms of the Building Additional Rural Networks program, the BARN program, $70 million has been allocated. But, again, those funds are going to be distributed proportionately—each of the states will get $10 million. So indeed Senator Boswell is correct in respect of that program—Queensland will get $10 million, but so will each of the others states. For Networking the Nation—the local government fund—$45 million has been allocated but, again, as with the BARN program, it is going to be allocated proportionately to each of the states, and Queensland will get $6 million only—the same as each other state.

The expanded mobile phone coverage program—$3 million goes solely to Western Australia, South Australia and Tasmania. The NetWatch program—$3 million is simply going to be allocated to the state of Tasmania. The Trials in Innovative Government Electronic Regional Services—the TIGERS program—$10 million will be allocated, again only to Tasmania. Additional environment spending of $9.4 million will be allocated only to Tasmania. Connecting Tasmanian schools, which I referred to earlier—$15 million will be allocated, only to Tasmania. Other infrastructure initiatives—$800,000 will be allocated, only to rebuilding an athletics track in Tasmania.

This new tranche will have application around Australia, but Queensland's share—rural and regional Australia's share—is the same for New South Wales, South Australia, Victoria and any other states and territories: $10 million and $16 million respectively. So congratulations are in order to some senators in this chamber because they have achieved a great and bounteous result for their particular states. Tasmania will receive $150 million out of the total of $1 billion. Fifteen per cent of the social bonus will be spent in Tasmania, but in Queensland there will be additional funds provided of only $10 million for the BARN program and $6 million for Networking the Nation.

If Senator Alston's media release is correct—and I have no reason to doubt its veracity—and his earlier comments prior to dinner are correct, there has been little, if any, gain for rural and regional Australia outside of the $671 million that was allocated as the social bonus in the first tranche. That is where we come to the crux of the matter.

Senator Harradine—That is allocated now. You are not making sense. You are talking about the first tranche.

Senator MARK BISHOP—That is right; I am talking about the first tranche. $671 million in the first tranche is to be spent, upon the sale of the 16 per cent, and the bulk of the additional $300 million is to be allocated to Tasmania.

Senator Alston—Each of the states ends up with about $150 million each.

Senator MARK BISHOP—Each of the states ends up with about $150 million each.

Senator Harradine—That's right.

Senator MARK BISHOP—I accept that. But on a proportionate population basis—on a GSP basis—one or two states do radically better than, radically different to, all of the others. Queensland has a population 10 times that of Tasmania—something in the order of four million to 4½ million people compared to 400,000 in Tasmania. If both states get the $150 million, there is something seriously wrong with that process.

Senator Harradine—So you want Western Australia to get less than New South Wales?

Senator MARK BISHOP—In the same respect, Western Australia and South Australia suffer disadvantage in terms of the social distribution compared to the state of Tasmania. Senator Harradine, congratulations. We are not criticising you. What we say, though, is that for the National Party and Senator Boswell to say that his state or his constituency has done particularly well is an error of fact. That is the only point I am making in this discussion.

Senator HARRADINE (Tasmania) (9.47 p.m.)—I will be very brief. Unless I misunderstood Senator Bishop, Senator Bishop was talking about the first tranche.

Senator Mark Bishop—Both.

Senator HARRADINE—I think what you meant was the first announcement that we were talking about in this bill before the additional $300-odd million was put in. I accept that, but we are really talking about the sale of this tranche; that is, the 16 per cent. Out of the first tranche, Tasmania—if you look at the social bonus minus the natural heritage—was getting only 3.5 per cent. Sure, they are getting a disproportionate whack of the second amount—of the top-up from $671 million to $1 billion—but bear in mind that they were getting only 3.5 per cent.

Senator Bishop, I do not think you would be saying that Western Australia should get less than New South Wales because its population is less. I would not expect that from you as a senator for Western Australia, nor would I expect it from either Senator Colston or Senator Boswell. I think the point made by Senator Boswell was a very important point: that regional Australia has benefited from this particular sale as it would not have done under another formula.

Senator LUNDY (Australian Capital Territory) (9.49 p.m.)—With respect to the RTIF funding and the social bonus that have been spoken about at length this evening, I would like to follow through with the minister a series of questions that were not answered during the more appropriate forum of additional supplementary estimates. These questions go to the selection criteria of successful projects under the RTIF. Minister, I would like to draw your attention, if you, in fact, have any intention of participating in this debate at all—

Senator Mackay—He's not listening.

Senator LUNDY—Madam Chair, I am addressing the minister and he is not paying any attention. If you could call him to order, that would be useful.

The CHAIRMAN—The minister is working out what happens at one minute past 10, Senator Lundy.

Senator LUNDY—Minister, the question goes to the actual process of the selection criteria for successful RTIF funding projects. The question I asked in additional supplementary estimates went to the extent to which Telstra is involved in the decision making process of the board. I would like to draw your attention to the Networking the Nation fact sheet under the heading 'Funding priorities and options'. Under the subheading of 'Projects and existing commercial services', it states:

> The Board intends that Networking the Nation projects should not compete unfairly with existing commercial telecommunications and related services. Therefore the Board will provide funding directly for the provision of infrastructure and services only in areas where that infrastructure and services are not being provided commercially, and where there is no reasonable likelihood of commercial provision in the near future.

I also draw your attention to the criteria contained in further literature circulated under guidelines. At point 8 under the subheading 'The effect of the project on the telecommunications industry', it says:

> Projects will be assessed for their potential positive or negative impact on existing telecommunications (and related services) businesses in the proposed project market area. The potential of projects to promote development, competition or diversity in the telecommunications (and related services) industries or the acceptance of innovative communications solutions may also be considered.

Minister, I draw your attention to those criteria because I want to ask you quite specifically if Telstra is at all involved in the process of the selection criteria with respect

to RTIF projects. If so, what is the extent and nature of that involvement?

The reason I ask this question is that several of the projects, if your rhetoric is to be believed, have the potential—again I can quote from the very same document—to maximise competition, to ensure a level playing field. If what you are saying is in fact correct—and I actually doubt the sincerity of the government in this matter, for reasons that have been put on the public record for quite some time—perhaps you can explain the nature and role of Telstra's involvement in the selection criteria and whether or not they at any point have the opportunity to peruse funding applications.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (9.53 p.m.)—The short answer is that the decision making processes of the board are matters for the board, not for Telstra or for the government. It is at arm's length. It does, however, consult with a number of interested parties, including state governments and probably carriers, to explore options, just as it consults very carefully with applicants and advises them on the likelihood of their particular project being supported, even suggesting ways in which it might be better presented. So it does engage in extensive consultation, but at the end of the day it makes the decisions on its own. It certainly does not have Telstra participating in the decision making processes.

Senator LUNDY (Australian Capital Territory) (9.54 p.m.)—Just to follow up on that, Minister, can you get some advice from the board and ask them specifically if Telstra have been asked to directly comment on or peruse applications through the RTIF? The issue is this: right through this debate Labor has said that there is an appropriate place for Telstra in our community in supporting telecommunications and information infrastructure. The government has chosen to attach to the process of the partial or full sale of Telstra the creation of infrastructure of this type through the RTIF. It is contingent on the sale. To make that RTIF funding available contingent on the sale relates back to the ability of these communities to actually enhance their opportunity to participate in the information society. It is the types of projects that this government is seeking to fund through this contingency of the sale of Telstra that presupposes the introduction of further RTIF funding.

If indeed Telstra have any role at all in assessing or vetting RTIF applications in the context of the guidelines I described, is that fair? Surely the RTIF is there to actually break down some of the cost inhibitors that confront rural and regional users of telecommunications particularly and information services like the Internet. Surely that is what it is there for. This is a very important question for the minister to answer and for the RTIF board to answer, because if Telstra do have a say then this whole process and the government's rhetoric about the RTIF actually constituting a social bonus, implying that it will enhance the opportunities for rural and regional Internet telecommunications customers to actually be able to get online and to participate more, are an absolute farce.

It has been completely analysed by the Australian Bureau of Statistics, by other studies and by the government's own work demonstrating what the barriers to online participation are in rural and regional Australia. They relate primarily to cost and secondarily to the quality of the services. Both of these issues are almost completely dominated with respect to the services Telstra provide in rural and regional areas. Many of the RTIF grant applications that have come forward from those communities seek to redress the shortfalls of these services in rural and regional areas by virtue of cost and by virtue of quality of service, being applications seeking to implement new technology and to build new infrastructure. Yet here we find in the selection criteria some sort of test that a project cannot mess up any existing services; it cannot play with the entrenched monopolies that are out there putting rural and regional families at what we know is a distinct socio-economic disadvantage. It costs too much for so many of them to get online.

Surely, Minister, you can provide a decent and in-depth explanation, because we have not received answers to those questions on

notice from additional supplementary estimates. We have not seen those answers. I think you owe to this chamber, if not to rural and regional Internet users or indeed those who are hopeful to have that service affordable and available in the future, an explanation as to what exactly is going on in the decision making process of RTIF funding. If indeed we find that the RTIF funding system is able to be manipulated by the very corporation that you stand up and say you are trying to address in the social bonus, that you are trying to facilitate a competitive environment et cetera, you will be exposed not only as being completely hypocritical but also as grossly misleading the Senate and grossly misleading the Australian public. I look forward to your answers, Minister.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (9.59 p.m.)—The short answer is that the Regional Telecommunications Infrastructure Fund has been a screaming success. It has funded something like 140 projects. I have never heard anyone criticise any of those projects, including the Labor Party. Yet you are the crowd who went to the last election wanting to close it down, knock it off and put $100 million in your pocket. It is absolutely hypocritical. You have never had any criticism of the merits of any of those proposals, and I have made it abundantly clear to you that it is at arm's length from government and it is at arm's length from everyone else. It makes its own decisions. If you want to cast an aspersion that the board is basically a patsy for Telstra and that the board is compromised because it is delegating its decision making capacity to Telstra, you ought to have some evidence before you make those sorts of allegations.

Question put:

That the amendments (**Senator Allison's**) be agreed to.

The committee divided. [10.04 p.m.]

(The Chairman—Senator S. M. West)

Ayes	8
Noes	61
Majority	53

AYES

Allison, L.	Bartlett, A. J. J.
Bourne, V. *	Brown, B.
Lees, M. H.	Murray, A.
Stott Despoja, N.	Woodley, J.

NOES

Abetz, E.	Alston, R. K. R.
Bishop, T. M.	Bolkus, N.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, G.
Campbell, I. G.	Carr, K.
Chapman, H. G. P.	Collins, J. M. A.
Colston, M. A.	Conroy, S.
Cook, P. F. S.	Coonan, H. *
Cooney, B.	Crane, W.
Crossin, P. M.	Crowley, R. A.
Denman, K. J.	Eggleston, A.
Evans, C. V.	Ferguson, A. B.
Ferris, J.	Gibbs, B.
Gibson, B. F.	Harradine, B.
Heffernan, W.	Herron, J.
Hill, R. M.	Hogg, J.
Kemp, R.	Knowles, S. C.
Lightfoot, P. R.	Lundy, K.
Macdonald, I.	Macdonald, S.
Mackay, S.	Margetts, D.
McGauran, J. J. J.	McKiernan, J. P.
Murphy, S. M.	O'Brien, K. W. K.
O'Chee, W. G.	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Quirke, J. A.	Ray, R. F.
Reid, M. E.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.
West, S. M.	

*** denotes teller**

In division—

Senator Calvert—I wish to declare an interest in the Telstra debate because I own a small parcel of shares and so do members of my family.

Senator Colston—I wish to declare a possible interest because my wife has some Telstra shares.

Senator Crowley—I also have Telstra shares.

Senator Watson—I think my family may have some Telstra shares.

Senator Gibson—My family has some shares in Telstra in the superannuation fund.

Senator Knowles—I have Telstra shares.

Senator Sandy Macdonald—In line with my declaration of pecuniary interests, I have Telstra shares.

Senator Coonan—I think I have some Telstra shares left.

Senator Herron—I think my wife has got some Telstra shares.

Senator Chapman—Likewise.

Question so resolved in the negative.

The CHAIRMAN—The time for the debate in the committee stage of the Telstra (Transition to Full Private Ownership) Bill 1998 has expired. I will now put the government amendments on sheet ER249 as they were circulated more than two hours ago. The question is that schedule 3 stand as printed.

Question resolved in the negative.

The CHAIRMAN—The question is that the following government amendments Nos 1 to 4 on sheet ER249 be agreed to:

(1) Clause 1, page 1 (lines 5 and 6), omit "*Telstra (Transition to Full Private Ownership) Act 1998*", substitute "*Telstra (Further Dilution of Public Ownership) Act 1999*".

(2) Clause 2, page 1 (line 8), omit "Subject to item 1 of Schedule 3, this Act", substitute "This Act".

(3) Clause 3, page 2 (line 2), omit "Subject to item 1 of Schedule 3, each Act, and each regulation,", substitute "Each Act".

(4) Clause 3, page 2 (lines 7 to 9), omit subclause (2).

Question resolved in the affirmative.

Amendments (by **Senator Murray**)—by leave—not agreed to:

(1) Schedule 2, page 6 (after line 5), after item 4, insert:

4A After section 7

Insert:

Part 1A—Alterations to Telstra's constitution

Division 1—Minister to make alterations

7A Alteration of constitution

(1) The Minister must, by written instrument and within 3 months after the commencement of this section, make alterations to Telstra's constitution to ensure that the provisions of that constitution operates consistently with Division 2 of this Part.

(2) To avoid doubt, the making of an instrument under this section does not result in a contravention of, or give rise to a liability or remedy under:

(a) a provision of the *Corporations Law*; or

(b) a provision of the listing rules of a securities exchange; or

(c) a rule of common law or equity.

(3) In this section:

listing rules has the same meaning as in section 8AY

securities exchange has the same meaning as in section 8AY.

7B Inconsistency with the *Corporations Law*

To the extent that any of the provisions of this Part are inconsistent with any of the provisions of the *Corporations Law*, the provisions of this Part prevail.

7C Further amendment

Section 7A does not prevent further alteration of Telstra's constitution.

Division 2—Corporate governance board

7C Membership of the corporate governance board

(1) Telstra must establish a corporate governance board.

(2) Telstra's corporate governance board must have at least 3 members, and a majority of them must be external members.

(3) A member of the corporate governance board is an external member if he or she:

(a) is not, and has not been in the previous 2 years, an executive officer or an employee of Telstra or a related body corporate; and

(b) is not, and has not been in the previous 2 years, substantially involved in business dealings, or in a professional capacity, with Telstra or a related body corporate; and

(c) is not a member of a partnership that is, or has been in the previous 2 years, substantially involved in business dealings, or in a professional capacity, with Telstra or a related body corporate.

(4) The membership of the corporate governance board is to be vacated at each annual general meeting of the members of Telstra and the meeting must elect a new corporate governance board.

(5) A person who has previously served as a member of the corporate governance board of Telstra may nominate for re-election.

(6) Members of the corporate governance board are to be elected at a single ballot. Candidates must be ranked according to the number of votes each one receives and those with the highest number of votes are taken to be elected to vacancies on the board in the order of ranking, according to the number of vacancies.

7D Functions and duties of the corporate governance board

(1) The functions of the corporate governance board are:

(a) to determine the remuneration of company directors; and

(b) recommend the appointment of an auditor or auditors at the annual general meeting when there is a vacancy in the office of the auditor of the company; and

(c) to review the appointment, remuneration and functions of independent agents, such as valuers, who provide material information to members; and

(d) to appoint persons to fill casual vacancies of directors; and

(e) to determine whether amendments should be made to the company's constitution, whether at the request of the company's directors or on the board's own initiative; and

(f) to decide issues of conflict of interest on the part of the company's directors and determine how those conflicts will be managed; and

(g) to control the conduct of general meetings and determine voting procedures.

(2) The corporate governance board must report to the members of the company at each annual general meeting in respect of the performance of its functions. A report by the corporate governance board must be included in the company's annual report.

(3) The directors of Telstra who are not members of the corporate governance board must not purport to perform any of the functions referred to in subsection (1) after the establishment of the corporate governance board.

7E Remuneration

(1) Subject to subsections (2) and (3), the remuneration of members of the corporate governance board must be determined by the members of the company in general meeting.

(2) The corporate governance board must recommend the level of remuneration of its members.

(3) The directors of the company must be given an opportunity to comment on the recommendation referred to in subsection (2) before the general meeting makes its decision.

7F Duties of members

(1) A member of Telstra's corporate governance board must:

(a) act honestly; and

(b) exercise the degree of care and diligence that a reasonable person would exercise if he or she were in the member's position; and

(c) not make use of information acquired through being a member of the corporate governance board in order to:

(i) gain an improper advantage for the member or another person; or

(ii) cause detriment to the members of the company; and

(d) not make improper use of his or her position as a member of the corporate governance board to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the members of the company.

(2) A contravention of subsection (1) is taken to be a contravention of a civil penalty provision under the *Corporations Law* as if:

(a) subsection (1) was a provision contained in the *Corporations Law*; and

(b) subsection (1) was specified as a civil penalty provision in section 1317DA of the *Corporations Law*.

7G Further amendment

Section 7A does not prevent further alteration of Telstra's constitution.

(2) Schedule 2, page 10 (after line 9), after item 22, insert:

22A After section 8AW

Insert:

8AWA Telstra not to make political donations

(1) Telstra, or a director of Telstra on behalf of Telstra, must not make any donation to:

(a) a political party; or

(b) a candidate for election to the Parliament of the Commonwealth or to the legislature of a State or Territory; or

(c) a member of the Parliament of the Commonwealth or of the legislature of a State or Territory.

Penalty:

(a) if the offender is an individual—100 penalty units; or

(b) if the offender is a body corporate—10,000 penalty units.

(2) A Telstra subsidiary, or a director of a Telstra subsidiary on behalf of the subsidiary, must not make any donation to:

(a) a political party; or

(b) a candidate for election to the Parliament of the Commonwealth or to the legislature of a State or Territory; or

(c) a member of the Parliament of the Commonwealth or of the legislature of a State or Territory.

Penalty:

(a) if the offender is an individual—100 penalty units; or

(b) if the offender is a body corporate—10,000 penalty units.

(3) This section applies for the period of time during which the Commonwealth has a direct or indirect investment in, or owns or partially owns, Telstra.

Amendments (by **Senator Brown**)—by leave—put:

(1) Schedule 2, page 5 (after line 13), after item 1, insert:

1A After Part 2

Insert:

Part 2A—The Natural Heritage Board

7A Natural Heritage Board

(1) There is to be a Natural Heritage Board, which, subject to subsection (3), is to consist of 9 members, including the Chairperson.

(2) The members of the Board, including the Chairperson, are to be appointed by the Minister.

(3) In appointing members of the Board, other than the Chairperson, the Minister must ensure that the Board includes members with expertise in the following areas:

(a) biodiversity;

(b) marine conservation;

(c) wilderness conservation;

(d) world heritage;

(e) arid lands;

(f) soil conservation;

(g) inland waters;

(h) indigenous people's heritage;

(i) community consultation.

(4) The Minister may appoint as Chairperson a person who does not have expertise in any of the areas listed in subsection (3) but must be satisfied that the person has an established interest in and demonstrated concern for environmental matters.

(5) For the purposes of subsections (3) and (4), ***expertise*** means either:

(a) relevant post-graduate qualifications; or

(b) at least 5 years' significant work experience in the area.

(6) The members of the Board, including the Chairperson, hold office on a part-time basis.

(7) Subject to subsection 7J(3), the performance of the functions or the exercise of the powers of the Board is not affected by reason only of there being a vacancy or vacancies in the membership of the Board.

7B Responsibilities of Chairperson

The Chairperson of the Board is responsible to the Minister for:

(a) reporting to the Minister; and

(b) the efficient and orderly operation of the Board.

7C Responsibilities of Board

The Board is responsible for the disbursement of funds from the Reserve in accordance with the objectives set out in its charter (see section 8).

7D Term of office

(1) Subject to this Act, a member of the Board appointed under section 7A holds office for such period not exceeding 3 years as is specified in the instrument of appointment, but is eligible for re-appointment.

(2) A person shall not hold office for a continuous period exceeding 6 years.

(3) A person who has held office for a continuous period of 6 years is not eligible to be again appointed for a term of office commencing within 2 years after the expiration of that period.

7E Remuneration

(1) A member of the Board is to be paid such remuneration and allowances as the Remuneration Tribunal determines but, if no determination of that remuneration by the Tribunal is in operation, a member, including the Chairperson, is to be paid such remuneration as the Minister determines in writing.

(2) This section has effect subject to the *Remuneration Tribunal Act 1973*.

7F Resignation

A member of the Board, including the Chairperson, may resign by giving a written notice of resignation to the Minister.

7G Termination of office

(1) The Minister may remove a member of the Board from office:

(a) for misbehaviour or physical or mental incapacity; or

(b) if the member is absent, without the approval of the Board, from 3 consecutive meetings of the Board; or

(c) where the member of the Board is the Chairperson of the Board—if the member is absent, without the approval of the Minister, from 3 consecutive meetings of the Board.

(2) If a member of the Board fails without reasonable excuse to comply with section 7J, the Minister must terminate the appointment of the member.

7H Acting Chairperson

(1) The Minister may appoint a person to act as Chairperson of the Board:

(a) during a vacancy in the office of Chairperson, whether or not an appointment has previously been made to the office; or

(b) during any period, or during all periods, when the Chairperson is absent from duty or from Australia or, for any reason, unable to perform the functions of the office of Chairperson;

but a person appointed to act during a vacancy shall not continue so to act for more than 12 months.

(2) The Minister may:

(a) determine the terms and conditions of appointment, including remuneration and allowances, of an Acting Chairperson; and

(b) at any time terminate such an appointment.

(3) Where a person is acting as Chairperson in accordance with paragraph 1(b) and the office of Chairperson becomes vacant while that person is so acting, that person may continue so to act until the Minister otherwise directs, that vacancy is filled or a period of 12 months from the date on which the vacancy occurred expires, whichever first happens.

(4) The appointment of an Acting Chairperson ceases to have effect if the person resigns the appointment by writing signed by the person and delivered to the Minister.

(5) At any time when a person is acting as Chairperson of the Board the person has, and may exercise, all the powers and shall perform all the functions of the Chairperson.

(6) The validity of anything done by the Acting Chairperson must not be called in question on the grounds that the occasion for the person's appointment had not arisen or that the appointment had ceased to have effect.

7J Meetings

(1) The Board may hold such meetings as are necessary for the performance of its functions but must meet no fewer than 3 times in each year.

(2) The meetings of the Board must be convened by the Chairperson.

(3) At a meeting of the Board, a quorum is constituted by 7 members of the Board.

(4) The Chairperson must preside at all meetings of the Board at which he or she is present.

(5) If the Chairperson is not present at a meeting of the Board, the members present must elect one of their number to preside at the meeting.

(6) Questions arising at a meeting of the Board must be determined by a majority of the votes of the members present and voting.

(7) The person presiding at a meeting of the Board has a deliberative vote and, in the event of an equality of votes, also has a casting vote.

(8) In this section, ***Chairperson*** includes Acting Chairperson.

(9) If the Board so determines, a member of the Board may participate in, and form part of a quorum at, a meeting of the Board by means of any of the following methods of communication:

(a) telephone;

(b) closed circuit television;

(c) another method of communication determined by the Board.

(10) A determination by the Board under subsection (9) may be made in respect of a particular meeting, or in respect of all meetings, of the Board.

(11) A member of the Board who participates in a meeting as provided by subsection (9) is taken for the purposes of this Act to be present at the meeting.

(12) If the Board so determines, a resolution must be taken to have been passed at a meeting of the Board if, without meeting, a majority of the number of members who would, if present at a meeting of the Board and entitled to vote on the resolution at that meeting, have constituted a quorum of the Board indicate agreement with the resolution in accordance with the method determined by the Board.

7K Disclosure of interest

(1) A member of the Board who has a direct or indirect pecuniary interest in a matter being considered or about to be considered by the Board shall, as soon as possible after the relevant facts have come to his or her knowledge, disclose the nature of the interest at a meeting of the Board.

(2) A disclosure under subsection (1) shall be recorded in the minutes of the meeting of the Board and the member must not:

(a) be present during any deliberation of the Board with respect to that matter; or

(b) take part in any decision of the Board with respect to that matter.

1B Section 8

Repeal the section, substitute:

8 Objectives of the Board and purposes of the Reserve

(1) In disbursing funds from the Reserve, the objectives of the Board are:

(a) to protect and conserve the natural environment of Australia;

(b) to assist the Australian Government in implementing Australia's obligations under international conventions for the protection of the environment.

Note: International conventions under which Australia has obligations include the Convention for the Protection of the World Cultural and Natural Heritage, a copy of the English text of which is set out in the Schedule to the *World Heritage Properties Conservation Act 1983*, the Convention on Wetlands of International Importance especially as Waterfowl Habitat, adopted on 2 February 1971 by the International Conference on the Conservation of Wetlands and Waterfowl held at Ramsar, Iran, the Convention on Biological Diversity and the United Nations Framework Convention of Climate Change.

(2) The purposes of the Reserve are as follows:

(a) the National Vegetation Initiative;

(b) the Murray-Darling 2001 Project;

(c) the National Land and Water Resources Audit;

(d) the National Reserve System;

(e) the Coasts and Clean Seas Initiative;

(f) environmental protection (as defined by section 15);

(g) supporting the sustainable management of agricultural land (as defined by section 16);

(h) a purpose incidental or ancillary to any of the above purposes;

(i) the making of grants of financial assistance for any of the above purposes;

(j) an accounting transfer purpose (as defined by section 18);

(k) remuneration and allowances for the Chairperson and members of the Board (see section 7E).

Note: Subsection 20(5) of the *Financial Management and Accountability Act 1996* provides that money in the Reserve may be debited for the purposes of the Reserve.

1C At the end of subsection 9(1)

Add:

; (k) remuneration and allowances for the Chairperson and members of the Board.

1D Subsection 19(3)

Repeal the subsection, substitute:

(3) An agreement under subsection (2) may be entered into by the Minister on behalf of the Commonwealth but only in accordance with a recommendation of the Board.

1E Subsection 20(3)

Repeal the subsection, substitute:

(3) An agreement under subsection (2) may be entered into by the Minister on behalf of the Commonwealth but only in accordance with a recommendation of the Board.

1F Subsection 21(1)

Omit "a Minister", substitute "the Board".

1G Subsection 21(2)

Omit "the Minister" (wherever occurring), substitute "the Board".

(2) Schedule 2, page 6 (after line 2), after item 3, insert:

3A Part 5

Repeal the Part.

3B Section 40

Repeal the section.

3C Section 41

Omit "Ministerial" (wherever occurring).

3D Subsection 42(2)

Omit "The Minister", substitute "The Board".

3E Subsection 43(1)

Omit "Minister", substitute "Board".

3F Subsection 43(1)

Omit "cause to be prepared an annual report", substitute "prepare and give to the Minister an annual report".

3G At the end of paragraph 43(1)(a)

Add ", including details of all disbursements from the Reserve and the reasons for decisions relating to those disbursements".

3H Subsection 43(5)

Repeal the subsection, substitute:

(5) The Minister and the Minister for Primary Industries and Energy must give the Board such information as the Board requires to enable the Board to comply with its obligations under subsection (1).

3J Paragraph 45(1)(d)

Omit "(other than section 40 or 41)".

3K Paragraph 46(1)(c)

Omit "(other than section 40 or 41)".

3L Section 54 (definition of *Committee*)

Repeal the definition.

3M Section 54 (definition of *Committee member*)

Repeal the definition.

The committee divided. [10.17 p.m.]

(The Chairman—Senator S. M. West)

Ayes	9
Noes	61
Majority	52

AYES

Allison, L.	Bartlett, A. J. J.
Bourne, V. *	Brown, B.
Lees, M. H.	Margetts, D.
Murray, A.	Stott Despoja, N.
Woodley, J.	

NOES

Abetz, E.	Alston, R. K. R.
Bishop, T. M.	Bolkus, N.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, G.
Campbell, I. G.	Carr, K.
Collins, J. M. A.	Colston, M. A.
Conroy, S.	Cook, P. F. S.
Coonan, H. *	Cooney, B.
Crane, W.	Crossin, P. M.
Crowley, R. A.	Denman, K. J.
Eggleston, A.	Evans, C. V.
Faulkner, J. P.	Ferguson, A. B.
Ferris, J.	Forshaw, M. G.
Gibbs, B.	Gibson, B. F.
Harradine, B.	Heffernan, W.
Herron, J.	Hill, R. M.
Hogg, J.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Lundy, K.	Macdonald, I.
Macdonald, S.	Mackay, S.
McGauran, J. J. J.	McKiernan, J. P.
Murphy, S. M.	O'Brien, K. W. K.
O'Chee, W. G.	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Quirke, J. A.	Ray, R. F.
Reid, M. E.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.
West, S. M.	

*** denotes teller**

Question so resolved in the negative.

TELECOMMUNICATIONS (CONSUMER PROTECTION AND SERVICE STANDARDS) BILL 1998

Senator MARGETTS (Western Australia) (10.22 p.m.)—We were quickly given an amendment sheet on what we were allowed to move. I ask about my amendments in relation to performance requirements and why

they did not get on the sheet. There is probably a very good reason.

The CHAIRMAN—Were they Nos 1 to 9 on sheet 1254? If so, they were superseded by government amendment No. 5. The question before the chair is that opposition amendment No. 1 to government amendment No. 39 be agreed to.

Senator MARK BISHOP (Western Australia) (10.23 p.m.)—I seek leave to withdraw opposition amendment No. 1 on sheet 1401 in respect of the Telecommunications (Consumer Protection and Service Standards) Bill 1998.

Leave granted.

Senator MARK BISHOP (Western Australia) (10.23 p.m.)—by leave—I move opposition amendments Nos 1 to 18 on sheet 1431:

(1) Amendment 39, clause 158A, after "in writing", insert "or by other specified means".

(2) Amendment 39, paragraph 158B(2)(a), omit "standard telephone", substitute "carriage"

(3) Amendment 39, omit paragraphs 158B(2)(e), (f), (g) and (h), substitute:

(e) the voice call is made to a number with an approved prefix;

and one of the following paragraphs applies:

(f) the relevant customer has agreed:

(i) in writing; or

(ii) by telephone or other electronic means;

to the use of a carriage service to supply telephone sex services in general and the carriage service provider is satisfied as to the identity of the relevant customer;

(g) the telephone sex service provider has reason to believe that:

(i) the relevant customer has been issued with a Personal Identification Number under an access arrangement with a telephone sex service provider that is determined by the ACA to be an appropriate access arrangement; and

(ii) the end user of the telephone sex service has used the Personal Identification Number referred to in subparagraph (i) to access the telephone sex service;

(h) the telephone sex service provider has reason to believe that:

(i) the relevant customer has been issued with some other means, approved by the ACA, of limiting access to other persons to telephone sex services supplied using a carriage service (an ***approved access limitation means***); and

(ii) the end-user of the telephone sex service has used the approved access limitation means referred to in subparagraph (i) to access the telephone sex service.

(4) Amendment 39, at the end of subclause 158B(2) (after Note 2), add:

Note 3: ***Appropriate access arrangement*** is defined by section 158GA.

Note 4: ***Approved access limitation means*** is defined by section 158GB.

(5) Amendment 39, subclause 158B(6), omit "paragraph (2)(e)", substitute "paragraph (2)(f)".

(6) Amendment 39, subclause 158B(6), omit "standard telephone", substitute "carriage".

(7) Amendment 39, at the end of subclause 158B(6), add "by way of a voice call".

(8) Amendment 39, subclause 158B(7), after "supplied" (first occurring), insert "by way of a voice call".

(9) Amendment 39, subclause 158B(7), omit "standard telephone" (wherever occurring), substitute "carriage".

(10) Amendment 39, subclause 158B(8), omit "standard telephone" (wherever occurring), substitute "carriage".

(11) Amendment 39, paragraph 158D(1)(c), omit "standard telephone", substitute "carriage".

(12) Amendment 39, paragraph 158D(1)(d), omit "standard telephone", substitute "carriage".

(13) Amendment 39, clause 158G, omit "paragraphs 158B(2)(e), (f) and (g) are", substitute "paragraph 158B(f), (g) or (h), as the case requires, is".

(14) Amendment 39, after clause 158G, insert:

158GA Appropriate access arrangement

(1) For the purposes of this Part, an access arrangement between a relevant customer and a telephone sex service provider for the provision of access to telephone sex services supplied using a voice call to a carriage service is an ***appropriate access arrangement*** if the arrangement is an

arrangement of a kind specified in a written determination made by the ACA for the purposes of this subsection.

(2) The minimum requirements for an appropriate access arrangement are as follows:

(a) a customer must make an application to a service provider for a Personal Identification Number;

(b) the telephone sex service provider must not issue a Personal Identification Number to a customer without first receiving an application from the customer and unless the telephone sex service provider also provides the customer with an identity authentication card;

(c) before issuing an identity authentication card, the telephone sex service provider must verify the customer's identity in a manner determined by the ACA;

(d) the identity authentication card must be linked to an automated verification system to which the customer may gain access using a telephone service with a 1800 prefix or other prefix as determined from time to time by the ACA;

(e) the customer may use any suitable telephone to gain access to telephone sex services following customer verification through the automated verification system using the identity authentication card and Personal Identification Number;

(f) the ACA must consult with carriage service providers, telephone sex service providers and bodies that, in the opinion of the ACA, represent carriage service providers or telephone sex service providers before determining that an access arrangement is an appropriate access arrangement.

(3) A determination under subsection (1) is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

(15) Amendment 39, after clause 158GA, insert:

158GB Approved access limitation means

(1) For the purposes of this Part, a means of limiting access to telephone sex services supplied using a voice call to a carriage service is an ***approved access limitation means*** if the means is of a kind specified in a written determination made by the ACA for the purposes of this subsection.

(2) The ACA must not make a determination under subsection (1) without first consulting carriage service providers, telephone sex service providers and bodies that, in the opinion of the ACA, represent carriage service providers or telephone sex service providers .

(3) A determination under subsection (1) is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

(16) Amendment 39, subsection 158J(1), omit "standard telephone", substitute "carriage".

(17) Amendment 39, section 158K, omit "standard telephone", substitute "carriage".

(18) Amendment 39, section 158K, after "services" insert "by way of voice calls".

Opposition amendments Nos 1 to 18 deal with the issue of telephone sex. We discussed this last time we met, some two or three weeks ago. The opposition has withdrawn its original amendment and substituted it with amendments Nos 1 to 18. When the Senate last met, I indicated the commitment that Labor has to the amendments we have said we will move with regard to this legislation. In the last few weeks we have received extensive representation from telecommunications service providers and their representative bodies. They have given a great deal of attention to the potential for collateral damage to these industries that might arise from the government's proposals. Today the opposition has circulated further amendments to this bill that we feel both reinforce the position taken by the Labor Party during the previous debate and extend greater certainty to the telecommunications service providers in this country who feel that the government proposal will cause inadvertent damage to their businesses.

Modelling by the industry has indicated that, at best, the entire 1900 telephone service industry may suffer from a decline in revenue of up to $75 million, which represents approximately $13.5 million in lost taxation revenue for the government, and, at worst, the revenue will tumble by $150 million, which would mean taxation revenue cuts of approximately $22.2 million. The damage that these revenue declines may cause to the rest of the 1900 industry could be catastrophic. Many agencies and organisations use 1900 services to inform the public and operate their businesses. These include major media outlets, state

and local government agencies and a range of small businesses and information providers. The opposition amendments to this bill will provide common ground between the objectives of preventing the misuse of these services by minors and unauthorised users and minimise damage to industry and loss of revenue and employment opportunities arising from such damage.

Firstly, we reiterate our belief that industry must be given 12 months to prepare for any changes to the access regime for these services in order to allow both carriers and information service providers an opportunity to implement appropriate access mechanisms and to fully inform staff and customers about these changes. The minister has tried to have us believe that Telstra has a different view on the time it will take to implement such changes, stating that it had said it could be done in six months. In fact, Telstra has not moved from its position that it will take it at least 12 months to develop appropriate access mechanisms.

Secondly, we seek to move further amendments which will serve to allow a certain portability of identity authentication in this industry. We will move to allow calls to these services to be made under specific access mechanisms agreed to by the telecommunications service industry and the Australian Communications Authority. For example, the ACA may approve a system where calls to these services may be made from any phone by customers using a unique personal identification number and a phonecard linked to a 1800 based identity verification system.

In conclusion, when we put forward the amendments on the last occasion we indicated that we wanted our amendments to be considered seriously. We circulated further amendments this morning. We have spoken to the background already and will explain it in more detail in a few moments. We indicate to the chamber that the imposition of the guillotine changes the whole situation and the opposition is reviewing its position on the issue of phone sex.

Just fleshing out the amendments Nos 1 to 18 which have been circulated, we have identified three major deficiencies in the government proposal. The opt-in arrangements are inflexible and may unfairly impact on unrelated parts of the telephone information service industry. The opt-in can be undertaken only in writing and does not reflect current technology and accepted practices in terms of identification and services available by telephone, facsimile and email. Also, six months is an insufficient period of time for the carriers to implement the required PIN infrastructure.

The Labor amendments will: extend the period of time before the introduction of the measures in the bill from six months to 12 months to allow carriers and industry to develop authentication mechanisms and to inform the customers of adult telephone services of the change from the 1900 prefix to the 1901 prefix; broaden the method by which customers can opt in to these services by including applications made in writing, by telephone or by other electronic means; provide for a mechanism which allows secure authentication that is portable, which customers can use to access adult telephone information services from any telephone service by use of a unique phonecard and PIN system—this system will be known as an approved authentication means and must be approved by the Australian Communications Authority by way of a disallowable instrument; and, finally, require the Australian Communications Authority to consult with carriers, telephone service providers and information service providers with regard to the technical detail of such an approved authentication means.

Senator MARGETTS (Western Australia) (10.30 p.m.)—The Greens (WA) will not be supporting these amendments. Effectively, they are an opt-in provision and provide all the monstrous kind of pretence that a lot of the opt-in facilities provide—that is, in effect this is banning the industry. To have this gagged at this time of night is ridiculous. Basically, we are not supporting it because we think the commonsense approach is knocked out.

Senator ALLISON (Victoria) (10.30 p.m.)—The Australian Democrats will not support these amendments. They are an

improvement on the previous amendments by the ALP but do not go far enough, as far as we are concerned. We look forward to the ALP supporting our opt-out amendments rather than opt-in.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (10.31 p.m.)—The government will not support these amendments. They would simply not be effective in minimising the risk that children could simply call a sex line and opt in. It would increase industry compliance costs and the provisions are ambiguous in their operation.

Senator MARK BISHOP (Western Australia) (10.31 p.m.)—The comments made by the minister are incorrect. We circulated our amendments—we were serious. We were going to divide but, in light of the indication by the minor parties, that will not be necessary.

Amendments not agreed to.

Senator MARK BISHOP (Western Australia) (10.31 p.m.)—I move opposition amendment No. 1 on sheet 1408:

Amendment 39, subsection 158N(1), omit "6 months", substitute "12 months".

As I said earlier, we have had a number of approaches from industry carriers. We went back to Telstra after the minister advised us last time that 12 months was no longer required by Telstra. Telstra have confirmed to us that 12 months is an absolute minimum to implement changes, get the systems in place and train staff and that if the provision remains at six months, they will simply be unable to comply with the law. It strikes us as a fairly weird situation. If a corporation simply is not physically able to comply with the law, the difference between six and 12 months is minimal.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (10.32 p.m.)—The government is opposed to this amendment. We certainly understand that some people would like to delay its operation as long as possible, but in the government's view six months is a very reasonable period of time. If Senator Bishop claims that the difference is minimal, then on that logic six months is as good as 12 months anyway.

Amendment not agreed to.

Senator ALLISON (Victoria) (10.33 p.m.)—I move Democrat amendment No. 1 on sheet 1411:

(1) Amendment 39, omit clauses 158A to 158N, substitute:

158A Simplified outline

The following is a simplified outline of this Part.

. This Part prohibits unacceptable conduct by telephone sex service providers and carriage service providers in relation to telephone sex services.

. Conduct is unacceptable if telephone sex services are supplied otherwise than by means of a voice call to a number with an approved prefix.

. A customer who chooses not to have access to such services exercises ***access choice rights***. A carriage service provider must comply with a request by a customer to exercise those rights.

. Information about access choice rights must be included on all bills sent to customers by or on behalf of a carriage service provider.

. A carriage service provider must notify all new customers of their access choice rights.

158B Unacceptable conduct in relation to a telephone sex service

(1) A telephone sex service provider or a carriage service provider must not engage in unacceptable conduct in relation to a telephone sex service (within the meaning of subsection (2)).

Note: ***Telephone sex service provider*** is defined by section 158G.

(2) For the purposes of this Part, if:

(a) a telephone sex service provider uses a standard telephone service to supply a telephone sex service to an end-user in Australia; and

(b) the supply is by way of a voice call; and

(c) a person (the ***relevant customer***) is a customer of a carriage service provider in relation to the voice call; and

(d) a charge for the supply of the telephone sex service is expected to be included in a bill sent by or on behalf of the carriage service provider to the relevant customer;

the telephone sex service provider and the carriage service provider are taken to have ***engaged in unacceptable conduct*** in relation to the telephone sex service unless the voice call is made to a number with an approved prefix.

Note 1: ***Telephone sex service*** is defined by section 158F.

Note 2: ***Approved prefix*** is defined by section 158E.

(3) Subsection (1) is a ***civil penalty provision***.

Note: Part 31 of the *Telecommunications Act 1997* provides for pecuniary penalties for breaches of civil penalty provisions. Subsection (1) is a civil penalty provision for the purposes of that Act.

Charge for supply of telephone sex service not to be included in bill

(4) If a carriage service provider engages in unacceptable conduct in relation to a telephone sex service (within the meaning of subsection (2)), a charge for the supply of the telephone sex service must not be included in a bill sent by or on behalf of the carriage service provider to the relevant customer.

(5) Subsection (4) is a ***civil penalty provision***.

Note: Part 31 of the *Telecommunications Act 1997* provides for pecuniary penalties for breaches of civil penalty provisions. Subsection (4) is a civil penalty provision for the purposes of that Act.

Defence

(6) In any proceedings against a carriage service provider under Part 31 of the *Telecommunications Act 1997* that arise out of this section and relate to a telephone sex service supplied using a standard telephone service supplied by the carriage service provider, it is a defence if the carriage service provider establishes:

(a) that it did not know; and

(b) that it could not, with reasonable diligence, have ascertained;

that the standard telephone service was, or was to be, used by a telephone sex service provider to supply the telephone sex service.

(7) For the purposes of subsection (6), in determining whether a carriage service provider could, with reasonable diligence, have ascertained whether a standard telephone service supplied by the carriage service provider was, or was to be, used by a telephone sex service provider to supply a telephone sex service, the following matters are to be taken into account:

(a) whether any inquiries were made of persons who proposed to use standard telephone services to supply commercial services by way of voice calls;

(b) whether persons who use standard telephone services to supply commercial services by way of voice calls are under any contractual obligation to notify the carriage service provider of the nature of those commercial services;

(c) whether the carriage service provider monitors, or arranges for the monitoring, of advertisements that are:

(i) for commercial services supplied by way of voice calls made using standard telephone services ; and

(ii) published in mass-circulation newspapers or mass-circulation magazines circulated in Australia;

(d) any other relevant matters.

158C Aiding, abetting etc.

(1) A person must not:

(a) aid, abet, counsel or procure a contravention of subsection 158B(1) or (4); or

(b) induce, whether by threats or promises or otherwise, a contravention of subsection 158B(1) or (4); or

(c) be in any way, directly or indirectly, knowingly concerned in, or party to, a contravention of subsection 158B(1) or (4); or

(d) conspire with others to effect a contravention of subsection 158B(1) or (4).

(2) Subsection (1) is a ***civil penalty provision***.

Note: Part 31 of the *Telecommunications Act 1997* provides for pecuniary penalties for breaches of civil penalty provisions. Subsection (1) is a civil penalty provision for the purposes of that Act.

158D Evidentiary certificate—telephone sex service

(1) The Australian Broadcasting Authority may issue a written certificate stating that a specified service is, or was, a telephone sex service.

(2) In any proceedings under the *Telecommunications Act 1997* that relate to this Part, a certificate under subsection (1) is prima facie evidence of the matters in the certificate.

(3) A document purporting to be a certificate under subsection (1) must, unless the contrary is established, be taken to be a certificate and to have been properly given.

158E Approved prefix

(1) For the purposes of this Part, an ***approved prefix*** is a prefix specified in a written determination made by the Minister or the ACA.

(2) A determination under subsection (1) must provide for:

(a) the specification of at least 2 approved prefixes to be used to identify different classifications of telephone sex services;

(b) the classification of telephone sex services;

(c) the allocation of prefixes to particular classes of telephone sex services based on their classification.

(3) A determination under subsection (1) is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

158F Telephone sex service

(1) For the purposes of this Part, a ***telephone sex service*** is a commercial service supplied using a standard telephone service, where:

(a) the supply is by way of a voice call made using the standard telephone service; and

(b) having regard to:

(i) the way in which the service is advertised or promoted; and

(ii) the content of the service;

it would be concluded that a majority of persons who call the service are likely to do so with the sole or principal object of deriving sexual gratification from the call.

(2) However, a service is not a telephone sex service if it is a therapeutic or counselling service provided by a person registered or licensed as a medical practitioner, or as a psychologist, under a law of a State or Territory.

158G Telephone sex service provider

For the purposes of this Part, if a person uses, or proposes to use, a standard telephone service to supply one or more tele-

phone sex services, the person is a ***telephone sex service provider***.

158H Voice call

(1) To avoid doubt, a reference in this Part to a ***voice call*** includes a reference to a call that involves a recorded or synthetic voice.

(2) In determining the meaning of a provision of the *Telecommunications Act 1997*, or a provision of this Act other than this Part, subsection (1) is to be disregarded.

158J Access choice rights

(1) A customer who chooses not to have access to telephone sex services, or a class of telephone sex services accessed through a specified approved prefix, exercises his or her ***access choice rights***.

(2) A carriage service provider must comply with a request by a customer to exercise his or her ***access choice rights***.

(3) Subsection (2) is a ***civil penalty provision***.

Note: Part 31 of the *Telecommunications Act 1997* provides for pecuniary penalties for breaches of civil penalty provisions. Subsection (2) is a civil penalty provision for the purposes of that Act.

158K Notification of access choice rights

(1) A carriage service provider must provide information about a customer's access choice rights:

(a) in any bill for the supply of a standard telephone service sent by or on behalf of the carriage service provider to the customer; and

(b) to all new customers within 7 days after connection to a standard telephone service supplied by the carriage service provider.

(2) Subsection (1) is a ***civil penalty provision***.

Note: Part 31 of the *Telecommunications Act 1997* provides for pecuniary penalties for breaches of civil penalty provisions. Subsection (1) is a civil penalty provision for the purposes of that Act.

158L Savings of other laws

This Part is not intended to exclude or limit the concurrent operation of any law of a State or Territory.

158M Transitional

This Part does not apply to a telephone sex service that is supplied before the end of the period of 6 months beginning on the date of commencement of this section.

I have spoken to this amendment in the previous debate on this legislation.

Question put.

The committee divided. [10.38 p.m.]

(The Chairman—Senator S. M. West)

Ayes	10
Noes	61
Majority	51

AYES

Allison, L.	Bartlett, A. J. J.
Bourne, V. *	Brown, B.
Colston, M. A.	Lees, M. H.
Margetts, D.	Murray, A.
Stott Despoja, N.	Woodley, J.

NOES

Abetz, E.	Bishop, T. M.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, G.
Campbell, I. G.	Carr, K.
Chapman, H. G. P.	Collins, J. M. A.
Conroy, S.	Cook, P. F. S.
Coonan, H. *	Cooney, B.
Crane, W.	Crossin, P. M.
Crowley, R. A.	Denman, K. J.
Eggleston, A.	Ellison, C.
Evans, C. V.	Faulkner, J. P.
Ferguson, A. B.	Ferris, J.
Forshaw, M. G.	Gibbs, B.
Gibson, B. F.	Harradine, B.
Heffernan, W.	Herron, J.
Hill, R. M.	Hogg, J.

NOES

Kemp, R.	Knowles, S. C.
Lightfoot, P. R.	Lundy, K.
Macdonald, I.	Macdonald, S.
MacGibbon, D. J.	Mackay, S.
McGauran, J. J. J.	McKiernan, J. P.
Murphy, S. M.	O'Brien, K. W. K.
O'Chee, W. G.	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Quirke, J. A.	Ray, R. F.
Reid, M. E.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.
West, S. M.	

PAIRS
*** denotes teller**

Question so resolved in the negative.

The CHAIRMAN—The question is that government amendments Nos 5 and 39 on sheet ER229 be agreed to.

Senator MARK BISHOP (Western Australia) (10.43 p.m.)—I want to make a few comments. The opposition engaged in lengthy discussion last time this matter was before us and, but for some slowness of action, the matter would have been resolved last time. Today we circulated a series of amendments to the government and the minor parties, and indicated that we were serious. We believe these amendments provide a middle path through this somewhat treacherous area of telephone sex. We do not believe that these amendments have been treated in a mature fashion by the government. We do not believe that they have been received in the spirit in which they were offered. Our views have been confirmed by the haste with which the government has moved this evening to resolve all the matters in the bills. So when this matter comes on for final resolution, the opposition will be voting against the government's amendments.

The CHAIRMAN—The question is that government amendments Nos 5 and 39 be agreed to.

Senator ROBERT RAY (Victoria) (10.44 p.m.)—Under standing order 195 could the chair read out the amendments?

The CHAIRMAN—Government amendment No. 5:

Clause 4, page 4 (after line 1), after:

. Telstra is subject to price control arrangements.

insert:

. This act regulates telephone sex services.

Government amendment 39:

Page 110 (after line 25), after Part 9, insert:

Part 9A—Telephone sex services

Order! The time being after 10.45 p.m., we shall now proceed to putting the question. The question is that government amendments Nos 5 and 39—

Senator Robert Ray—I raise a point of order, Madam Chair. I do not think that even a guillotine motion overrides standing order 195. I still require the question to be read.

The CHAIRMAN—It is the remaining stages of the guillotine motion, Senator Ray.

Senator Brown—I do not understand that response. Was Senator Ray's request for the amendment to be read out completed, or is the chair saying that it is not to be completed? I understand that Senator Ray is absolutely right, that standing order 195 is not overridden by the guillotine.

The CHAIRMAN—The time for the proceedings of the bill had expired. The question is that government amendments Nos 5 and 39 on sheet ER229 be agreed to.

Question resolved in the affirmative.

The CHAIRMAN—We now proceed to government amendments Nos 37 and 38 on sheet ER229 and government amendment No. 1 on sheet EK225. The question is that the following amendments be agreed to:

(37) Page 80 (after line 6), after clause 117, insert:

117A Time for payment of damages for breach of performance standards

Decision whether to accept liability for damages

(1) If, at a particular time, a carriage service provider first has reason to believe that an event has occurred that is reasonably likely to result in the carriage service provider being liable to pay damages to a particular customer under section 116, then, within 14 days after that time, the carriage service provider must decide whether to accept that liability.

(2) In making a decision under subsection (1), the carriage service provider must have regard to whether there is any reasonable basis for the carriage service provider to dispute the liability.

(3) If a carriage service provider makes a decision under subsection (1) to accept, or not to accept, a liability to pay damages to a particular customer, the carriage service provider must give the customer written notification of the decision within 14 weeks after the decision is made.

Crediting customer account

(4) If:

(a) a carriage service provider makes a decision under subsection (1) to accept a liability to pay damages to a particular customer; and

(b) the liability is to be discharged by giving the customer a credit in an account the customer has with the carriage service provider;

the liability must be discharged within the period of 14 weeks after the decision is made and:

(c) if it is practicable for the carriage service provider to give the customer the credit within that 14-week period and in time for the customer to be notified of the credit in the first bill sent to the customer during that period—by giving the customer the credit in time for the customer to be notified of the credit in that bill; or

(d) if paragraph (c) does not apply, but it is practicable for the carriage service provider to give the customer the credit within that 14-week period and in time for the customer to be notified of the credit in the second bill sent to the customer during that period—by giving the customer the credit in time for the customer to be notified of the credit in that bill.

Other manner of discharging liability

(5) If:

(a) a carriage service provider makes a decision under subsection (1) to accept a liability to pay damages to a particular customer; and

(b) the liability is not to be discharged by giving the customer a credit in an account the customer has with the carriage service provider;

the liability must be discharged within 14 weeks after the decision is made.

Customer

(6) If the customer dies, a reference in this section to the ***customer*** includes a reference to the legal personal representative of the customer.

Transitional

(7) The reference in subsection (1) to a ***particular time*** is a reference to a particular time after the end of the period of 6 months beginning on the date of commencement of this section.

(38) Page 81 (after line 6), after clause 118, insert:

118A Right of contribution

(1) If:

(a) a carriage service provider (the ***first provider***) contravenes a standard in force under section 115; and

(b) the contravention relates to a particular customer; and

(c) the first provider is liable, under section 116, to pay damages (the ***primary damages***) to the customer for the contravention; and

(d) the contravention is wholly or partly attributable to one or more acts or omissions of another carriage service provider (the ***second provider***); and

(e) the first provider has discharged the liability for the primary damages;

the second provider is liable to pay damages (the ***secondary damages***) to the first provider for the acts or omissions.

(2) The amount of the secondary damages for the acts or omissions is:

(a) if the contravention is wholly attributable to the acts or omissions—an amount equal to the primary damages; or

(b) if the contravention is partly attributable to the acts or omissions—such amount (not exceeding the primary damages) as the court thinks fair and reasonable.

(3) If the second provider makes a payment to the first provider as a result of a right or remedy that:

(a) was available to the first provider otherwise than under this section; and

(b) arose out of the same acts or omissions;

the amount of the secondary damages payable for the acts or omissions is to be

reduced (but not below zero) by the amount of the payment.

(4) The first provider may recover the amount of the secondary damages by action against the second provider in a court of competent jurisdiction.

(5) An action under this section must be instituted within 2 years after the first provider discharged the liability for the primary damages.

(6) If the customer dies, a reference in this section to the ***customer*** includes a reference to the legal personal representative of the customer.

(7) Paragraph (1)(a) does not apply to a contravention that occurs before the end of the period of 6 months beginning on the date of commencement of this section.

(1) Proposed subclause 117A(7), omit "6 months", substitute "12 months".

Question resolved in the affirmative.

The CHAIRMAN—If any non-government parties wish to have their amendments considered, could they please so indicate.

Amendments (by **Senator Allison**)—by leave—not agreed to:

(2) Page 60 (after line 9), at the end of Part 2, add:

Division 7—Review of the Universal Service Obligation by the Telecommunications Review Committee

92A Telecommunications Review Committee

(1) The Minister must establish a committee, to be known as the Telecommunications Review Committee, with two members drawn from each of the following:

(a) telecommunications industry groups;

(b) telecommunications-focussed consumer groups;

and one member drawn from each of the following:

(c) the Department;

(d) a group which represents the interests of people in rural and remote parts of Australia and has a knowledge of telecommunications issues in those areas.

(2) A member of the committee holds office for such period as is specified in the instrument of appointment, and is eligible for re-appointment.

(3) A member of the committee may resign from office by writing signed and delivered to the Minister.

(4) Three members of the committee constitute a quorum for the purposes of a meeting of the committee.

(5) The Minister may approve a member of the committee to be the Chairperson of the committee.

(6) The Chairperson has a casting vote if votes before the committee are equally divided.

(7) Where:

(a) a member has a direct or indirect pecuniary interest in a matter being considered, or about to be considered, by the committee; and

(b) the interest could conflict with the proper performance of the member's duties in relation to the consideration of the matter;

the member must, as soon as practicable after the relevant facts have come to the member's knowledge, disclose the nature of the interest at a meeting of the committee.

(8) A disclosure made under subsection (7) must be recorded in the minutes of the meeting.

(9) If the Minister decides that a member of the committee should be remunerated, that member shall be paid such remuneration as is determined by the Remuneration Tribunal.

(10) A member of the committee is to be paid such allowances as are prescribed.

(11) Subsections (9) and (10) have effect subject to the *Remuneration Tribunal Act 1973*.

92B Review of the Universal Service Obligation

(1) Every 4 years, commencing on or after 1 July 1999, the Telecommunications Review Committee must initiate a review of:

(a) the operation and adequacy of the Universal Service Obligation arrangements; and

(b) whether any aspect of the service or equipment provided under the Universal Service Obligation should be upgraded; and

(c) any other matter relating to the Universal Service Obligation.

(2) The committee must give a written report of the review and any recommendations to the Minister as soon as practicable, but

in any event no later than 31 December of the year in which the inquiry was commenced.

(3) The Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of that House after the Minister receives the report.

(4) Subsections 34C(4) to (7) of the *Acts Interpretation Act 1901* apply to a report under this section as if it were a periodic report as defined in subsection 34C(1) of that Act.

(5) As soon as practicable after receiving the report, but in any event not later than 3 months after receiving the report, the Minister must cause a copy of the Government's response to the recommendations in the report to be tabled in each House of the Parliament.

92C Telecommunications Review Committee to determine affordable price for digital access

(1) Subject to subsection (3), the Telecommunications Review Committee must determine an affordable price for the service referred to in paragraph 13(1)(aa).

(2) For the purpose of determining an affordable price, the committee may invite submissions from the public and may call witnesses to give evidence at public hearings.

(3) The committee may set two prices, one for business customers and one for residential customers, but may not set prices based on any other factor, such as geographical location.

(4) The committee must review the price or prices determined under subsection (1) at least once every two years.

(7) Page 84 (after line 18), at the end of Part 5, add:

125A Review of Customer Service Guarantee

(1) Every 4 years, commencing on or after 1 July 2001, the Telecommunications Review Committee must:

(a) review the operation and adequacy of the customer service guarantee and any other relevant consumer protection measures; and

(b) make recommendations for enhancing consumer protection in the context of technological developments and changing social requirements.

(2) The committee must give a written report of the review and any recommendations to the Minister as soon as practicable, but in any event not later than 31 December of the year in which the review was commenced.

(3) The Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of that House after the Minister receives the report.

(4) Subsections 34C(4) to (7) of the *Acts Interpretation Act 1901* apply to a report under this section as if it were a periodic report as defined in subsection 34C(1) of that Act.

(5) As soon as practicable after receiving the report, but in any event not later than 3 months after receiving the report, the Minister must cause a copy of the Government's response to the recommendations in the report to be tabled in each House of the Parliament.

Amendments (by **Senator Bishop**)—by leave—not agreed to:

(21) Page 72 (after line 19), after clause 116, insert:

116A Carrier liable for breach of performance standards in certain circumstances

(1) If, in relation to a particular customer:

(a) a contravention of a standard in force under section 115 is caused by a fault or service difficulty in the carrier's network; and

(b) the carrier is not the customer's carriage service provider for the supply of the service subject to the fault or service difficulty;

then the carrier is liable to pay damages to the customer for the contravention.

(2) For the purpose of subsection (1), a fault or service difficulty is ***in the carrier's network*** if it is caused by the carrier, regardless of whether the cause is technical or human error.

(3) Section 116 applies to a breach of performance standards covered by this section as if a reference in section 116 to a carriage service provider was deemed to be a reference to a carrier.

(4) Any performance standard made under section 115 which is inconsistent with this section is invalid to the extent of the inconsistency.

(5) This section applies in respect of a fault or service difficulty detected or reported after the commencement of this section.

Amendments (by **Senator Margetts**)—by leave—not agreed to:

(1) Clause 116, page 78 (line 15), omit "is liable to pay", substitute "must pay".

(5) Clause 116, page 79 (after line 19), at the end of the clause, add:

(8) A carrier must comply with the time limits imposed by section 117A for the payment of damages.

(9) Subsection (8) is a civil penalty provision.

Note: Part 31 of the *Telecommunications Act 1997* provides for pecuniary penalties for braches of civil penalty provisions. This provision is a civil penalty provision for the purposes of that Act.

(5A) Clause 117, page 79 (lines 25 and 26), at the end of subclause (2), add:

and ;(c) specify the circumstances in which:

(i) damages are payable for each day that a contravention continues: or

(ii) for each day that a contravention continues, the amount of damage payable in respect of that day is an amount which is not more than twice the amount payable in respect of the preceding day.

(6) Clause 117, page 79 (line 28), omit "$25,000", substitute "$250,000".

TELECOMMUNICATIONS LEGISLATION AMENDMENT BILL 1998

The CHAIRMAN—It being after 10.45 p.m. and these amendments having been circulated for more than two hours, I put the question that the following government amendments Nos 1 to 16 on sheet EK209 be agreed to:

(1) Schedule 1, page 4 (before line 24), before item 6, insert:

5A Section 151AA

Omit:

. The Commission may issue a notice stating that a specified carrier or carriage service provider has contravened, or is contravening, the competition rule. The notice is called a ***competition notice***.

. A competition notice is prima facie evidence of the matters in the notice.

substitute:

. The Commission may issue a notice stating that a specified carrier or carriage service provider has engaged, or is engaging, in anti-competitive conduct. The notice is called a ***Part A competition notice***.

. Proceedings for the enforcement of the competition rule (other than proceedings for injunctive relief) must not be instituted unless the alleged conduct is of a kind dealt with in a Part A competition notice that was in force at the time when the alleged conduct occurred.

. The Commission may issue a notice stating that a specified carrier or carriage service provider has contravened, or is contravening, the competition rule. The notice is called a ***Part B competition notice***.

. A Part B competition notice is prima facie evidence of the matters in the notice.

(2) Schedule 1, page 5 (after line 6), after item 6, insert:

6A Section 151AB (definition of *competition notice*)

Repeal the definition, substitute:

competition notice means:

(a) a Part A competition notice; or

(b) a Part B competition notice.

(3) Schedule 1, page 5 (after line 14), after item 8, insert:

8A Section 151AB

Insert:

Part A competition notice means a notice issued under subsection 151AKA(1) or (2).

8B Section 151AB

Insert:

Part B competition notice means a notice issued under subsection 151AL(1).

8C Paragraph 151AJ(2)(b)

Repeal the paragraph, substitute:

(b) either:

(i) takes advantage of that power with the effect, or likely effect, of substantially lessening competition in that or any other telecommunications market; or

(ii) takes advantage of that power, and engages in other conduct on one or more occasions, with the combined effect, or likely combined effect, of substantially lessening competition in that or any other telecommunications market.

8D Before section 151AL

Insert:

151AKA Part A competition notices

Particular anti-competitive conduct

(1) The Commission may issue a written notice stating that a specified carrier or carriage service provider has engaged, or is engaging, in a specified instance of anti-competitive conduct.

Kind of anti-competitive conduct

(2) The Commission may issue a written notice stating that a specified carrier or carriage service provider has engaged, or is engaging, in at least one instance of anti-competitive conduct of a kind described in the notice.

Part A competition notice

(3) A notice under subsection (1) or (2) is to be known as a ***Part A competition notice***.

Part A competition notices under subsection (2)

(4) For the purposes of this Part, a kind of anti-competitive conduct described in a Part A competition notice under subsection (2) is taken to be conduct of a kind dealt with in the notice.

(5) To avoid doubt, a Part A competition notice under subsection (2) is not required to specify any instance of anti-competitive conduct.

(6) In deciding how to describe a kind of anti-competitive conduct in a Part A competition notice under subsection (2), the Commission may have regard to:

(a) whether the carrier or carriage service provider concerned could, by varying its conduct, continue to engage in anti-competitive conduct and avoid proceedings against it under one or more provisions of Division 7; and

(b) any other matters that the Commission thinks are relevant.

Threshold for issuing Part A competition notices

(7) The Commission may issue a Part A competition notice under subsection (1) that specifies an instance of anti-competitive conduct if the Commission has reason to believe that the carrier or carriage service provider concerned has engaged, or is engaging, in that instance of anti-competitive conduct.

(8) The Commission may issue a Part A competition notice under subsection (2) that describes a kind of anti-competitive conduct if the Commission has reason to believe that the carrier or carriage service provider concerned has engaged, or is engaging, in at least one instance of anti-competitive conduct of that kind.

Note: For the effect of a Part A competition notice, see subsections 151BY(3), 151CB(3), 151CC(3) and 151CE(5).

8E Subsection 151AL(2)

Omit "***competition notice***", substitute "***Part B competition notice***".

Note: The heading to section 151AL is altered by omitting "**Competition**" and substituting "**Part B competition**".

8F At the end of section 151AL

Add:

Threshold for issuing Part B competition notices

(3) The Commission may issue a Part B competition notice relating to a particular contravention if the Commission has reason to believe that the carrier or carriage service provider concerned has committed, or is committing, the contravention.

Notice may be issued after proceedings have been instituted

(4) To avoid doubt, a Part B competition notice may be issued even if any relevant proceedings under Division 7 have been instituted.

Note: For the effect of a Part B competition notice, see subsection 151AN(1).

8G Subsection 151AN(1)

Before "competition notice", insert "Part B".

8H Section 151AO

Before "competition notice" (wherever occurring), insert "Part A".

Note: The heading to section 151AO is altered by omitting "**competition**" and substituting "**Part A competition**".

8J Subsection 151AO(2)

Omit "151AL", substitute "151AKA".

8K After section 151AO

Insert:

151AOA Variation of competition notice

(1) If a competition notice is in force in relation to a carrier or carriage service provider, the Commission may vary the competition notice so long as the variation is of a minor nature.

(2) If a Part A competition notice is in force in relation to a carrier or carriage service provider, the Commission may vary the competition notice by omitting the time at which the notice is expressed to come into force and substituting a later time.

(3) If a competition notice is varied, the Commission must give the carrier or carriage service provider concerned a written notice setting out the terms of the variation.

151AOB Revocation of competition notice

(1) The Commission may revoke a competition notice.

(2) If a competition notice is revoked, the Commission must give the carrier or carriage service provider concerned a written notice stating that the notice has been revoked.

8L After section 151AQ

Insert:

151AQA Stay of proceedings relating to competition notices

(1) Paragraphs 15(1)(a) and (b) of the *Administrative Decisions (Judicial Review) Act 1977* do not apply to a decision to issue a competition notice.

(2) If a person applies to the Federal Court under subsection 39B(1) of the *Judiciary Act 1903* for a writ or injunction in relation to a decision to issue a competition notice, the Court must not make any orders staying or otherwise affecting the operation or implementation of the decision pending the finalisation of the application. However, this subsection does not apply to an order under subsection (3).

(3) If:

(a) either:

(i) a person applies to the Federal Court under the *Administrative Decisions (Judicial Review) Act 1977* for review of a decision to issue a competition notice; or

(ii) a person applies to the Federal Court under subsection 39B(1) of the *Judiciary Act 1903* for a writ or injunction in relation to a decision to issue a competition notice; and

(b) any relevant proceedings have been instituted under Division 7 of this Part;

the Federal Court or a Judge of the Federal Court may, by order, on such conditions as the Court or the Judge thinks fit, stay those proceedings.

151AQB Advisory notices

(1) This section applies if a Part A competition notice is in force in relation to a carrier or carriage service provider.

(2) The Commission may give the carrier or carriage service provider a written notice advising the carrier or carriage service provider of the action it should take, or consider taking, in order to ensure that it does not engage, or continue to engage, in the kind of conduct dealt with in the Part A competition notice.

(3) A notice under subsection (2) is an instrument of an advisory character.

(4) A notice under subsection (2) that relates to a Part A competition notice ceases to be in force if the Part A competition notice ceases to be in force.

(5) The Commission may vary or revoke a notice under subsection (2).

(6) If a notice under subsection (2) is varied, the Commission must give the carrier or carriage service provider concerned a written notice setting out the terms of the variation.

(7) If a notice under subsection (2) is revoked, the Commission must give the carrier or carriage service provider concerned a written notice stating that the notice under subsection (2) has been revoked.

(4) Schedule 1, page 19 (after line 2), after item 23, insert:

23A Subsection 151BY(3)

Omit "competition notice that was in force" (wherever occurring), substitute "Part A competition notice that was in force in relation to the carrier or carriage service provider concerned".

(5) Schedule 1, page 19 (after line 12), after item 26, insert:

26A Subsection 151CB(3)

Omit "competition notice that was in force", substitute "Part A competition notice that was in force in relation to the carrier or carriage service provider concerned".

26B Subsection 151CC(3)

Omit "competition notice that was in force", substitute "Part A competition notice that was in force in relation to the carrier or carriage service provider concerned".

26C Subsection 151CE(5)

Omit "competition notice that was in force", substitute "Part A competition notice that was in force in relation to the carrier or carriage service provider concerned".

(6) Schedule 1, page 23 (after line 2), after item 31, insert:

31A Paragraph 152AN(2)(d)

Repeal the paragraph, substitute:

(d) the Commission must ensure that each inquiry is covered by a report under section 505 of that Act, whether the report relates:

(i) to a single one of those inquiries; or

(ii) to any 2 or more of those inquiries.

(7) Schedule 1, page 28 (after line 19), after item 36, insert:

36A Section 152CL

Insert:

final determination means a determination other than an interim determination.

36B Section 152CL

Insert:

interim determination means a determination that is expressed to be an interim determination.

36C Subsections 152CN(1) and (2)

Before "determination" (wherever occurring), insert "final".

36D Subsection 152CN(3)

Repeal the subsection, substitute:

(3) If the notification is withdrawn:

(a) the Commission must not make a final determination in relation to the access dispute; and

(b) if the Commission has not already made an interim determination in relation to the access dispute—the Commission must not make an interim

determination in relation to the access dispute.

36E After section 152CP

Insert:

152CPA Interim determination by Commission

(1) A determination may be expressed to be an interim determination.

(2) The making of an interim determination does not terminate an arbitration or relieve the Commission from its duty to make a final determination.

Objection by access seeker

(3) The Commission must not make an interim determination if, at any time within the objection period, the access seeker gave the Commission a written notice objecting to the determination. For this purpose, the ***objection period*** is the period specified in a written notice issued by the Commission at the same time as a draft of the determination was issued by the Commission. The specified period must not be shorter than 7 business days after the draft of the determination was issued by the Commission.

Duration

(4) An interim determination has effect on the date specified in the determination.

(5) Unless sooner revoked, an interim determination remains in force until the end of the period specified in the determination. The period must not be longer than 12 months.

Revocation

(6) The Commission may revoke an interim determination.

(7) The Commission must revoke an interim determination if requested to do so by the parties to the determination.

(8) If:

(a) an interim determination relating to an access dispute is in force; and

(b) the notification of the dispute is withdrawn under section 152CN;

the interim determination is taken to have been revoked when the withdrawal occurs.

(9) If:

(a) an interim determination relating to an access dispute is in force; and

(b) a final determination relating to the access dispute takes effect;

the interim determination is taken to have been revoked when the final determination takes effect.

Variation

(10) The Commission may vary an interim determination.

(11) Sections 152CQ and 152CR apply to a variation under subsection (10) as if:

(a) in a case where the interim determination was made in arbitration of an access dispute relating to an earlier final determination of an access dispute (the ***eligible access dispute***) between the access seeker and the carrier or provider:

(i) an access dispute (the ***notional access dispute***) arising out of the interim determination had been notified at the time when the eligible access dispute was notified; and

(ii) the notional access dispute were an access dispute relating to the earlier final determination; and

(iii) the variation were the making of an interim determination in the terms of the varied interim determination; or

(b) in any other case:

(i) an access dispute arising out of the interim determination had been notified at the time when the original access dispute was notified; and

(ii) the variation were the making of an interim determination in the terms of the varied interim determination.

Definition

(12) In this section:

business day means a day that is not a Saturday, a Sunday or a public holiday in the Australian Capital Territory.

36F Subsection 152CR(1)

After "making a", insert "final".

36G At the end of section 152CR

Add:

(3) The Commission may take the following matters into account in making an interim determination:

(a) a matter referred to in a paragraph of subsection (1);

(b) any other matters that it thinks are relevant.

(4) In making an interim determination, the Commission does not have a duty to consider whether to take into account a matter referred to in a paragraph of subsection (1).

(8) Schedule 1, page 29 (after line 11), after item 39, insert:

39A At the end of section 152CV

Add:

(2) To avoid doubt, a member of the Commission is not disqualified from constituting the Commission (with other members) for the purposes of an arbitration of a dispute about a particular matter merely because the member has performed functions, or exercised powers, in relation to the matter or a related matter.

(3) Subsection (2) has effect in addition to subsection 152BBC(5).

(4) In determining the operation of a provision of this Act other than this Division or section 152BBC, subsection (2) of this section and subsection 152BBC(5) are to be disregarded.

39B Section 152DN

Repeal the section, substitute:

152DN Operation of determinations

(1) A final determination has effect 21 days after the determination is made.

Stay of determination by the Tribunal

(2) However, if a party to an arbitration applies to the Tribunal under section 152DO for a review of the Commission's final determination, the Tribunal may make any orders staying or otherwise affecting the operation or implementation of the final determination that the Tribunal thinks appropriate to secure the effectiveness of the review by the Tribunal.

(3) If an order is in force under subsection (2) (including an order previously varied under this subsection), the Tribunal may make an order varying or revoking the first-mentioned order.

(4) An order in force under subsection (2) (including an order previously varied under subsection (3)):

(a) is subject to any conditions that are specified in the order; and

(b) has effect until:

(i) the end of any period for the operation of the order that is specified in the order; or

(ii) the finalisation of the review;

whichever is earlier.

Interim determination to remain in force if final determination stayed

(5) If:

(a) an order is made under subsection (2) in connection with a final determination relating to an access dispute; and

(b) an interim determination relating to the access dispute was in force immediately before the final determination took effect;

the interim determination remains in force until:

(c) the end of any period for the operation of the order that is specified in the order; or

(d) the finalisation of the review; or

(e) the revocation of the interim determination;

whichever is earliest.

Commission may make interim determination while final determination stayed

(6) If:

(a) an order is made under subsection (2) in connection with a final determination relating to an access dispute; and

(b) no interim determination relating to the access dispute was in force immediately before the final determination took effect;

this Part does not prevent the Commission from making an interim determination relating to the access dispute while the order is in force. Such an interim determination ceases to have effect:

(c) at the end of any period for the operation of the order that is specified in the order; or

(d) on the finalisation of the review; or

(e) on the revocation of the interim determination;

whichever is earliest.

Duration of interim determination

(7) Subsections (5) and (6) have effect despite anything in section 152CPA.

When final determination takes effect

(8) For the purposes of subsections (5) and (6), in determining the time when a final determination took effect, an order under subsection (2) is to be disregarded.

152DNA Backdating of final determinations

(1) Any or all of the provisions of a final determination may be expressed to have taken effect on a specified date that is earlier than the date on which the determination took effect.

(2) The specified date must not be earlier than the date of notification of the access dispute concerned.

(3) For the purposes of subsections 152CPA(9) and 152DN(5) and (6), in determining the time when a final determination takes effect, a provision covered by subsection (1) of this section is to be disregarded.

(4) A provision of a final determination may be expressed to cease to have effect on a specified date.

(5) This section has effect despite anything in subsection 152DN(1).

152DNB Stay of determinations

(1) Paragraphs 15(1)(a) and (b) of the *Administrative Decisions (Judicial Review) Act 1977* do not apply to a decision of the Commission to make a determination.

(2) If a person applies to the Federal Court under subsection 39B(1) of the *Judiciary Act 1903* for a writ or injunction in relation to a decision of the Commission to make a determination, the Court must not make any orders staying or otherwise affecting the operation or implementation

of the decision pending the finalisation of the application.

39C Subsection 152DO(1)

Omit "determination" (wherever occurring), substitute "final determination".

39D At the end of subsection 152DO(4)

Add:

To avoid doubt, the Tribunal has power to make, vary or revoke an interim determination.

39E Section 152DT

Omit "determination" (wherever occurring), substitute "final determination".

39F After subsection 152DU(1)

Insert:

(1A) The revocation of a determination does not affect any remedy under subsection (1) in respect of a contravention of the determination that occurred when the determination was in force.

(9) Schedule 1, page 29 (after line 25), after item 41, insert:

41A Transitional—interim determinations

An interim determination may be made in relation to an arbitration under Division 8 of Part XIC of the *Trade Practices Act 1974*, whether the access dispute was notified before, at or after the commencement of this item.

41B Transitional—backdating of final determinations

A final determination made by the Commission under Division 8 of Part XIC of the *Trade Practices Act 1974* has no effect to the extent (if any) to which any provision of the determination is expressed to have taken effect on a date earlier than the date of commencement of this item.

(10) Schedule 1, page 29, after item 41, insert:

41C Transitional—pre-commencement competition notices

(1) Despite the amendments made by items 5A, 6A, 8A, 8B, 8D, 8E, 8F, 8G, 8H, 8J, 8L, 23A, 26A, 26B and 26C of this Schedule, Part XIB of the *Trade Practices Act 1974* continues to apply, after the commencement of this item, in relation to a competition notice in force immediately before the commencement of this item, as if those amendments had not been made.

(2) Subsection 151AOA(2) of the *Trade Practices Act 1974* applies to a competition notice in force immediately before the commencement of this item in a corresponding way to the way in which it applies to a Part A competition notice.

(11) Schedule 1, page 29 (after line 31), at the end of the Schedule, add:

43 Transitional—interpretation of pre-commencement provisions of the *Trade Practices Act 1974*

In determining the meaning that a provision of the *Trade Practices Act 1974* had before the commencement of this item, the amendments made by this Schedule are to be disregarded.

(12) Schedule 3, item 13, page 34 (line 25), omit "*1998*.", substitute "*1998*; or".

(13) Schedule 3, page 34 (after line 25), after paragraph (l), insert:

(m) subsection 158B(1) of the *Telecommunications (Consumer Protection and Service Standards) Act 1998*; or

(n) subsection 158B(4) of the *Telecommunications (Consumer Protection and Service Standards) Act 1998*; or

(o) subsection 158C(1) of the *Telecommunications (Consumer Protection and Service Standards) Act 1998*; or

(p) subsection 158D(3) of the *Telecommunications (Consumer Protection and Service Standards) Act 1998*; or

(q) subsection 158E(1) of the *Telecommunications (Consumer Protection and Service Standards) Act 1998*.

(14) Schedule 4, page 47 (after line 25), after item 4, insert:

4A Section 7

Insert:

digital data service provider has the same meaning as in the *Telecommunications (Consumer Protection and Service Standards) Act 1998*.

(15) Schedule 4, page 48 (after line 22), after item 12, insert:

12A After paragraph 105(3)(e)

Insert:

(ea) the adequacy of each digital data service provider's compliance with its obligations under Part 2 of the *Telecommunications (Consumer Protection and Service Standards) Act 1998*;

(16) Schedule 4, page 49 (after line 5), after item 15, insert:

15A At the end of subsection 151CM(1)

Add:

; and (d) the adequacy of each digital data service provider's compliance with its obligations under Division 5A of Part 2 of the *Telecommunications (Consumer Protection and Service Standards) Act 1998* (which deals with regulation of digital data service charges).

15B Subsection 151CM(5)

Insert:

digital data service provider has the same meaning as in the *Telecommunications (Consumer Protection and Service Standards) Act 1998*.

15C Subsection 151CM(5)

Insert:

universal service provider has the same meaning as in the *Telecommunications (Consumer Protection and Service Standards) Act 1998*.

Question resolved in the affirmative.

TELECOMMUNICATIONS (UNIVERSAL SERVICE LEVY) AMENDMENT BILL 1998

The CHAIRMAN—The question is that the following government amendment No. 1 on sheet DJ212 be agreed to:

(1) Schedule 1, page 3 (before line 6), before item 1, insert:

1A Title

Omit "**payphones and prescribed carriage services**", substitute "**payphones, prescribed carriage services and digital data services**".

Question resolved in the affirmative.

The CHAIRMAN—The question is that the bills as amended be agreed to.

Senator Margetts—Can I just ask whether there was a running sheet at all for those last two bills?

The CHAIRMAN—An amendments list was circulated.

Senator Margetts—No; if we are being told that these bills must be rushed through, you would think the government would actually have a running sheet for the bills about phone sex that they are rushing through in the middle of the night.

The CHAIRMAN—I am sorry, Senator Margetts; I have a running sheet which we have quickly done here, but it has not been circulated.

Senator Brown—Madam Chair, on a point of order: can I ask that the running sheet be distributed so that we know what we are voting on?

The CHAIRMAN—The running sheets are the abbreviated ones bringing the government amendments together. You have got that running sheet. For the last one that I dealt with, the Telecommunications Legislation Amendment Bill, the revised sheet was circulated on 27 May at 8.20 p.m. The question is that the bills, as amended, be agreed to.

Question resolved in the affirmative.

Bills reported with amendments; report adopted.

Third Reading

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (10.52 p.m.)—I move:

That the bills now be read a third time.

Senator Mark Bishop—Mr Acting Deputy President, I request that each of the bills be put separately.

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—The answer is that they will be put that way, Senator Bishop—except that at 11 p.m. the guillotine will start to operate again.

Senator Mark Bishop—I indicate to the chair that the only one we are interested in dividing on is the Telstra (Transition to Full Private Ownership) Bill 1998, so I request that that one be put separately.

The ACTING DEPUTY PRESIDENT—We will put that one first. The question is that the motion be agreed to. The motion is the one moved by the minister, that the bills be now read a third time.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT—In respect of the Telstra sale bill.

Senator Brown—We are dealing with either one or five bills here. Could the name of the bill we are dealing with be read out, please.

The ACTING DEPUTY PRESIDENT—We are dealing with the bill for the full sale of Telstra, which is the Telstra (Transition to Full Private Ownership) Bill 1998, first. The question is that that bill be now read a third time.

Question put.

The Senate divided. [10.59 p.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	37
Noes	35
Majority	2

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.

AYES

Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferguson, A. B.	Ferris, J.
Gibson, B. F.	Harradine, B.
Heffernan, W.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	Macdonald, S.
MacGibbon, D. J.	McGauran, J. J. J.
O'Chee, W. G. *	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Reid, M. E.	Synon, K. M.
Tambling, G. E. J.	Tierney, J.
Troeth, J.	Vanstone, A. E.
Watson, J. O. W.	

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, T. M.	Bourne, V.
Brown, B.	Campbell, G.
Carr, K.	Collins, J. M. A.
Conroy, S.	Cook, P. F. S.
Cooney, B.	Crossin, P. M.
Crowley, R. A.	Denman, K. J.
Evans, C. V.	Faulkner, J. P.
Forshaw, M. G.	Gibbs, B.
Hogg, J.	Lees, M. H.
Lundy, K.	Mackay, S.
Margetts, D.	McKiernan, J. P.
Murphy, S. M.	Murray, A.
O'Brien, K. W. K. *	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.
Woodley, J.	

PAIRS

Minchin, N. H.	Bolkus, N.
Newman, J. M.	Hutchins, S.

*** denotes teller**

Question so resolved in the affirmative.

The PRESIDENT—The question now is that the remaining bills be read a third time.

Question resolved in the affirmative.

Bills read a third time.

ADJOURNMENT

The PRESIDENT—I now propose the question:

That the Senate do now adjourn.

Luck, Mr Aubrey William George

Senator WATSON (Tasmania) (11.02 p.m.)—It is with great sadness that I rise to pay tribute to the life of the late Aubrey William George Luck, who passed away in Devonport, Tasmania, on 9 June. Aubrey Luck was an outstanding citizen of north-west Tasmania whose long life—indeed, he was 98 when he died—contributed greatly to the wellbeing of his fellow Tasmanians. I was indeed honoured to represent the Prime Minister at the funeral and commemoration for the creative life of the late Aubrey Luck.

Mr Luck was a member of the House of Representatives from 1951 to 1958, representing the north-west Tasmanian seat of Darwin, and he was the member when the electorate changed its name to Braddon in 1955 during the process of redistribution. Aubrey Luck was elected as the Liberal member for Darwin following an eight-year term of that great lady, Dame Enid Lyons, the wife of the only Prime Minister to come from Tasmania. He also inherited the tradition of another famous MHR for Darwin, King O'Malley, who held the seat for 14 years between 1903 and 1917.

In 1955 it was the late Aubrey Luck who suggested to parliament that the name of the electorate should be changed from Darwin to Braddon to avoid confusion raised by the earlier name. During this time, the local MP, Aubrey Luck, was very active in a number of issues which were of particular importance to his north-west Tasmanian seat. One of the most important of these was the improvement to the Bass Strait shipping service by introduction of the first Bass Strait vehicular ferry, the *Princess of Tasmania*. Although a vastly smaller vessel than the current ferry, the *Princess of Tasmania* allowed visitors from the mainland to more readily visit Tasmania, accompanied by their cars. This saw the beginning of a steady growth of Tasmania's tourism industry, an industry which has grown into one of the state's main economic contributors.

The late Aubrey Luck was also to the fore in having the new ferry based at his home town of Devonport, beginning the long history of Devonport benefiting from its links with tourism and shipping. Aubrey Luck was also one of the first pioneers to create tree plantations to provide for the future needs of the building industry, another industry which is now to the fore in Tasmania's economy. He was also the prime mover in having the then

Prime Minister, Robert Menzies, visit the west coast mining town of Queenstown in the mid-1950s. The Copper Bounty Act was passed, which saved the Queenstown mine. During his period as an MP, Aubrey Luck conscientiously travelled around the electorate in his Chevrolet, which clocked up more than a quarter of a million miles in the days before sealed roads and travel allowances. His term in office also saw him put in much hard work to develop the Devonport airport and to promote the establishment of the Tootals textile factory, which provided many jobs for the people of Devonport.

Aubrey Luck was born in Launceston in 1900 and was an intelligent and enterprising lad as he progressed through his schooling, which was highlighted not only by his good academic achievement but also by his sporting prowess. He was a member of the strong Launceston High School rowing crew, which dominated schoolboy rowing during the years of the First World War.

Fortunately for Aubrey Luck, the war ended just before his 18th birthday, and he was not required to join his brothers in France, one of whom was killed. He had already showed early entrepreneurial skill when, as a mere 14-year-old, he grew vegetables in his family backyard and sold them to neighbours. After the war ended, he suffered from a lack of work at a time when returned soldiers were given preference.

Aubrey was sent to Devonport to work with his uncle, who was reopening a flour roller mill in the town. In 1924 he married, and was to have six children, two of the boys sadly dying in infancy. Following a fire in the roller mill and the subsequent rebuilding, Aubrey Luck had his first experience with the building trade. This work developed into Mr Luck's main lifelong business interest of provision of building supplies and involvement in the construction industry.

Although a successful businessman and strong family man, Aubrey Luck also found the time to pursue a wide range of sporting and community interests. He played football, rowed with the Mersey Club and became involved with the Devonport Racing Club. He was a foundation member of the Devonport Athletics Club and was a volunteer fire brigade member for 21 years. In a fitting tribute, the Mersey Rowing Club formed a guard of honour, complete with oars, as the cortege moved slowly away from St John's Anglican Church in Devonport.

The late Aubrey Luck also contributed much to the community of Devonport—to the show society, the Chamber of Commerce, Rotary, and Parents and Friends. He held high office in the Masonic Order and was President of the local Master Builders Association. Aubrey Luck also served on the Devonport Council and was deputy warden for two years.

However, it was through his business that most people will remember Mr Luck. He spent his entire working life building up his business which provided employment for many people in north-west Tasmania. The present Luck and Haines company remains one of the north-west coast's icon businesses. In later years Aubrey Luck retired to enjoy the pleasures of seeing his grandchildren and his great grandchildren growing up around him.

Aubrey Luck lived a long and productive life. Those who knew him well will mourn his passing, and those of us who can now look back on his amazing contribution to this nation and his community can only give thanks for the life of an amazing man. To his surviving children, Barbara Payne, June Ingles and Mary Jarman, and his many grandchildren, great-grandchildren and other family members, I pass on my condolences. We must be grateful for such a good life.

Export Meat Inspection

Senator O'BRIEN (Tasmania) (11.08 p.m.)—On 9 June I placed on notice questions relating to the operations of a number of meatworks. Some of those questions refer to the operation of export establishment No. 517—the export works operated by Rockdale Meats Pty Ltd at Yanco near Leeton in New South Wales. In particular, I was seeking details on the implementation of the new meat inspection system, the Australian Meat Safety Enhancement Program, at that plant. The US authorities have finally agreed to the applica-

tion of this system, but it is a system that is a mere shadow of its former self. In its original form, the inspection plan—then called Project 2—amounted to industry self-regulation gone mad.

Senators will also recall the shambles this process became in the hands of the former primary industries minister, Mr Anderson. Mr Anderson, following a meeting with the US Secretary of Agriculture and members of the US House Agriculture Committee in July 1997, claimed that the United States authorities had accepted the new inspection arrangements in principle. Of course, this was not the case, and was strenuously denied by the United States. That false claim caused both Mr Anderson and the Howard government much embarrassment, and so it should have.

While I am yet to get answers to those questions, I rise tonight to speak on this matter because of an article that appeared on page 5 of today's *Australian* newspaper. The article was about the government's new inspection system and its implementation at Rockdale. It referred to an adverse report from a recent AQIS inspection of the Rockdale plant. The AQIS inspectors who undertook the audit were accompanied by officials from the United States Food and Drug Administration.

US inspectors have been regular visitors to Australian export meatworks. It is part of the deal with the United States: if we want to export meat to that massive market, we have to subject our plants to inspection by their officials from time to time. However, the usual process has been that AQIS inspectors make sure our house is in order before these visits take place. Better we find and fix problems in our export plants than have those problems pointed out by US inspection teams. This has generally been an effective discipline on the export plants and also the Australian Quarantine and Inspection Service.

The *Australian* reported that, while the meat handling procedures at Rockdale plant passed scrutiny, the plant received only a marginal rating because of the problems with air control and condensation. I noted the reported comments by the Rockdale Managing Director, Paul Toja. He said the problem was one of construction, not related to the new inspection arrangements. He said he was surprised at the marginal rating AQIS gave the plant because of the technical nature of the problem. Mr Toja said the Rockdale plant was a national leader.

The problems found by the AQIS inspectors, in the company of US officials, appeared to me to be more than just technical. The AQIS report on that plant inspection states under the subheading 'Audit findings':

> Marginal audit outcome principally caused by the failure to prevent and adequately control condensation in a number of places such as exit from the carcase decontamination unit, offal room, offal chiller and several carcase chillers.

The report continues:

> This is regarded as a system failure which the company urgently needs to address in order to achieve long term effective prevention of the problem.

In fact, the weighted score for the activity 'chilling/freezing/storage', which is classified as a critical activity, was zero. The company has been given until 16 July to fix the problem. As I said, this does not seem to be a simple technical problem.

The development of the meat inspection enhancement system has tested the tolerance levels of US and European authorities. I note that the European Union has not yet approved the system, and Brian McDonald, the relevant senior AQIS officer, is off to Europe to pressure the government's case next week. As I said, the original Project 2 plan—as it was known—had to be significantly watered down to gain US endorsement. It may have to be further refined if it is to attract EU support. If Rockdale is the model export plant through which these new arrangements are to be tested, then it must be exactly that: a model plant in every sense. But the recent AQIS inspection confirms that this is currently not the case.

The marginal audit report appears not to be the only problem at Rockdale meatworks. It has been alleged that the management at the plant has made a number of threats against AQIS inspectors in response to the condemnation of product. I understand that there has recently been rejection of product by AQIS

officers. In particular, a significant number of heads have been rejected due to their unhygienic presentation. I further understand a senior AQIS officer has warned his superiors that any claim that Rockdale management is intimidating AQIS inspectors who fail to deliver, in the company's view, satisfactory rates of offal recover might be sustainable. This second problem at the Rockdale plant adds to my concern about these new inspection arrangements and the government's application of them.

These two issues at Rockdale highlight the fine line the government is trying to tread in relation to export meat inspection procedures. Firstly, the system of audit of export works by AQIS is not operating correctly if it undertakes an inspection of a plant, with USA officials, that has major deficiencies. One would hope that our plant audit system would ensure that when AQIS visits occur everything is in order, and certainly everything is well and truly in order prior to any inspection by US Food and Drug Administration officials. The adverse Rockdale report suggests that that process has broken down at least on this occasion. I intend to pursue this point further to see how widespread this problem of adverse audit findings is.

Secondly, the shift of inspection functions from AQIS to the companies themselves might also prove to be a false economy if inspection regimes break down because of economic pressures. If reduced numbers of on-site AQIS inspectors create a climate of isolation and intimidation by plant managers in pursuit of economic throughput at the expense of adequate hygiene standards, the entire industry will be the loser. If substandard product then finds its way into the US market as a result, the whole industry will pay, not just the plant responsible. International market pressures will see to that.

I understand that the approval of the Meat Safety Enhancement Program for Rockdale is considered by the USA to be on a trial basis only. This contradicts government claims that these arrangements have been locked in with the United States. The reality is that Australia's meat export sector always operates on a trial basis, and we cannot afford to make any mistakes. If we want to secure and grow our meat exports, to the USA and the EU in particular, we cannot afford to have adverse audits on key export plants such as Rockdale. We certainly cannot afford a meat inspection program driven by economic imperatives over the maintenance of proper standards. And there is certainly no place for a shift to 100 per cent self-regulation for the industry.

Kosovo Safe Haven Program

Senator TIERNEY (New South Wales) (11.17 p.m.)—I rise tonight to speak about the situation in the Kosovo Safe Haven Program in Australia. Particularly this week we have seen on the news the terrible situation these people have fled from. As NATO forces go in, it is safe for reporters to go back in, and they film the carnage and destruction that the Yugoslav forces have wrought upon Kosovo. The heart of the Australian people has gone out to the Kosovo refugees who have come into this country and into a number of safe havens. I think Australia is to be commended on its effort in this area. We are now undertaking a program of 4,000 refugee settlements during the time in which they have to stay away from Kosovo. Per capita, that is five times the effort of the United States.

There has been an excellent combination of pulling together by various groups in the community, government, the Department of Defence, the Department of Immigration and Multicultural Affairs and community groups and individuals who have given so generously to this program. I am the patron for the safe haven at Singleton, and the effort of the people in the Hunter Valley has been overwhelming in supporting the people in this safe haven. On an individual perspective, people like Betty Thompson, President of the Singleton Quilters Guild, and her team, and the CWA Association of Singleton, Branxton-Greta, Lower Belford and Jerrys Plains, led by Betty Irons, provided for the Singleton safe haven things like quilts, bikes, oil heaters, kids' slippery slides and trauma teddies, to make the comfort of those people as good as they possibly can. The government is spending resources at Singleton to rapidly upgrade the facilities. Heating has gone into what were basic army barracks, partitions are

going in and carpets are going in, and the whole place is being made quite comfortable.

The vast majority of refugees who are at the Singleton safe haven are incredibly grateful to the Australian people for the efforts that they have put into this program. Therefore it is unfortunate that there was an incident last week which initially involved 80 people but quickly came down to one family. The sad thing about the incident, I suppose, is that it has tended to have an effect on the attitude of the Australian people towards this program. But they should not judge the overall gratitude of the people who have come out from Kosovo by the actions of a few.

It started with six men on the bus trip from Sydney. They did stop off for lunch and they hatched this plan that the 80 would stay on the bus. We should understand that they are coming from a very patriarchal society, and what these six leading men said actually went and people did follow what they said. So we had a sit-in on the bus. But by the start of the second night, families, as they needed to leave the buses to go to the facilities in the camp, just did not come back. As the night went on, they all slowly melted away, got the keys and went to their rooms, except one family. This was the Salihu family, led by Sabit, the son. He stayed on the bus for yet another night.

The matter was resolved when the police read the doctor's report on his aged mother, which showed that she had suspected pneumonia in the left lung. On that basis, the police then drove the bus to Singleton District Hospital and the mother was examined by doctors. She was found not to have pneumonia but to have a number of conditions which in normal circumstances would mean that they would be treated from home. I really take my hat off to Singleton District Hospital for the generosity of their treatment of this family. They were prepared to admit the mother for treatment. They were prepared to put up the entire family in a private facility they had. They were prepared to give them an area that had a room leading off onto a verandah, en suite facilities and a kitchen—far better than anyone else had in the entire program. This was the generosity of Singleton District Hospital.

After several hours of negotiation when this agreement was made at the hospital, I took Sabit to this facility and said to him, 'Well, this is just what you wanted for your mother.' He said through an interpreter, 'No, no—not it; don't want that.' He was absolutely determined to get back to East Hills initially, where he came in, and then eventually back to Europe.

What people must understand is that people in this program are here on open visas for three months. Just like tourists, they can move around. We have no power of restraint. When they wanted to leave the hospital, we had no power to restrain them from doing that, even though this might not have been wise in terms of the health of the mother. He did leave the hospital and went to the railway station, where he waited for a train. It was reported by the people who took the cab fare and the station fare that he had plenty of money with him. He bought his ticket and was on the station ready to go. Of course there was an enormous amount of press around at this point. Then, to our absolute amazement, the *Australian* newspaper turned up with a large taxi, a kombivan type taxi, loaded the family on board and took them to Sydney.

I have made some comment about the actions of the *Australian* which I would like to put on the record here tonight because I feel that they acted unethically and that they crossed a very vital line. The role of newspapers and journalists is to report the news, to comment upon the news and to interpret the news, not to make the news. That is precisely what the *Australian* did by that action. We have currently a Senate inquiry into codes of practice in the information industry. The Press Council is one of the things that we are examining. It is something that I am going to refer to the committee because I believe that the powers of the Press Council are probably inadequate to deal with those sorts of actions.

The family went back to East Hills. They are waiting there and we now have the clearances internationally for them to return to Europe. That will happen in the very near future. The minister, Philip Ruddock, came up

on Sunday and looked through the facilities. He spent several hours there. I went through with him. We went through several rooms and through the dining rooms, and we spoke to quite a number of the people. As we were walking around the camp I came across three of the six from the team they had on the bus who were leading negotiations on their behalf. I asked them yesterday, through an interpreter, how things were going. They were quite happy. When they had come into the camp and had been on the bus, they were right up one end of the camp and they had not really seen the camp. They had not experienced the facilities. After several days they were quite happy with their arrangements. We have now resolved that major incident that I mentioned.

I put this on the record tonight because I really do not want the Australian people to judge the program, which involves 4,000 people, by the actions of one man who may have soured the taste of some of the very generous people in Australia who have given great time, effort and resources to support people who have come from a terribly traumatic situation and conditions which we can only imagine. We have had, from the Australian people, enormous generosity. Tonight I would like to pay special tribute to that generosity.

Serbian Community in Australia

Senator COONEY (Victoria) (11.26 p.m.)—Until the end of the 18th century, the Aboriginals were the only people in possession of our continent. Then the Europeans came and settled here. Since then, the Australian population has grown from a blend of many groups. Fundamental to our future is the quality of that mingling. For this to be of the highest, our society must deal with each of us as entire members of it, as fully entitled to our place in it as are any of our fellow citizens and as in no way diminished because of our origins. A good community spurns the notion that one person can be more Australian than his or her fellow because his or her background is to be found in a particular overseas country or in a certain religion or in a certain culture.

Many Australians have Serbian backgrounds. They are fully committed to this nation. They have contributed mightily to our community. They are true members of it. In recent times, Yugoslavia has come in for much criticism. This has resulted in untoward words and actions being directed against some Australians with Serbian origins. A free society allows for the vigorous exchange of views, including gratuitous ones. But allegations and innuendos can reach the point where they prejudice a fair and gracious society. There is an issue as to whether this has happened to some Australians of Serbian origin.

During the attack by the North Atlantic Treaty Organisation on Yugoslavia, a number of people in Australia, including many of Serbian background, protested about the resultant death and destruction. They have done so responsibly, and that fact ought to be publicly acknowledged. People can protest about what is happening to the country from which they or their forebears have sailed or flown in the past without in any way prejudicing their identity as Australians. Indeed, all people of non-Aboriginal background have origins here which are so recent that each and every one of us could be expected to have regard for the place from which our forebears have come and to act in accord with that regard when it is touched by terrible events.

University of Queensland: Gatton College Campus

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate) (11.28 p.m.)—I wish to raise an issue tonight that concerns Mr Cameron Thompson, the member for Blair, and me, and that is the University of Queensland Gatton College Campus. I rise to speak about that institution which, since its inception in 1897, has been at the forefront of the creation of Queensland's wealth and prosperity, has been the foundation of Queensland's agricultural industry and the source of agricultural education for many Queenslanders, other Australians and overseas agricultural graduates and that still has the same important role to play into the next century.

This vital institution—now the Gatton College Campus of the University of Queensland—was amalgamated with the University

of Queensland in 1991 and as a consequence finds itself without a certain future. There have been seven University of Queensland reviews since the amalgamation and reallocation of the Faculty of Natural Resources, Agriculture and Veterinary Science to the Gatton Campus. They have all made favourable recommendations for the consolidation of the agriculture faculty at the Gatton Campus. Despite this and promises of new research facilities and yearly infrastructure investment, in recent years Gatton has been losing facilities, students and funding.

The time has come for action, not reviews. The University of Queensland, as the governing body of the Gatton Campus, must after eight years give Gatton a firm financial assurance that it has a guaranteed future as a leading agricultural training and learning facility. Gatton College has provided training from paddock to plate, but since amalgamation in 1991 has gone from a peak of 3,300 students down to a projected 2,150 students by the year 2000. A decision in 1997 that relocated part of the Department of Business Economics and Law and the Hospitality School from Gatton to the new Ipswich Campus and to South Bank TAFE has taken away 800 students and 20 teaching and support staff.

The establishment of the Ipswich Campus of the University of Queensland has had its effect on Gatton Campus. In 1996 there was an increased allocation of 425 undergraduate places, a further 340 in 1997 and 185 in 1998 to Queensland university. None of these went to Gatton—750 went to Ipswich, of which only 470 are presently being used. At the same time 800 went from Gatton with a further 689 to go next year. This is a huge loss for a campus and for a rural community, and is occurring in a situation where Ipswich could not take up its allocation. We were told at the estimates hearings last week that this reflected student demand—but it seems hard on Gatton when they are not given the infrastructure development or the courses to keep up their numbers.

An agricultural college in the lush agricultural area of the Lockyer Valley has been a major component of the Gatton region since 1897. Its magnificent surrounds provide a perfect setting for the teaching of agriculture. Gatton College generates 1,900 jobs and is the largest single employer in the region, providing a turnover in the region of $22 million a year. There has been a loss of farming facilities on campus and an economic loss to all the supporting businesses that have developed to serve the college in the area. A university in a regional centre is a great boost to an area and the Gatton region and the agricultural college have had a mutually supporting partnership over the past 102 years.

Leaving the Gatton Campus hanging, as Queensland University has over eight years of review, also affects the eight current industry research projects at Gatton College totalling $6.55 million with two other projects under consideration. This includes a $1.9 million wild flower genetic development project supported financially by the three local councils through the Australian waste water project to encourage Australian farmers to enter the $22 billion global cut wild flower industry. For further success the college must continue to have investment in essential infrastructure and to know it has a clear and unambiguous future. Queensland needs a premier agricultural tertiary institution. Agricultural research and education are still vitally needed in a predominantly resource led state like Queensland.

At a Senate estimates hearing last week the federal department could not give any assurances about Gatton. They told me at the estimates hearing that:

> . . . broadly, in our preliminary discussions with the University of Queensland, they have indicated an intention that there will be some long term activity at Gatton. They have not decided the exact shape of that.

The University of Queensland has an annual budget of around $500 million a year. A vast proportion of this comes from federal funding. Out of this half a billion dollars, Gatton College needs around $10 million to upgrade its facilities and run an integrated agricultural faculty at its campus. In today's *Courier Mail*, John Hay, the Vice-Chancellor of the University of Queensland, said:

My view is that the fundamental difference between Queensland in the past and Queensland in the future will be a shift from resources and tourist based activities to knowledge based activities.

He went on to say:

Traditional industries such as mining and agriculture will employ few people in the years ahead—and they will have a far greater dependence on adding value which thrived from knowledge based personnel.

Current statistics show increased employment growth in agriculture, and I am sure any agriculturalists can tell the Vice-Chancellor that for value adding we need clever and smart farmers and continued and cutting edge research into agriculture, contributions which have always been made by Gatton College.

Universities in recent years have been given significant autonomy over their actions. University educational profiles are the Commonwealth government's major mechanism for accountability. There is also a large taxpayer contribution to the universities, yet according to the department at the Senate estimates last week there are no allocations for any specific funds to the Gatton Campus in their long-term strategic plan for implementing the university's own recommendation to relocate a substantial agricultural faculty at Gatton.

Queensland agriculture will not accept this sort of downgrading of input into research and training in the industry. Similarly, Queenslanders will not accept a Gatton College that only offers skills training courses without an academic component. For the past 20 years Gatton has offered degree courses. Agriculture is and remains a major export earner for Queensland despite the state's future prospects in other areas, as noted by the Vice-Chancellor.

A student place at a tertiary institution is a valuable asset to a university, worth around $10,000 a student. When the University of Queensland removes student numbers from the Gatton Campus it creates a huge loss to the Gatton area and a huge loss to the agricultural future of the state. The university has been given autonomy with its funding; surely this involves a responsibility too. Queenslanders are concerned where their taxpayer funded $500 million to university education goes. I am sure I speak for them when I say this must involve a specific commitment of funding for education and research into Queensland agriculture, especially when the state's leading agricultural institution is taken over by the state's largest and most diverse university. Maybe if the University of Queensland cannot find this commitment to the future of agriculture they should pass it on to a university that can. Queensland's priority must be that it has a top class agricultural teaching and research institution. Gatton College has provided this over the past 102 years and must continue to be allowed to do this by its new master, the University of Queensland. It is time for action to follow their reviews and for immediate financial commitment to the university and a strong agricultural college at Gatton.

Senate adjourned at 11.37 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Aged Care Act—User Rights Amendment Principles 1999 (No. 1).

Air Force Act—Regulations—Statutory Rules 1999 No. 116.

Air Navigation Act—Regulations—Statutory Rules 1999 No. 91.

Airports Act—

Determination under section 192(4A), dated 16 June 1999.

Regulations—Statutory Rules 1999 No. 113.

Australian Capital Territory (Planning and Land Management) Act—National Capital Plan—

Amendment No. 21.

Approval of Amendment No. 21.

Australian Communications Authority Act—Telecommunications (Charges) Determination No. 1 of 1999 Amendment Determination No. 1 of 1999.

Australian Radiation Protection and Nuclear Safety Act—Regulations—Statutory Rules 1999 No. 97.

Broadcasting Services Act—Notice of reservation of capacity for community broadcasting television services (No. 1 of 1999).

Child Support (Assessment) Act—Regulations—Statutory Rules 1999 No. 103.

Child Support (Registration and Collection) Act—Regulations—Statutory Rules 1999 No. 104.

Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—

Amendment of section—

20, dated 25 May 1999.

82, dated 31 May 1999.

Exemption No. CASA 18/1999.

Instrument Nos CASA 158/99 and CASA 248/99.

Commonwealth Authorities and Companies Act—Regulations—Statutory Rules 1999 No. 105.

Commonwealth Vehicles (Registration and Exemption from Taxation) Act—Regulations—Statutory Rules 1999 No. 106.

Customs Act—Customs Regulations—Approval of Application Form to Manufacture in Bond, dated 9 June 1999.

Defence Act—

Determinations under section 58B—Defence Determinations 1999/15-1999/22.

Regulations—Statutory Rules 1999 No. 117.

Endangered Species Protection Act—Declarations under section 18 amending Schedule 1—99/ESP3 and 99/ESP5.

Export Control Act—Regulations—Statutory Rules 1999 No. 87.

Export Market Development Grants Act—Determination 1/1999—Determination of the balance distribution date for grant year 1997-98 and initial payment ceiling amount grant year 1998-99.

Federal Court of Australia Act—Rules of court—Statutory Rules 1999 No. 94.

Financial Management and Accountability Act—Regulations—Statutory Rules 1999 Nos 107 and 108.

Fisheries Management Act—Regulations—Statutory Rules 1999 No. 98.

Fishing Levy Act and Fisheries Management Act—Regulations—Statutory Rules 1999 No. 96.

Foreign Judgments Act—Regulations—Statutory Rules 1999 No. 84.

Hazardous Waste (Regulation of Exports and Imports) Act—Regulations—Statutory Rules 1999 No. 102.

Health Insurance Act—Regulations—Statutory Rules 1999 Nos 88 and 109.

Higher Education Funding Act—Determination under section—

15—Determination Nos T31 and T32 of 1998.

19—Determination No. T11 of 1999.

20A—Determination No. T10 of 1999.

Immigration (Education) Act—Regulations—Statutory Rules 1999 No. 90.

Income Tax Assessment Act 1936—

Regulations—Statutory Rules 1999 No. 114.

RHQ Company Determination 1999 (No. 2).

Lands Acquisition Act—Statements describing property acquired by agreement under sections 40 and 125 of the Act for specified public purposes [2].

Long Service Leave (Commonwealth Employees) Act—Regulations—Statutory Rules 1999 No. 85.

Marine Navigation Levy Act—Regulations—Statutory Rules 1999 No. 92.

Marine Navigation (Regulatory Functions) Levy Act—Regulations—Statutory Rules 1999 No. 93.

Migration Act—

Direction under section 499—Directions Nos 11-16 of 1999.

Regulations—Statutory Rules 1999 Nos 81 and 82.

Migration Agents Registration Application Charge Act—Regulations—Statutory Rules 1999 No. 89.

Military Superannuation and Benefits Act—Military Superannuation and Benefits Amendment Trust Deed 1999 (No. 1).

National Measurement Act—Regulations—Statutory Rules 1999 No. 110.

Occupational Health and Safety (Commonwealth Employment) Act—Regulations—Statutory Rules 1999 No. 86.

Occupational Health and Safety (Maritime Industry) Act—Regulations—Statutory Rules 1999 No. 101.

Plant Breeder's Rights Act—Regulations—Statutory Rules 1999 No. 83.

Primary Industries and Energy Research and Development Act—Regulations—Statutory Rules 1999 No. 99.

Product Rulings PR 1999/33-PR 1999/71.

Public Service Act—

Foreign Affairs and Trade Determination 1999/9.

Public Service (Australian Competition and Consumer Commission) Determination 1999/1.

Public Service (Defence) Determination 1999/4.

Regulations—Statutory Rules 1999 Nos 111 and 112.

Senior Executive Service Retirement on Benefit Determinations 1999/29-1999/31.

Quarantine Act—Quarantine Amendment Proclamation 1999.

Remuneration Tribunal Act—Determinations Nos 9 and 10 of 1999.

Safety, Rehabilitation and Compensation Act—Notice of Declaration—Notice No. 4 of 1999.

Superannuation Act 1976—Declaration—Statutory Rules 1999 No. 95.

Superannuation Industry (Supervision) Act—Regulations—Statutory Rules 1999 No. 115.

Sydney Airport Curfew Act—Dispensations granted under section 20—Dispensations Nos 8/99-10/99.

Taxation Determinations TD 1999/28-TD 1999/35.

Taxation Ruling—

TR 95/25 (Addendum).

TR 1999/6.

Telecommunications (Carrier Licence Charges) Act—Determination under paragraph—

15(1)(a) No. 1 of 1999.

15(1)(c) No. 1 of 1999

Trade Practices Act—Statement under section 65C.

Wheat Marketing Act—Regulations—Statutory Rules 1999 No. 100.

PROCLAMATIONS

A proclamation by His Excellency the Governor-General was tabled, notifying that he had proclaimed the following provisions of an Act to come into operation on the date specified:

Aviation Legislation Amendment Act (No. 1) 1998—Schedule 1, other than items 9, 10 and 11—4 June 1999 (*Gazette* No. S 233, 3 June 1999).

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Department of Education, Training and Youth Affairs: Value of Market Research

(Question No. 231)

Senator Robert Ray asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 26 November 1998:

(1) What was the total value of market research sought by the department on a month-by-month basis between March 1996 and November 1998.

(2) What was the purpose of each contract let.

(3) In each instance, what was the involvement or otherwise of the Office of Government Information and Advertising.

(4) In each instance; (a) how many firms were invited to submit proposals; and (b) how many tender proposals were received.

(5) In each instance, which firm was selected to conduct the research.

(6) In each instance, what was the estimated or contract price of the research work and what was the actual amount expended by the department.

Senator Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator's question:

(1) The total value of market research on a month-by-month basis sought by the department between March 1996 and November 1998 was:

1995-96 financial Year—from March to end of year	
March 96	$0.00
April 96	$0.00
May 96	$0.00
June 96	$696,101.14
1996-97 Financial Year	
July 96	$258,105.00
August 96	$30,262.00
September 96	$33,228.00
October 96	$0.00
November 96	$65,798.00
December 96	$104,971.00
January 97	$109,134.00
February 97	$17,500.00
March 97	$43,497.00
April 97	$0.00
May 97	$64,747.00
June 97	$964,903.00
1997-98 Financial Year	
July 97	$48,70.00
August 97	$0.00
September 97	$402,609.94
October 97	$0.00
November 97	$0.00
December 97	$25,900.00

January 98	$61,312.00
February 98	$42,936.00
March 98	$43,918.00
April 98	$222,680.00
May 98	$64,589.00
June 98	$17,232.00
1998-99 Financial Year—Year to date	
July 98	$18,924.00
August 98	$57,600.00
September 98	$52,460.00
October 98	$57,564.00
November 98	$0.00

The response to parts (2) to (6) of the Senators' Question have been separated according to Departmental project.

Since March 1996 the department has sought the following market research:

(a) campaign on program options for young Australians

(b) The 4 year New Apprenticeships communications program

(c) HECS (two research projects)

(d) A Communications project for the Australian Research Council (NBEET)

(e) International Students Who Choose Not to Study in Australia—an Examination of Taiwan and Indonesia

(f) Opportunities for Australian Education in South America—Findings from Market Research Undertaken in Argentina, Brazil, Chile and Venezuela 1998 (g) 1997 Survey of International Student Studying in Australia

(h) Survey into Non-visaed International Students

(i) Client Survey for DEETYA International Services (DIS)

(j) Research into the Enterprise Education in Schools Program.

(k) Payment of a fee for pitching for market research on the New Apprenticeships program

(l) 1996 Training Expenditure and Training Practices Survey

(m) Evaluation of the Mt Eliza Course, National Management Development Program

(n) 1996 Aboriginal Student Support and Parent Awareness Evaluation

(o) Evaluation of pilots in the Enterprise Stream and Small Business Stream of the Australian vocational training system

(p) Longitudinal survey of trainees under the National Training Wage

(q) Survey of non-completion of trainees

(r) An evaluation of school-based young homeless pilot projects

(s) Fieldwork for the 1996 Student Assistance Centre Client Satisfaction Survey

(a) Market Research for campaign on program options for young Australians.

To conduct developmental research, concept testing, benchmark and tracking research to aid in the development and evaluation of a public information campaign about programs available to young people.

(1) The Office of Government Information and Advertising provided advice on preparing the research brief, and on the research proposal submitted.

(2) (a) One agency was invited to submit a proposal, and (b) one proposal was received. An exemption from tender (minimum standard of procurement) for the options for young Australians consultancy was approved on the basis of preeminent expertise and expedience given previous work for the Department on similar issues.

(3) Worthington Di Marzio

Estimated expenditure: $192,300

Actual Expenditure: $148,700

(b) New Apprenticeships

(2) The purpose was to conduct creative concept testing, benchmark & tracking research to aid in the development and evaluation of a public information program about New Apprenticeships and National Qualifications.

(3) The Office of Government Information and Advertising was involved in formulating the shortlist of consultants invited to tender, based on the research needs of the campaign and the subject matter, and in advising on the research needs of the campaign, the approximate budget required for the research, the formulation of the market research

brief to consultants and in selecting the appointed consultant.

(4) (a) Five firms were invited to submit their proposals for the project.

(b) All five agencies submitted proposals for the New Apprenticeships campaign.

(5) Worthington Di Marzio was selected.

(6) Estimated expenditure: $290,387.52

Actual expenditure: $239,503.49

(c) HECS

There have been two sets of market research done relating to HECS for the Department, one in January 1998, and the other in May 1998. They are both included here.

(2) The purpose of the January 1998 contract was to test the communication effectiveness of proposed radio and press advertising for the "HECS Your Questions Answered" booklet and HECS hotline.

The purpose of the May 1998 contract was to test the communication effectiveness of the "HECS Your Questions Answered 1998" booklet.

(3) In the case of the January 1998 contract, the Office of Government Information and Advertising recommended a suitable consultant.

In the case of the May 1998 contract, the Office of Government Information and Advertising recommended three suitable consultants for a limited tender.

(4) In the case of the January 1998 contract:

(a) one firm was invited to submit a proposal; and (b) one proposal was received.

In the case of the May 1998 contract:

(a) three firms were invited to submit proposals; and (b) three proposals were received.

(5) Worthington Di Marzio was selected to in each instance.

(6) In the case of the January 1998 contract,

Contract price $19,400

Actual Expenditure $11,800

In the case of the May 1998 contract,

Contract price $25,000

Actual Expenditure $24,400

(d) Australian Research Council

(2) The purpose of the commissioned project was to prepare a communications strategy for the Australian Research Council (ARC).

(3) The ARC contacted the Office of Government Information and Advertising (OGIA) for referral to suitable consultants. OGIA played an advisory role in assisting with the tender process.

(4) (a) Five firms were invited to submit proposals. (b) Four tenders were received.

(5) The Steering Committee for the project selected the tender from the Millenium Group.

(6) Contract price: $37,848

Actual expenditure: $37,848

(e) International Students Who Choose Not to Study in Australia—an Examination of Taiwan and Indonesia

(2) To investigate the reasons why students from Indonesia and Taiwan choose not to study in Australia.

(3) No involvement.

(4) (a) No firms were specifically invited to submit proposals.

(b) 19 tender proposals were received.

(5) The Institute for Research into International Competitiveness, Curtin Business School, Curtin University of Technology.

(6) Contract price: $81,048

Actual expenditure: $81,048

(f) Opportunities for Australian Education in South America—Findings from Market Research Undertaken in Argentina, Brazil, Chile and Venezuela 1998

(2) To investigate the potential of the market in the four identified South American countries for the export of Australian education and training services.

(3) No involvement.

(4) (a) No firms were specifically invited to submit proposals.

(b) 16 tender proposals were received.

(5) CIT Solutions.

(6) Contract price:

$95,000 ($60,000 from Australian Education International and $35,000 from the National Office of Overseas Skills Recognition)

Actual expenditure: nil to November 1998 by Australian Education International ($35,000 by the National Office of Overseas Skills Recognition in March 1998)

(g) 1997 Survey of International Students Studying in Australia

(2) To build on an earlier study (1992) and further develop understanding of international students' perceptions of their experiences of studying in Australia and their economic, social and cultural benefits to Australia.

(3) No involvement.

(4) (a) No firms were specifically invited to submit proposals.

(b) 17 tender proposals were received.

(5) Roy Morgan Research.

(6) Contract price: $161,739

Actual expenditure: $154,168

(h) Survey into Non-visaed International Students

(2) To develop estimates for the uncounted and unquantified number of international students who travel to Australia for short-term study purposes on a visa other than a student visa and to develop a profile.

(3) No involvement.

(4) (a) 1—the consultant had a unique capacity to conduct this survey. The survey was a supplement to the International Visitors' Survey conducted by the Bureau of Tourism Research.

(b) Not applicable.

(5) Bureau of Tourism Research.

(6) Contract price: $80,000

Actual expenditure: $28,886 (January 1998)

(i) Client Survey for DEETYA International Services (DIS)

(2) As part of a broader business review, to determine the levels of client satisfaction with DIS services.

(3) No involvement.

(4) (a) 4 firms were specifically invited to submit proposals.

(b) 4 tender proposals were received.

(5) PSI Re-engineering Australia.

(6) Component of the contract attributable to market research is not available, total contract value of $63,000.

(j) Research on the Enterprise Education in Schools Program

(2) To conduct a telephone survey of the collection of baseline data from 1,100 schools across Australia which would refer to current awareness, perceptions and activities surrounding enterprise education in schools and the Enterprise Education in Schools Program.

(3) Nil involvement.

(4) (a) The Secretary approved a Selected Tender process. Ten companies were invited to submit submissions.

(b) Only one company specifically tendered for the telephone survey. The telephone survey was a component of a larger tender to develop components for an Enterprise Education in Schools awareness raising package. Seven companies provided submissions for the whole tender.

(5) Reark Research Marketing and Social Consultants.

(6) Contract price: $46,500

Actual expenditure: $46,500

(k) Payment of a fee for pitching for market research on the New Apprenticeships program

(2) Assess possible research methodologies to be used in the New Apprenticeships marketing campaign.

(3) OGIA was involved in inviting firms to tender.

(4) (a) 5. (b) 5.

(5) See item (b), above.

(6) See item (b), above.

(l) 1996 Training Expenditure and Training Practices Survey

(2) To collect information on: the amount of formal training provided by employers; employer expenditure on formal training; & employer training practices.

(3) No involvement.

(4) (a) not applicable as this was a survey conducted by the Australian Bureau of Statistics.

(b) not applicable.

(5) The Australian Bureau of Statistics.

(6) Total contract price $3.95m shared between DEETYA and ANTA.

Actual expenditure by the Department $1.975m

(m) Evaluation of the Mt Eliza Course, National Management Development Program

(2) To build on the results of an earlier study and, through focus groups and interviews, to complete the exploration of the key issues of effectiveness, efficiency and appropriateness of the course.

(3) No involvement.

(4) (a) 3. (b) 3.

(5) Interaction Consulting Group Pty Ltd.

(6) Estimated expenditure: $22,300

Actual expenditure: $24,500

(n) 1996 Aboriginal Student Support and Parent Awareness Evaluation

(2) To carry out fieldwork interviews as part of the evaluation of the ASSPA program involving interviews with approximately 1,000 people in ASSPA committees and their school communities as well as other stakeholders in education systems and Departmental staff involved with the program.

(3) No involvement.

(4) (a)The tender was let through a two stage public tender process. The first stage was by open invitation to consultants for expressions of interest. A total of 17 expressions of interest were received. From these, seven were invited to submit tender proposals. (b) Of the seven consultants invited to tender, six did so.

(5) Keys Young Pty Ltd

(6) Estimated expenditure: $209,225

Actual expenditure: $209,225

(o) Evaluation of pilots in the Enterprise Stream and Small Business Stream of the Australian vocational training system

(2) To obtain qualitative information on aspects of the Australian Vocational Training System (AVTS) Enterprise Stream and Small Business Stream pilot processes from the perspective of relevant stakeholders.

(3) No involvement.

(4) (a)Open tender with no specific firms invited to submit proposals.

(b) 6.

(5) National Key Centre in Industrial Relations.

(6) Estimated expenditure: $44,517

Actual expenditure: $44,847

(p) Longitudinal survey of trainees under the National Training Wage

(2) To provide baseline data for the evaluation of the New Apprenticeship system.

(3) No involvement.

(4) (a) Open tender with no specific firms invited to submit proposals.

(b) 4.

(5) Wallis Consulting Pty Ltd.

(6) Estimated expenditure: $109,228

Actual expenditure: $107,513.

(q) Survey of non-completion of trainees

(2) The purpose of the contract was to undertake a survey of non-completing trainees, including questionnaire design and piloting; sample selection and survey conduct; collation of results including frequency counts. The survey was part of a program of baseline data collection for the evaluation of New Apprenticeships.

(3) No involvement.

(4) (a) 4. (b) 4.

(5) Wallis Consulting Pty Ltd.

(6) Estimated expenditure: $50,000

Actual expenditure: $53,398

(r) Evaluation of school-based youth homeless pilot projects

(2) The purpose of the evaluation was to assess the effectiveness of the different models of school-based early intervention utilised by these projects in helping young homeless people, and those at risk of homelessness—in particular, their effectiveness in helping these young people remain at school.

(3) No involvement

(4) (a) No firms were specifically invited to submit proposals. (b) 14.

(5) ARTD Management and Research Consultants

(6) Estimated expenditure: $90,650

Actual expenditure: $90,650

(s) Fieldwork for the 1996 Student Assistance Centre Client Satisfaction Survey

(2) Conduct fieldwork for the 1996 Student Assistance Centre Client Satisfaction Survey

(3) No involvement

(4) (a) Open tender, no firms were specifically invited. (b) two proposals received.

(5) AGB McNair Pty Ltd

(6) Contract price: $152,821

Actual expenditure: $152,821

Note: The amounts and contracts shown above relate to the functions of the recently formed Department of Education, Training and Youth Affairs only. Responsibility for reporting information on the employment function now rests with the Department of Employment, Workplace Relations and Small Business. This follows the revised changes in administrative arrangements in October 1998 which resulted in the transfer of staff and records for the employment function from this Department.

Thoroughbred and Standard Bred Horse Racing Industries: Trainers Income

(Question No. 426)

Senator O'Brien asked the Minister representing the Treasurer, upon notice, on 2 March 1999:

(1) Based on Australian Taxation Office data what was: (a) The turnover of the training sector of the thoroughbred horse racing industry in the 1995-96, 1996-97 and 1997-98 financial years; (b) The turnover of the training sector of the standard bred horse racing industry in the 1995-96, 1996-97 and 1997-98 financial years; and (c) The average income of trainers in the thoroughbred and standard bred horse racing industry in the above financial years.

Senator Kemp—The answer to the honourable senator's question is as follows:

(1) (a) and (b) The Australian Taxation Office (ATO) uses a modified version of the Australian and New Zealand Standard Industrial Classification (ANZSIC) system to allocate to industry groups with non-salary and wages income. The ANZSIC code for training of thoroughbreds is the same as the ANZSIC code for standard bred horses. The information sought for the 1997-98 income year is not available.

The turnover of the various entities coded to horse training is shown in the table below:

Turnover*	1995-96 ($m)	1996-97 ($m)
Individuals	75	74
Partnerships	48	48
Trusts	69	13
Companies	33	35
Total	225	170

* For individuals, partnerships and trusts, total business income from non-primary production has been used, and for companies, sales of goods and services.

(1) (c) Entities engaged in horse training may have other sources of income other than from their training activities. The table below only refers to income from training activities.

For each of the various entity types the average income amounts for cases which have positive amounts of income and negative amounts are shown separately in the table below together with the overall amount. The positive cases for individuals and companies are those which have net tax assessed greater than zero i.e. they are taxable. The negative cases are where the net tax assessed is zero and they are therefore non-taxable. For partnerships and trusts the positive cases are those which have net Australian income of zero or greater, and the negative cases are where that income is less than zero.

	Income Year	Positive cases $ average	Negative cases $ average	Overall amount $ average
Individuals[1]	1995-96	33421	-26034	11273
	1996-97	36863	-28195	14058
Partnerships[2]	1995-96	21561	-19880	-197
	1996-97	19291	-18006	76
Trusts[2]	1995-96	40497	-63537	-30334
	1996-97	55534	-75772	-10119
Companies[1]	1995-96	58319	-35346	-143
	1996-97	102407	-54898	7196

[1] Taxable income shown

[2] Net Australian income shown

Department of Finance and Administration: Savings from Information Technology Outsourcing

(Question No. 493)

Senator Robert Ray asked the Minister representing the Minister for Finance and Administration, upon notice, on 8 March 1999:

(1) What savings were projected over 5 years as a consequence of the Department's outsourcing of its IT infrastructure.

(2) What savings have actually been achieved in the years so far.

(3) In each year what were the projected savings.

(4) Where there is a difference between the projected and actual savings what are the reasons for the difference.

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator's question:

(1) The original Department of Finance contract with IBM GSA projected savings over 5 years of 45%. This contract was extended on 1 July 1998 to include elements of the former DAS resulting in further savings. The projected saving over 5 years is now 31% for the amalgamated Department of Finance and Administration.

(2) The actual savings in the first financial year of the original contract with IBM GSA are $2.2m (31%) against a projection of $1.7m (24%).

(3) The projected annual savings for the combined contract are:

Nov 97—Jun 98	projected 24% (DoF only)
Jul 98—Jun 99	projected 23%
Jul 99—Jun 00	projected 31%
Jul 00—Jun 01	projected 34%
Jul 01—Jun 02	projected 36%
Jul 02—Nov 02	projected 38%
Total	projected 31%

(4) The contract is usage based. Where the usage varies from the baseline projections, these variances are reflected in the level of savings. The savings projections detailed above are against original baseline costings on the service levels originally specified. Service levels are and will continue to be refined as will the technical standards of the service being purchased. Changes in technology, service levels and operating standards over the life of the contract are likely to impact on performance against the original estimate of expected savings.

Minister for Aged Care: Newspapers, Magazines and Other Periodicals

(Question No. 527)

Senator Robert Ray asked the Minister representing the Minister for Aged Care, upon notice, on 10 March 1999:

What was the total cost during the 1997-98 financial year of the provision of newspapers, magazines and other periodicals to the minister's: (a) Parliament House office; (b) home/state ministerial office; and (c) private home.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

During 1997/98 aged care was the responsibility of the Minister for Family Services. There were two Ministers for Family Services during 1997/98, Mrs Judi Moylan and Mr Warwick Smith. Their other responsibilities included family and children's services, youth suicide, carers and disability services.

The total cost of providing newspapers, magazines and other periodicals to the Ministers for Family Services during the 1997/98 financial year as provided by the Department of Health and Aged Care is:

(a) Cost of newspapers, magazines and other periodicals provided to the Parliament House office: $4,646.70

(b) Cost of newspapers, magazines and other periodicals provided to the home/state ministerial office: Nil

(b) Cost of newspapers, magazines and other periodicals provided to private home: Nil.

Ministers and Former Ministers: Legal Costs

(Question No. 592)

Senator O'Brien asked the Minister representing the Minister for Finance and Administration, upon notice, on 12 March 1999:

With reference to the $34,759 provided to the department from the Advance to the Minister for Finance and Administration in December 1998 for legal costs of ministers and former ministers who are defendants in separate proceedings, for each set of proceedings: (a) which ministers or former ministers were involved; (b) what was the nature of the proceedings; and (c) what were the costs of those proceedings.

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator's question:

The legal costs referred to relate only to the Advance to the Minister for Finance and Administration application and are not the total costs for the matters to which they relate.

(a)	(b)	(c)
The Hon Duncan Kerr MP	Proceedings against Mr Kerr seeking damages for alleged defamation.	$17,478.54
The Hon Peter Reith MP	Proceedings against Mr Reith and another seeking damages for alleged defamation.	$16,878.65

(a)	(b)	(c)
The Hon Peter Reith MP	Proceedings against 29 respondents, including Mr Reith and the Commonwealth, seeking damages and other relief for alleged torts of conspiracy and interference with contractual relations.	$276.00
The Hon John Button and the Hon Bob Brown (former Member for Charlton).	Proceedings against Mr Button, Mr Brown and the Commonwealth seeking damages for alleged negligent misstatement, fraud and breach of fiduciary duty.	$140.00

Aged Care: Remote and Rural Areas

(Question No. 596)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 16 March 1999:

(1) Can a breakdown be provided of the number of aged care places in each rural and remote planning region, by the types: (a) community aged care packages; (b) low-care; and (c) high-care.

(2) What is the size of each rural and remote planning region.

(3) In the process of allocating residential aged care places within regions, is the distribution of places within the region taken into account.

(4) What provisions of the Aged Care Act and its principles require the even distribution of residential aged care places within a region to be taken into account when allocating additional places.

(5) Is the transfer of residential aged care places within a region regulated by the department to ensure that places are evenly distributed within that region.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

(1) AGED CARE PLACES IN PLANNING REGIONS THAT ARE ENTIRELY OR MOSTLY MADE UP OF RURAL AND REMOTE AREAS (February 1999)

State	Planning Region	High CareResidential	Low CareResidential	Community Care Packages
NSW				
	Central West	747	739	62
	Far North Coast	1115	1070	189
	Mid North Coast	1042	1079	235
	New England	646	714	165
	Orana Far West	403	587	87
	Riverina/Murray	941	1121	169
	Southern Highlands	592	558	70
VIC				
	Barwon-South Western	1433	1391	274
	Gippsland	762	943	202
	Grampians	917	972	143
	Hume	845	1073	153
	Loddon-Mallee	1222	1231	189
QLD				
	Central West	40	48	40
	Darling Downs	888	962	200
	Far North	515	653	113

State	Planning Region	High CareResidential	Low CareResidential	Community Care Packages
	Fitzroy	560	586	205
	Mackay	297	270	58
	North West	40	89	30
	Northern	673	702	65
	South West	40	91	45
	Sunshine Coast	979	1146	189
	Wide Bay	793	896	225
SA				
	Eyre Peninsula	49	118	
	Hills, Mallee & Southern	296	277	80
	Mid North	68	194	
	Riverland	116	174	30
	South East	145	210	50
	Whyalla, Flinders & Far North	88	148	40
	Yorke, Lower North & Barossa	290	413	73
WA				
	Goldfields	137	100	31
	Great Southern	179	237	63
	Kimberley	50	71	43
	Mid West	85	138	40
	Midlands	40	118	35
	Pilbara	34	19	50
	South West	452	668	117
TAS				
	North Western	462	393	86
	Northern	634	391	159
	Southern	121	74	205
NT				
	Alice Springs	80	36	48
	Barkly	15	2	12
	East Arnham			10
	Katherine	20	40	36

NOTE: The majority of the Statistical Local Areas (SLAs) in the listed regions are classified as "Rural" or "Remote". In some cases, a listed region also includes one or more SLAs classified as "Other Metropolitan".

(2) The size of each rural and remote aged care planning region varies.

(3) Section 12-4 of the Aged Care Act 1997 (the Act) states that the Secretary may distribute the places available for allocation in a State or Territory in a financial year among the regions within the State or Territory.

Under Section 12-7 of the Act, the Secretary may appoint Aged Care Planning Advisory Committees (ACPACs) and may request advice from an ACPAC about the distribution of places among regions under Section 12-4.

Section 4.15(2)(c)&(d) of the Allocation Principles states that "In advising the Secretary, the committee must take . . . into account: . . . demographic and other statistical data on the balance of care in each region . . . (and) relevant information

obtained by the committee from local and regional sources".

(4) See (3)

(5) All transfers of places are regulated.

Aged Care Facilities: Certification Failure

(Question No. 597)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 16 March 1999:

(1) Is it a fact that, as of 28 January 1999, there were 135 aged care facilities that failed certification.

(2) Can a list be provided of those facilities, their certification score and location.

(3) How many of those facilities are in rural and remote regions.

(4) How many residents do each of those rural and remote facilities that have failed certification currently accommodate.

(5) What assistance has been provided to each of the facilities that have failed certification.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

(1) It is a fact that as of 28 January 1999, there were 135 aged care facilities that failed certification. This number has fallen from over 300 in late 1997 and is currently 92.

(2) The certification scores of facilities are protected information for the purposes of the Aged Care Act 1997.

The Government has chosen not to publicise the list of uncertified services since many are involved in upgrading activity and the list is subject to rapid change. Publication may reduce a service's capacity to attract finance to rebuild or upgrade. The Department has published a list of certified services on the internet.

(3) Thirty-one of the 92 services are in rural or remote locations.

(4) The number of residents in the thirty-one rural or remote services at the time of their certification inspection is 1547.

(5) The Government has offered services that failed or barely passed certification access to business advice on their options through the consultants Bovis Australia. The advice is provided at no cost to the services and on a confidential basis. The provision of the advice is funded from the $28.2M Industry Restructuring Fund made available by the Government.

The 92 services belong to this group.

A number of the services received capital assistance through the Residential Care Grants Program.

The 1999 Aged Care Approvals Round will include a Residential Care Grant component and an industry restructuring component to a total value of over $27m. The industry restructuring component is targeted to those services that were invited to seek the advice of Bovis Australia and, under the Uniting in Care program, to rural and remote services that are proposing to amalgamate or to enter into other improved service provision arrangements with one or more other services to achieve economies of scale and/or economies of scope. In the round, grants from the Industry Restructuring Fund will be allocated to successful applicants to develop or implement restructuring proposals. In addition, 420 aged care places have been set aside for such proposals.

Aged Care Centres: Qualified Nursing Staff

(Question No. 598)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 16 March 1999:

(1) (a) What information does the department or Standards Accreditation Agency have on the number of qualified nursing staff employed by providers; and (b) how many qualified nursing staff are employed in each planning region, indicating whether they are registered or enrolled nursing staff.

(2) For each rural and remote region what is the ratio of qualified nursing staff to aged care residents.

(3) What is the average ratio of qualified nursing staff to aged care residents in metropolitan regions.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

(1) (a) Service providers must be able to demonstrate that they are employing an adequate number of appropriately skilled staff to the Aged Care Standards and Accreditation Agency during the course of an accreditation audit.

(b) The Department does not collect separate information.

(2) See (1) (b)

(3) See (1) (b)

Nursing Homes: Raise of Income-tested Fees

(Question No. 599)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 16 March 1999:

(1) In the 1996-97 Budget, what was the projected amount the income-tested fee would raise in the 1998-99, 1999-2000 and 2000-01 financial years.

(2) What was the total amount of money raised through the income-tested fee from 1 March 1998 to 1 March 1999.

(3) What is the projected amount that will be raised by the income-tested fee in the 1998-99, 1999-2000, 2000-01 financial years.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

(1) At the time of the 1996-97 Budget it was projected that $79.2 million in income-tested fees would be raised in 1998-99 and $79.9 million would be raised in 1999-2000. As only three forward years are used in expressing financial projections at Budget, no projection was made for 2000-01 at that time. Since then, these figures have been revised downwards due to a number of policy decisions. Implementation of income testing was delayed to 1 March 1998 and existing residents were grand-parented. A 28 day period of grace from income testing, to allow sufficient time to complete income-testing, was announced in the 1998-99 Budget. These policy decisions revised the projected amounts that would be raised from income-testing to $31.7 million in 1998-99 and $46.6 million in 1999-00.

(2) In the calendar year, 1 March 1998 to 1 March 1999, $6.4 million was raised through the income-tested fee.

(3) It is now projected that the income-tested fee will raise $10.6 million in the 1998-99 financial year, $20.5 million in 1999-2000 and $27 million in 2000-01.

Aged Care Facilities: Mandurah, Western Australia

(Question No. 600)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 16 March 1999:

(1) What residential aged care facilities operate in Mandurah.

(2) Who is the approved provider of these facilities.

(3) Can the Minister: (a) confirm that within the high-care facilities that operate in Mandurah a registered nurse is on site 24 hours a day; and (b) indicate which, if any, facilities do not have a registered nurse on site 24 hours a day.

(4) If a registered nurse is not on site 24 hours a day in these facilities what arrangements are in place to ensure that adequate nursing care is provided to the residents.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

(1) and (2)

Facility	Approved Provider
Wearne Nursing Home	Anglican Homes (Incorporated)
War Veteran's Hostel	Returned Services League of Australia
Wearne Hostel	Anglican Homes (Incorporated)
Coolibah Lodge	Mandurah Retirement Village
Murray River Nursing Home	Moran Health Care (Australia) Pty Ltd
Mandurah Nursing Home	Garnstone Investments
Peel Lodge	Churches of Christ Homes (Incorporated)
Greenfields	Belswan (Mandurah) Pty Ltd

(3) Service providers must be able to demonstrate that they are employing an adequate number of appropriately skilled staff to the Aged Care Standards and Accreditation Agency during the course of an accreditation audit. The Department does not collect separate information.

(4) The Commonwealth Aged Care Act 1997 states that providers of aged care must maintain an adequate number of appropriately skilled staff to ensure that residents receive satisfactory care. Service providers must be able to demonstrate this to the Aged Care Standards and Accreditation Agency.

The Aged Care Act 1997, Quality of Care Principles, Schedule 1/3.8, lists complex nursing procedures which, for high care residents, must be carried out by a registered nurse or other professional appropriate to the service (eg. Medical practitioner, stoma therapist etc.) The Principles also state that, for these services, 'Initial and ongoing assessment, planning and management of care for residents, [must be] carried out by a registered nurse'.

Kakadu: Interdepartmental Meetings

(Question No. 620)

Senator Bolkus asked the Minister for Industry, Science and Resources, upon notice, on 24 March 1999:

Can information be provided on the: (a) number; (b) dates; (c) chairmanship; (d) names of Department of Foreign Affairs and Trade participants; (e) names of other participants; and (f) purpose of interdepartmental meetings on Kakadu since the Kyoto meeting in December 1998 and to the date of the answer to this question.

Senator Minchin—The answer to the honourable senator's question is as follows:

It has been agreed through consultation with Environment Australia that they will coordinate a response to the questions on notice from Senator Bolkus (Senate questions 617—621).

Monaro Region: Drought

(Question No. 637)

Senator O'Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 30 March 1999:

(1) On how many occasions did the former minister for Primary Industries and Energy, Mr Anderson, write to the New South Wales Government regarding drought in the Monaro region.

(2) What was the date of each letter or fax.

(3) What was the purpose of each letter or fax.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

(1) Three.

(2) (a) 16 October 1997.

(b) 31 December 1997.

(c) 3 March 1998.

(3) (a) In his letter of 16 October 1997 the Minister raised concerns that the application was made under DEC and not EC, when the application acknowledged that it didn't meet DEC criterion. He accepted the request that the application now be considered for EC. He noted scarcity of objective data in the application.

(b) In his letter of 31 December 1997 the Minister advised that conditions did not constitute an EC event at the time of assessment, but that he would request RASAC to reassess conditions early in the new year.

(c) In his letter of 3 March 1998 the Minister wrote to advise that EC had been declared in Monaro A and what assistance would be provided.

Monaro Region: Annual Recorded Rainfall

(Question No. 638)

Senator O'Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 30 March 1999:

(1) What was the annual rainfall recorded in the regions known as Monaro A, B, and C for the 3 year period ending August 1998.

(2) What is the average rainfall for these three regions used by the Rural Adjustment Scheme Advisory Council (RASAC) to assess each application from the New South Wales Government for either drought exceptional circumstances of exceptional circumstances assistance in the 1997 and 1998 calendar years.

(3) What level of rainfall was required for each of the regions to meet the threshold criterion against which RASAC assess applications for drought exceptional circumstances.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

(1) Rainfall for the three year period ending August 1998 was in the below average range (decile 2-3) across the Monaro, including regions A, B and C.

Annual rainfall until the end of August 1998 was below average (decile 2-3) and average (decile 4-7) in Monaro B and C, and average (decile 4-7) in Monaro A.

For these applications, RASAC assessed rainfall until the end of the 1998 Autumn growing season (May 1998), with the annual total in the extremely low range (decile 0-1) in Monaro B and C, and in the below average range (decile 2-3) in Monaro A.

Annual rainfall until the end of August 1997 was extremely low (decile 0-1), and below average (decile 2-3) in Monaro B and C, with average (decile 4-7) conditions in Monaro A.

Annual rainfall until the end of August 1996 was average (decile 4-7) and above average (decile 7-8)

in Monaro B and C and average (decile 4-7) and well above average (decile 8 to 9) in Monaro A.

(2) RASAC does not use average figures to assess rainfall conditions. RASAC uses decile ranges to compare rainfall against the historical record.

(3) Meteorological events at the 1 in 20 to 25 year level, lasting greater than 12 months or three failed seasons, are required to satisfy the meteorological criterion for DEC.

RASAC uses a number of tests to assess this criterion, including analysis of rainfall within growing seasons and over longer time frames.

Rainfall in the extremely low range (decile 0-1) is the threshold used to indicate that the DEC criterion has been met.

Monaro A did not meet this criterion.

Monaro B and Monaro C met this criterion.

Monaro Region: Applications for Drought Exceptional Circumstances

(Question No. 639)

Senator O'Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 30 March 1999:

(1) Did the Member for Eden-Monaro make representations to the Minister or his office in support of applications for drought exceptional circumstances or exceptional circumstances for the areas known as Monaro A, B or C.

(2) Were those representations made by way of letter, fax or directly with the Minister or his office?

(a) When were those representations made?

(b) What action did the Minister or his office take in response to those representations.

(3) If the representations from the Member for Eden—Monaro were made by way of correspondence, was that correspondence forwarded to the Department of Primary industries and Energy, the secretariat of the Rural Adjustment Scheme Advisory Council (RASAC) or directly to RASAC; if so, what advice did those bodies provide to the Minister or his office in response to those representations.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

(1) Yes.

(2) Letter and fax

(a) 20 August 1997

31 October 1997

(b) The Minister replied to both the letter and fax with a single letter dated 5 January 1998.

(3) The letter and fax were referred to the Department of Primary Industries and Energy to prepare a ministerial response to the Member for Eden—Monaro and copies forwarded to RASAC.

Minister Anderson's letter noted the Member's concerns about the RASAC report on the Cooma—Monaro region. However, it stated that RASAC's report was based on information provided to it by the New South Wales Government and the New South Wales Farmers Association and highlighted the State Government's responsibility to demonstrate that an exceptional circumstance event had occurred. In the case of the Cooma—Monaro application, this had not been adequately demonstrated.

Wentworth Rural Lands Protection Board: Application for Drought Exceptional Circumstances

(Question No. 640)

Senator O'Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 30 March 1999:

(1) Did the former Minister for Primary Industries and Energy, Mr Anderson, or his office contact the New South Wales Government following its application for drought exceptional circumstances (DEC) assistance for the Wentworth Rural Lands Protection Board on 22 July 1998

(2) Did the Department of Primary Industries and Energy make contact with the New South Wales Department of Agriculture following the receipt of the above application

(3) Did the Department of Primary Industries and Energy, the Minister or his office advise the New South Wales Government or the Department of Agriculture to amend the application to seek assistance for exceptional circumstances rather than DEC.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

(1) The Department has no records relating to communications between the Minister and the NSW Government in relation to the Wentworth Rural Lands Protection Board application of 22 July 1998.

(2) Yes, regular contact between the State and Commonwealth Departments forms part of the routine of processing an EC application, especially in the lead up to a RASAC tour.

(3) The NSW Department of Agriculture decided to change the application from DEC to EC following consultations with the local community in Wentworth, after considering advice from the Department of Primary Industries and Energy and the Queensland Centre for Climate Applications that the region would not meet the DEC threshold criteria for rainfall.

Wentworth Rural Lands Protection Board: Average Recorded Rainfall

(Question No. 641)

Senator O'Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 30 March 1999:

(1) What was the average rainfall figure in the Wentworth Rural Lands Protection Board district used by the Rural Adjustment Scheme Advisory Council (RASAC) to assess an application from the New South Wales Government for drought exceptional circumstances (DEC) assistance in July 1998.

(2) What was the actual annual level of rainfall in the Wentworth region over the 24 months leading up to the above application.

(3) What level of rainfall was required in the above region over the 12 months leading up to July 1998 to enable it to meet the DEC meteorological criterion.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

(1) The following information regarding rainfall was used by RASAC to assess the application. Average rainfall' is not a measure used in assessing applications.

BRS report that falls of rain at percentile 50 or higher were received in August—September 97, June-July-August-September 96, in the months of May, July, September, October 95 and in February 94. Periods where significant rainfall pasture pulses (ie 30mm in a month) were not recorded include the 14 months of March 94—April 95 (January rainfall was an isolated event), the 7 months of November 96—May 96, the 4 months of October 96—January 97, the 5 months of March 97—July 97 and the 10 month period from October 97—July 98. In aggregate, these periods are extremely low compared with the historical record.

(2) The amount of rainfall over the 24 months until July 1998 was in the below average range (decile 2-3).

Rainfall in the 12 months until July 1997 was above average range (decile 7-8).

Rainfall in the twelve months until July 1998 was in the average and below average ranges (decile 3-7 and decile 2-3).

(3) RASAC did not assess the period up until July 1998 using the criteria for DEC, as in August 1998 the NSW Minister (Mr Amery) wrote to the Minister for Primary Industries and Energy requesting the case of Drought Exceptional Circumstances for the Wentworth area be changed to an application for Exceptional Circumstances.

Meteorological events at the 1 in 20 to 25 year level, lasting greater than 12 months or three failed seasons, are required to satisfy the meteorological criterion for DEC. RASAC uses a number of tests to assess this criterion, including analysis of rainfall within growing seasons, and over longer timeframes.

Rainfall in the extremely low range (decile 0-1) is the threshold used to indicate that the criterion has been met.

Wentworth Rural Lands Protection Board: Representations by the Member for Farrer

(Question No. 642)

Senator O'Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 30 March 1999:

(1) Did the Member for Farrer make any representations to the former Minister for Primary Industries and Energy, Mr Anderson, or his office in support of any application from the NSW Government for a DEC or EC declaration for the Wentworth RLPB.

(2) (a)Were those representations made by way of letter, fax or directly with the Minister or his office; (b) When were those representations made.

(3) What action was taken in response to those representations? If the representations from the Member for Farrer were made by way of correspondence, was that correspondence forwarded to the Department of Primary Industries and Energy, the Secretariat of RASAC, or directly to RASAC; if so, what advice did these bodies provide to the Minister or his office in response to those representations.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following response to the honourable senator's question:

(1) Yes.

(2) The Member for Farrer wrote to Minister Anderson on 24 February 1998 enclosing correspondence from the Council and Shire of Wentworth.

The Member for Farrer wrote to the Chairman of the Rural Adjustment Scheme Advisory Council on 20 July 1998, and provided a copy of the letter to Minister Anderson.

There is no record of any faxed communication or direct representation to former Minister Anderson or his Office.

(3) An answer to the correspondence of 24 February 1998 was prepared for Minister Anderson's signature by the RASAC Secretariat. This reply set out the reasons for the Minister's decision to reject the NSW Government's original application for Drought Exceptional Circumstances (DEC) for Wentworth. It indicated that any future application for DEC or EC would be considered; however any DEC application would have to provide evidence that the area met DEC meteorological criteria.

The correspondence of 20 July 1998 was forwarded to the members of RASAC for information only. No response was provided to the Member by then Minister Anderson or his Office, by RASAC or the RASAC secretariat.

Wentworth Rural Lands Protection Board: Drought Exceptional Circumstances Declaration Amendment

(Question No. 643)

Senator O'Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 30 March 1999:

(1) What was the basis for the amended application from the New South Wales Government for an exceptional circumstances declaration for the Wentworth Rural Lands Protection Board (RLPB) which was notified to the Minister on 3 August 1998.

(2) Did the Rural Adjustment Scheme Advisory Council (RASAC) assess the above of the event; (b) the impact of the event on: (i) pasture condition, (ii) soil moisture and pasture response, (iii) weeds, (iv) the impact of insects and other pests, (v) the condition and productivity of livestock, and (vi) water supplies; (c) the extent of the damage caused by the event; and (e) other forms of support to deal with the event.

(3) Applying 'normal risk management' criteria; what was the RASAC conclusion about the impact of the event in the Wentworth RLPB for each of the above criteria.

(4) Did the former Minister for Primary Industries and Energy, Mr Anderson, accept the RASAC conclusion on all the above criteria; if not, on which criteria and why did the Minister reach a different conclusion than RASAC.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

(1) NSW Agriculture identified the event as the cumulative impact of ineffective rainfall in the Wentworth RLPD during the growing seasons, in particular very dry autumns since the severe drought conditions experienced in 1994. The impact of these dry conditions was increased by temperature extremes and wind after the spring rainfall of 1997 and 1998.

(2) Yes.

(3) Given the 'normal risk management' criteria, RASAC made the following conclusions.

RASAC was of the opinion that the cumulative impact of ineffective rainfall in the Wentworth RLPD during the growing seasons, in particular very dry autumns since the severe drought conditions experienced in 1994, and the temperature extremes and winds after the springs of 1997 and 1998, have together constituted a rare and severe event.

It was evident on the RASAC visit and from other evidence that poor pasture production was the result of poor growing seasons which had not enabled recovery in biomass levels despite significant reduction of around 40% in domestic stocking levels over the period.

(4) The Minister accepted the RASAC conclusion.

Wentworth Rural Lands Protection Board: Assistance from Australian Bureau of Agricultural and Resource Economics

(Question No. 645)

Senator O'Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 30 March 1999:

(1) Did the Australian Bureau of Agricultural and Resource Economics (ABARE) undertake any work on the application from the New South Wales Government for a drought exceptional circumstances (DEC) declaration for the Wentworth Rural Lands Protection Board (RLPB) in September 1997; if so (a) what was the nature of the work undertaken; and (b) what were the conclusions ABARE reached about the merits of that application.

(2) Did ABARE undertake further work on subsequent applications from the New South Wales Government for DEC or exceptional circumstances declarations for the Wentworth RLPD; if so (a) what additional work did ABARE undertake; (b)

when was that work undertaken; and (c) what was the outcome of that work.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

(1) Upon request ABARE provided a brief to the secretary of the Rural Adjustment Scheme Advisory Council (RASAC) for the Wentworth RLPD application for EC on 24 October 1997. The brief contained information on the production characteristics, financial performance and commodity outlook for farms in the Wentworth RLPD and surrounding shires. ABARE surveys only a small number of farms within the Wentworth RLPD and was therefore unable to provide reliable farm financial performance estimates for the Wentworth RLPD alone. To provide some indication of the financial performance of farms in the general area including the Wentworth RLPD, survey data were presented for farms in the shires of Wentworth, Balranald and Central Darling combined.

The brief provided indicated that farm cash income for the shires had fallen in both 1995-96 and 1996-97. Farm cash income fell from an average of $90 000 in 1994-95 to $28 500 in 1996-97. The farm cash income estimated for 1996-97 was below long term average for the shires and below the average for all broadacre farms in New South Wales for 1996-97. Farm cash incomes had fallen primarily as a consequence of lower wool, beef and grains production.

(2) A second brief on the Wentworth Rural Lands Protection District was provided to the secretary of RASAC on 18 August 1998. A similar range of information was provided for the same combination of shires as that provided in the first brief.

This second brief provided preliminary estimates of farm cash income for 1997-98. These estimates indicated that farm cash income had fallen further from the 1996-97 level.

Aged Care Facilities: Review

(Question No. 651)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 31 March 1999:

(1) Can a list be provided of all the facilities in which reviews of residential classifications have been carried out by the department in 1999.

(2) For each facility, can the following details be provided: (a) the state/territory in which it is located; (b) the type of facility, that is, private or not-for-profit; (c) the total number of residents in the facility; (d) the number of residents who have been reclassified up the resident classification scale (RCS) as a result of review; (e) the number of residents who have been reclassified down the RCS as a result of the review; and (f) the total value of daily subsidies lost or gained as a result of the review.

(3) Have any providers that have been reviewed had their ability to classify their residents revoked under the Aged Care Act.

(4) How many providers that have been reviewed have lodged appeals against the reviews by state/territory.

(5) How many reviews were carried out in 1998, broken down by state/territory, indicating the number of reviews, the number that resulted in reclassifications of residents up the RCS and the number that resulted in reclassifications of residents down the RCS.

(6) (a) When was the decision taken to mount the campaign in February 1999 to review facilities; and (b) what prompted this major increase in review activity.

(7) On what basis does the department determine which facilities will have their residents reviewed: is it on the basis of resident profiles or previous review results.

(8) What were the steps carried out by departmental offices in reviewing the classification of residents.

(9) Do review officers use interpretations of the RCS instrument, published on the department's website in the form of questions and answers, in classifying residents.

(10) (a) What is the process in developing those interpretations; and (b) are resident groups and providers consulted in developing those interpretations.

(11) (a) What is the process of ensuring that providers are aware of these interpretations, apart from publishing them on the website; and (b) what percentage of providers have access to the internet.

(12) What steps do the departmental officers take to observe the care needs of residents being reviewed.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

(1) The facilities that have had reviews of residential classifications since 1 January 1999 are listed in Attachment A.

(2) Attachment A also lists the detail of the state/territory in which the facility is located, the total number of residents in the facility, the number of residents reclassified up and down and the total value of the daily subsidy gained or lost. The type of facility, private or charitable/community organisations, has not been included. Previously classifi-

cations were used to distinguish these types for nursing homes, however such a distinction is no longer made and has never been made for hostels.

(3) No approved providers have had their ability to appraise residents revoked.

(4) Numbers of requests for reconsideration of reviewable decisions under sub-section 85-5(3) of the Aged Care Act 1997, received from facilities, between 1 July 1998 and 7 April 1999, are as follows:

STATE	No. of Facilities
NSW	12
Vic	6
SA	7
WA	8
Tas	3

(5) The number of reviews carried out in 1998 by state/territory, and the number that resulted in reclassification up and down are listed at Attachment B.

(6) (a) No campaign has been mounted. On 31 December 1997 peak industry groups were advised in writing that, as a temporary measure, a more educative approach would be adopted in the classification review program during the introduction of the RCS. The letter stated that this approach would remain in place until the outcomes of the Review of the Resident Classification Scale were considered by the then Minister for Family Services. The Review of the Resident Classification Scale was considered by the Minister for Family Services at that time and the amendments recommended by that review made effective from 1 November 1998. Subsequently, on 25 November 1998 the industry was further advised in writing that the Classification Review Program would revert to a more targeted approach to the conduct of reviews, recommencing in February 1999.

(b) Review activity has returned to a targeted approach as was foreshadowed prior to the educative approach commencing. In comparison with the pre-education reviews, there has been no major increase in review activity.

(7) The Department uses a process of determining the risk of a facility's potential for making claims which may not be supported by the resident's care documentation held by the facility. These indicators include a facility's previous performance with the use of the RCS.

(8) The review process is outlined in Module 4 of the Resident Classification Scale Training Workbook. Two copies of this workbook were provided free to all facilities during October 1998. In summary the Review Officers check the accuracy of a resident's appraisal by looking at the resident's care plan, ongoing care notes and other documents that were used by the facility in conducting its appraisal for classification purposes.

(9) Departmental Review Officers conduct reviews in accordance with Division 29 of the Aged Care Act 1997. In reviewing the rating included in the facility's appraisal reference is made to the Classification Principles. In dealing with issues of interpretation, the staff may also refer to the Resident Classification Scale Training Workbook, which was provided to all facilities. They may also refer to the further interpretations provided in the questions and answers on the web site, which are also periodically forwarded to service providers as part of the RCS newsletter.

(10) (a) The interpretations are developed by staff of the Department by reference to the legislation and are provided as a service to the industry.

(b) Interpretations are developed usually at the request of providers. Resident groups and providers are welcome to seek further clarification if desired.

(11) (a)As stated in (9) above the Department also publishes the questions and answers periodically in the RCS newsletter. The newsletters are provided free of charge to all facilities. The facility that made the query is provided with the answer directly either via facsimile or return email.

(b) The Department does not have data on the proportion of facilities that have access to the internet.

(12) The Review Officers may observe a resident where that may assist in the conduct of the review. However, Review Officers are reviewing the care needs of residents at the time the appraisal was completed, which is usually about three months prior to the review.

Attachment A

				Upgrades		No Change		Downgrades			
State	SERVID	Facility Name	Total No Approved Beds	Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews	Total Reviews	Total Adjustment to Daily Subsidy
											$
NSW	2N0004	SISTER DOROTHEA VILLAGE	87	0	0%	5	83%	1	17%	6	-$5.88
	2N0006	MACQUARIE LODGE	49	0	0%	2	40%	3	60%	5	-$19.80
	2N0007	A H ORR LODGE	28	2	50%	2	50%	0	0%	4	$12.48
	2N0011	MONTROSE	44	1	17%	2	33%	3	50%	6	-$89.91
	2N0018	JAMEISON HOUSE	42	1	17%	2	33%	3	50%	6	-$53.14
	2N0026	CHAPMAN HOUSE	54	2	33%	4	67%	0	0%	6	$92.58
	2N0035	HAYFIELD COURT	64	0	0%	4	67%	2	33%	6	-$18.36
	2N0039	NUFFIELD GARDEN VILLAGE	150	1	17%	4	67%	1	17%	6	$24.48
	2N0046	COOTAMUNDRA RETIREMENT VILLAGE	47	0	0%	4	57%	3	43%	7	-$52.17
	2N0051	CROYDON LODGE	28	0	0%	3	38%	5	63%	8	-$100.44
	2N0060	R E TEBBUTT LODGE	68	0	0%	1	100%	0	0%	1	$0.00
	2N0062	SHALOM GARDENS	47	1	33%	2	67%	0	0%	3	$23.27
	2N0063	SHALOM COURT	67	0	0%	2	67%	1	33%	3	-$23.02
	2N0064	EDINGLASSIE	77	1	20%	2	40%	2	40%	5	-$5.88
	2N0072	GLEN INNES MOUNTAIN HOME	10	0	0%	2	100%	0	0%	2	$0.00
	2N0075	PENCOMAS LODGE	17	1	33%	1	33%	1	33%	3	$40.41
	2N0076	GILL WAMINDA HOSTEL	32	1	33%	1	33%	1	33%	3	$16.42
	2N0079	RON LOCKWOOD VILLAGE	60	0	0%	2	100%	0	0%	2	$0.00
	2N0088	BERESFORD COWARD	66	0	0%	0	0%	4	100%	4	-$65.18
	2N0089	VINCENT COURT	81	0	0%	5	71%	2	29%	7	-$29.62
	2N0096	BETHLEHEM HOUSE	31	0	0%	2	50%	2	50%	4	-$13.20
	2N0098	LOURANTOS VILLAGE	84	0	0%	3	60%	2	40%	5	-$28.90

State	SERVID	Facility Name	Total No Approved Beds	Upgrades		No Change		Downgrades		Total Reviews	Total Adjustment to Daily Subsidy
				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	2N0099	KAMILAROI RETIREMENT CENTRE	78	0	0%	8	100%	0	0%	8	$0.00
	2N0112	IRWIN HALL/ANNESLEY COURT	38	1	25%	3	75%	0	0%	4	$23.02
	2N0118	FAIRVIEW	39	0	0%	7	100%	0	0%	7	$0.00
	2N0120	MT PROVIDENCE HOSTEL	36	0	0%	6	100%	0	0%	6	$0.00
	2N0124	OSBORNE HOUSE HOSTEL	52	0	0%	4	67%	2	33%	6	-$13.20
	2N0127	VICTOR CLARK-DUFF HOSTEL	55	1	20%	3	60%	1	20%	5	$0.00
	2N0133	MELROSE COTTAGE SETTLEMENT	44	0	0%	2	100%	0	0%	2	$0.00
	2N0134	YURANA HOUSE	40	0	0%	7	100%	0	0%	7	$0.00
	2N0142	MISSIONHOLME	73	1	17%	4	67%	1	17%	6	$0.00
	2N0145	BRUCE SHARPE HOSTEL/MAY FLOWER VILLAGE	52	0	0%	5	100%	0	0%	5	$0.00
	2N0150	COOINDA	34	1	50%	1	50%	0	0%	2	$46.29
	2N0155	LEGACY RETIREMENT HOMES STRATHFIELD	27	0	0%	2	33%	4	67%	6	-$72.03
	2N0157	RODEN CUTLER HOUSE	77	0	0%	2	33%	4	67%	6	-$31.56
	2N0158	GEORGIAN HOUSE HOSTEL	95	0	0%	12	100%	0	0%	12	$0.00
	2N0159	JAMES MILSON VILLAGE	58	0	0%	8	100%	0	0%	8	$0.00
	2N0167	ESTONIAN VILLAGE	36	4	57%	3	43%	0	0%	7	$56.10
	2N0169	GRAND UNITED CENTENARY CENTRE	51	1	20%	4	80%	0	0%	5	$23.02
	2N0170	TOWRADGI PARK	46	0	0%	0	0%	2	100%	2	-$43.62
	2N0171	TASMAN COURT	40	0	0%	1	50%	1	50%	2	-$46.29
	2N0192	MARIAN HOUSE	14	0	0%	2	100%	0	0%	2	$0.00

State	SERVID	Facility Name	Total No Approved Beds	Upgrades		No Change		Downgrades		Total Reviews	Total Adjustment to Daily Subsidy
				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	2N0200	CHRISTOPHORUS HOUSE HOSTEL	24	1	14%	3	43%	3	43%	7	-$18.36
	2N0203	HARBOUR SIDE HAVEN VILLAGE	41	1	20%	1	20%	3	60%	5	-$65.92
	2N0204	ST VINCENT DE PAUL HOME	46	0	0%	4	80%	1	20%	5	-$12.48
	2N0211	LEMONGROVE GARDENS HOSTEL	46	0	0%	8	100%	0	0%	8	$0.00
	2N0213	BURGESS HOUSE	25	0	0%	3	75%	1	25%	4	-$6.60
	2N0214	BILYARA HOSTEL	43	2	33%	3	50%	1	17%	6	-$1.25
	2N0218	NAMOI VALLEY AGED CARE HOSTEL	33	1	17%	4	67%	1	17%	6	-$17.14
	2N0222	HAWKESBURY VILLAGE	62	0	0%	1	17%	5	83%	6	-$134.99
	2N0223	MARANATHA HOUSE	42	1	13%	7	88%	0	0%	8	$6.60
	2N0225	CHESTER HILL VILLAGE	48	1	17%	2	33%	3	50%	6	-$62.71
	2N0227	ST DOMINICS HOSTEL	50	2	40%	2	40%	1	20%	5	$23.27
	2N0228	BORONIA COURT	43	3	50%	3	50%	0	0%	6	$19.08
	2N0232	BANKS LODGE HOSTEL	78	0	0%	2	29%	5	71%	7	-$85.72
	2N0236	DAVID GILLIES HOSTEL	42	2	33%	4	67%	0	0%	6	$42.88
	2N0243	EASTON PARK NEW HOSTEL UNITS	178	3	38%	5	63%	0	0%	8	$18.36
	2N0248	MOUNT ST JOSEPHS	20	0	0%	3	75%	1	25%	4	-$6.60
	2N0269	ILUMBA GARDENS	39	0	0%	4	80%	1	20%	5	-$23.02
	2N0270	TOURIANDI LODGE	14	1	33%	2	67%	0	0%	3	$21.81
	2N0285	URALBA	19	2	40%	2	40%	1	20%	5	$6.60
	2N0289	DOROTHY HENDERSON LODGE	75	0	0%	3	100%	0	0%	3	$0.00
	2N0300	PRUNUS LODGE	15	0	0%	1	25%	3	75%	4	-$35.03
	2N0305	GLENWOOD HOSTEL	26	3	100%	0	0%	0	0%	3	$50.71

State	SERVID	Facility Name	Total No Approved Beds	Upgrades		No Change		Downgrades		Total Reviews	Total Adjustment to Daily Subsidy
				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	2N0326	MAROBA LODGE HOSTEL	40	0	0%	4	80%	1	20%	5	-$28.90
	2N0329	NAREEN GARDENS HOSTEL ANNEX	30	0	0%	2	33%	4	67%	6	-$116.10
	2N0330	MURRAVALE HOSTEL	15	0	0%	3	100%	0	0%	3	$0.00
	2N0332	CLELLAND LODGE	40	1	17%	2	33%	3	50%	6	$3.93
	2N0339	HILLSIDE HOUSE	12	0	0%	2	100%	0	0%	2	$0.00
	2N0341	JOHN PAUL VILLAGE	75	0	0%	2	50%	2	50%	4	-$12.48
	2N0349	WALDEGRAVE HOUSE	24	0	0%	3	75%	1	25%	4	-$23.27
	2N0351	BERRIDALE HOSTEL	10	1	100%	0	0%	0	0%	1	$46.29
	2N0352	YALLAMBEE LODGE	24	1	100%	0	0%	0	0%	1	$46.29
	2N0357	HEIDEN PARK LODGE	66	0	0%	2	40%	3	60%	5	-$105.59
	2N0358	CEDAR PLACE	24	1	20%	4	80%	0	0%	5	$23.02
	2N0361	KOOKABURRA COURT	8	1	50%	1	50%	0	0%	2	$5.88
	2N0369	TINONEE GARDENS—THE MULTICULTURAL VILLAGE	128	0	0%	2	33%	4	67%	6	-$58.52
	2N0371	FRED LOUDON WING	10	0	0%	1	50%	1	50%	2	-$46.29
	2N0372	GUMMUN PLACE	15	0	0%	3	75%	1	25%	4	-$12.48
	2N0375	HARBOURSIDE HAVEN HOSTEL 2	40	0	0%	4	67%	2	33%	6	-$43.62
	2N0378	ILLOWRA HOSTEL	41	2	50%	2	50%	0	0%	4	$35.75
	2N0380	THE MEADOWS	40	0	0%	4	80%	1	20%	5	-$5.88
	2N0384	CHARINGFIELD	55	0	0%	3	50%	3	50%	6	-$34.78
	2N0404	EAST GOSFORD PRESBYTERIAN VILLAGE	37	0	0%	7	100%	0	0%	7	$0.00
	2N0411	HARBISON MEMORIAL HOMES	89	0	0%	5	71%	2	29%	7	-$27.69

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				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	2N0423	OLD CHURCH CLOSE (INC COURTMAN HALL HOSTEL)	76	0	0%	1	14%	6	86%	7	-$106.81
	2N0426	PRINCESS JULIANA LODGE	62	0	0%	1	17%	5	83%	6	-$108.31
	2N0429	WILLIAM DUMARESQ HOSTEL	21	0	0%	1	25%	3	75%	4	-$42.10
	2N0430	GREATER CESSNOCK RETIREMENT VILLAGE	65	0	0%	0	0%	4	100%	4	-$84.26
	2N0444	OUR LADY OF LEBANON VILLA	30	0	0%	2	67%	1	33%	3	-$21.81
	2N0445	ST COLUMBA'S RETIREMENT CENTRE	40	1	17%	4	67%	1	17%	6	$16.42
	2N0447	SOUTHERN CROSS MAROUBRA HOSTEL	40	1	17%	5	83%	0	0%	6	$12.48
	2N0455	LEIGH PLACE	65	0	0%	3	100%	0	0%	3	$0.00
	2N0457	BOOROONGEN_DJUGUN ABORIGINAL CORPORATION	60	1	13%	6	75%	1	13%	8	$13.27
	2N0459	ANZAC HOSTEL	54	1	13%	4	50%	3	38%	8	-$27.69
	2N0465	HARBISON HOSTEL MOSS VALE	40	0	0%	5	71%	2	29%	7	-$46.04
	2N1451	GRAYTHWAITE NURSING HOME	28	0	0%	2	67%	1	33%	3	-$10.00
	2N1456	GARRAWARRA NURSING HOME	220	1	20%	1	20%	3	60%	5	-$75.72
	2N1469	ST JOSEPHS NURSING HOME	110	0	0%	2	22%	7	78%	9	-$95.17
	2N1497	HOLBROOK DISTRICT HOSPITAL NURSING HOME	16	0	0%	2	100%	0	0%	2	$0.00

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				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	2N2009	ALLOA NURSING HOME	43	0	0%	1	20%	4	80%	5	-$72.05
	2N2020	ROTHERHAM NURSING HOME	40	0	0%	2	100%	0	0%	2	$0.00
	2N2035	MILFORD HOUSE NURSING HOME	60	2	29%	4	57%	1	14%	7	$10.00
	2N2079	CAMDEN NURSING HOME	99	0	0%	2	33%	4	67%	6	-$92.32
	2N2081	CANBERRA NURSING HOME	56	0	0%	3	60%	2	40%	5	-$46.04
	2N2085	CASTLE LEAP NURSING HOME	38	1	50%	0	0%	1	50%	2	-$13.02
	2N2094	ANGLICARE CHESALON (SUMMER HILL) NURSING HOME	40	1	25%	2	50%	1	25%	4	$3.01
	2N2132	FAIRLEA NURSING HOME	47	1	17%	5	83%	0	0%	6	$23.27
	2N2134	FERNLEIGH NURSING HOME	90	0	0%	4	100%	0	0%	4	$0.00
	2N2135	FRANK WHIDDON MASONIC NURSING HOME	196	0	0%	6	55%	5	45%	11	-$81.92
	2N2147	GRAND UNITED WAR MEM N HOME	32	0	0%	6	86%	1	14%	7	-$23.27
	2N2153	HAMMONDVILLE NURSING HOME	150	2	100%	0	0%	0	0%	2	$23.01
	2N2175	JESMOND NURSING HOME	53	1	20%	3	60%	1	20%	5	-$13.02
	2N2199	CHANDOS NURSING HOME	48	1	25%	3	75%	0	0%	4	$10.00
	2N2204	LINBURN NURSING HOME	74	0	0%	4	100%	0	0%	4	$0.00
	2N2205	LINKSIDE NURSING HOME	42	0	0%	4	67%	2	33%	6	-$36.28
	2N2225	MAROBA NURSING HOME	79	1	17%	5	83%	0	0%	6	$10.00

				Upgrades		No Change		Downgrades			
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											$
	2N2228	MEREDITH HOUSE NURSING HOME	63	1	25%	3	75%	0	0%	4	$10.00
	2N2230	MILTON NURSING HOME	47	1	17%	4	67%	1	17%	6	-$3.01
	2N2238	MOUNT ST JOSEPHS NURSING HOME	30	0	0%	5	83%	1	17%	6	-$13.01
	2N2263	QUEENS LYNNE NURSING HOME PTY LTD.	25	0	0%	3	100%	0	0%	3	$0.00
	2N2310	MARTYN CLAVER NURSING HOME	31	0	0%	2	100%	0	0%	2	$0.00
	2N2341	WILLANDRA NURSING HOME	65	0	0%	3	60%	2	40%	5	-$36.28
	2N2342	WILLOWOOD NURSING HOME	64	0	0%	4	67%	2	33%	6	-$23.01
	2N2348	WYBENIA NURSING HOME	44	0	0%	1	20%	4	80%	5	-$98.20
	2N2350	WYNLEIGH NURSING HOME	36	0	0%	3	100%	0	0%	3	$0.00
	2N2360	SAINT JOACHIMS NURSING HOME	31	0	0%	6	75%	2	25%	8	-$23.01
	2N2381	EASTWOOD NURSING HOME	48	1	25%	1	25%	2	50%	4	-$23.27
	2N2387	GLEN LYNN NURSING HOME	32	1	25%	0	0%	3	75%	4	-$56.29
	2N2401	WINSTON HOUSE NURSING HOME	43	0	0%	5	83%	1	17%	6	-$13.01
	2N2420	PARKDALE NURSING HOME	113	0	0%	0	0%	6	100%	6	-$151.61
	2N2433	AMAROO LODGE NURSING HOME	47	1	20%	2	40%	2	40%	5	-$13.01
	2N2437	MANA HOUSE NURSING HOME	77	0	0%	1	25%	3	75%	4	-$30.00

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				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	2N2478	ST CATHERINES NURSING HOME	30	2	33%	4	67%	0	0%	6	$26.02
	2N2481	ARDEE NURSING HOME	51	2	50%	2	50%	0	0%	4	$23.01
	2N2483	TAM-WORTH NURSING HOME	41	2	29%	4	57%	1	14%	7	$5.88
	2N2484	JENNY LYN NURSING HOME	38	1	17%	5	83%	0	0%	6	$13.01
	2N2494	FERN-DALE NURSING HOME	84	1	14%	4	57%	2	29%	7	-$10.00
	2N2504	FAIR-FIELD NURSING HOME	79	0	0%	5	100%	0	0%	5	$0.00
	2N2523	ROCKLEA NURSING HOME	70	0	0%	4	50%	4	50%	8	-$53.01
	2N2529	SISTERS OF MERCY NURSING HOME	37	1	100%	0	0%	0	0%	1	$46.29
	2N2539	THE RITZ NURSING HOME	148	0	0%	7	70%	3	30%	10	-$30.00
	2N2540	HARLEY NURSING HOME	21	0	0%	3	100%	0	0%	3	$0.00
	2N2543	CONI-STON NURSING HOME	62	1	17%	4	67%	1	17%	6	$0.00
	2N2550	ALMA ROAD NURSING HOME	100	3	60%	2	40%	0	0%	5	$62.30
	2N2552	KARA	53	1	20%	2	40%	2	40%	5	-$26.28
	2N2556	OSBORNE NURSING HOME	50	1	20%	4	80%	0	0%	5	$10.00
	2N2562	ADVEN-TISTS NURSING HOME	37	0	0%	2	40%	3	60%	5	-$49.04
	2N2563	H C FORE-MAN LODGE NURSING HOME	44	0	0%	0	0%	6	100%	6	-$73.01
	2N2566	H N MCLEAN NURSING HOME	80	2	33%	4	67%	0	0%	6	$20.00
	2N2567	COLLA-ROY NURSING HOME	40	0	0%	3	75%	1	25%	4	-$13.01

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				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	2N2574	ROSEMORE NURSING HOME	90	0	0%	1	14%	6	86%	7	-$79.03
	2N2575	BERALA NURSING HOME	93	0	0%	6	86%	1	14%	7	-$23.27
	2N2576	YAGOONA NURSING HOME	150	1	13%	5	63%	2	25%	8	-$6.99
	2N2578	ALLARA NURSING HOME	70	0	0%	2	50%	2	50%	4	-$33.01
	2N2579	NAZARETH HOUSE NURSING HOME	23	3	50%	3	50%	0	0%	6	$69.30
	2N2581	WYUNA NURSING HOME	53	2	40%	3	60%	0	0%	5	$26.02
	2N2585	MAROUBRA JUNCTION NURSING HOME	90	1	14%	5	71%	1	14%	7	-$3.01
	2N2593	CONCORD NURSING HOME	87	1	20%	4	80%	0	0%	5	$10.00
	2N2598	WEEROONA NURSING HOME	75	2	33%	3	50%	1	17%	6	$49.30
	2N2604	I.O.O.F. NURSING HOME	36	1	25%	3	75%	0	0%	4	$10.00
	2N2611	CHESALON MALABAR NURSING HOME	47	1	13%	7	88%	0	0%	8	$13.01
	2N2616	TOWRADGI PARK NURSING HOME	80	0	0%	1	50%	1	50%	2	-$13.01
	2N2626	ANGLICARE CHESALON (NOWRA) NURSING HOME	52	3	50%	3	50%	0	0%	6	$36.02
	2N2634	PEEL NURSING HOME	30	2	40%	3	60%	0	0%	5	$23.01
	2N2645	LEIGHTON LODGE NURSING HOME	60	0	0%	1	33%	2	67%	3	-$46.28
	2N2656	SCALABRINI VILLAGE NURSING HOME	76	0	0%	0	0%	4	100%	4	-$59.29
	2N2658	HARBISON NURSING HOME	40	1	20%	3	60%	1	20%	5	$3.01

				Upgrades		No Change		Downgrades			
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											$
	2N2678	JESSIE HUNT NURSING HOME	60	0	0%	3	43%	4	57%	7	-$46.02
	2N2679	FYSON COMMUNITY NURSING HOME	80	0	0%	6	86%	1	14%	7	-$13.01
	2N2683	NAZARETH HOUSE NURSING HOME	25	0	0%	2	50%	2	50%	4	-$59.30
	2N2685	BRISBANE WATER LEGACY	80	1	20%	3	60%	1	20%	5	-$3.01
	2N2689	BAYVIEW GARDENS NURSING HOME	73	0	0%	6	100%	0	0%	6	$0.00
	2N2693	QUAKERS HILL NURSING HOME	100	0	0%	4	50%	4	50%	8	-$46.02
	2N2694	KURRAJONG & DIST COMMUNITY N H	30	0	0%	3	75%	1	25%	4	-$13.01
	2N2696	WOODLANDS NURSING HOME	62	1	13%	2	25%	5	63%	8	-$89.56
	2N2710	GERTRUDE ABBOTT NURSING HOME	114	1	17%	5	83%	0	0%	6	$13.01
	2N2727	ST ELIZABETH NURSING HOME	40	0	0%	2	50%	2	50%	4	-$20.00
	2N2738	HARBOUR SIDE HAVEN NURSING HOME	56	0	0%	2	50%	2	50%	4	-$46.29
	2N2752	HENRY FULTON NURSING HOME	40	2	50%	2	50%	0	0%	4	$18.89
	2N2759	BALLINA NURSING HOME	40	1	25%	3	75%	0	0%	4	$13.01
	2N2778	SCALABRINI VILLAGE NURSING HOME	60	0	0%	0	0%	4	100%	4	-$224.18
	2N2781	SOUTHHAVEN NURSING HOME	61	0	0%	3	60%	2	40%	5	-$20.00

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				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	2N2792	DR GIOVANNI MAZZOLINI NRSNG HME	48	0	0%	2	50%	2	50%	4	-$23.01
	2N2794	TARRAGAL HOUSE	102	1	17%	5	83%	0	0%	6	$10.00
	2N2803	SEASIDE NURSING HOME	55	1	14%	6	86%	0	0%	7	$13.01
	2N2813	MINKARA NURSING HOME	51	1	17%	5	83%	0	0%	6	$13.01
	2N2814	NEW-HAVEN NURSING HOME	21	0	0%	1	50%	1	50%	2	-$13.01
	2N2816	LARK ELLEN	50	1	17%	5	83%	0	0%	6	$13.01
	2N2818	MARY POTTER NURSING HOME	60	1	33%	2	67%	0	0%	3	$13.01
	2N2819	ST SERGIUS NURSING HOME	80	0	0%	1	20%	4	80%	5	-$59.03
	2N2825	BELLHAVEN N H—DUBBO RSL AGED ASSOCIATION	40	0	0%	2	40%	3	60%	5	-$69.30
	2N2826	BERNARD CHAN NURSING HOME	30	1	25%	3	75%	0	0%	4	$23.27
NSW Total				117	12%	588	60%	279	28%	984	-$3,023.75
QLD	4N5014	ST VINCENT'S NURSING HOME	50	0	0%	2	100%	0	0%	2	$0.00
	4N5024	NAZARETH HOUSE	91	0	0%	4	100%	0	0%	4	$0.00
	4N5026	CASTRA HOSTEL	32	1	20%	3	60%	1	20%	5	$0.00
	4N5027	CARRAMAR COMPLEX	73	1	25%	3	75%	0	0%	4	$20.31
	4N5031	WAROONA GARDENS HOSTEL	51	0	0%	9	100%	0	0%	9	$0.00
	4N5032	THE GLEBE FRAIL AGED HOSTEL	49	0	0%	7	100%	0	0%	7	$0.00
	4N5041	YURANA	61	1	100%	0	0%	0	0%	1	$15.05
	4N5042	GARDEN SETTLEMENT (PALLARENDA)	81	0	0%	7	88%	1	13%	8	-$15.05

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											$
	4N5052	SYMES THORPE HOME FOR AGED HOSTEL	54	0	0%	2	100%	0	0%	2	$0.00
	4N5055	VILLA MARIA (ST PAULS TERRACE) HOSTEL	115	1	50%	1	50%	0	0%	2	$20.09
	4N5069	PIONEERS HOSTEL	48	1	100%	0	0%	0	0%	1	$11.35
	4N5073	LOWER BURDEKIN HOSTEL	88	0	0%	9	90%	1	10%	10	-$15.05
	4N5075	CARRAMAR (STANTHORPE) HOSTEL	59	0	0%	2	29%	5	71%	7	-$55.94
	4N5080	RSL (PINJARRA HILLS) HOSTEL	108	0	0%	5	100%	0	0%	5	$0.00
	4N5087	ILLOURA HOSTEL	34	0	0%	1	100%	0	0%	1	$0.00
	4N5088	NINGANA HOSTEL	32	4	100%	0	0%	0	0%	4	$126.39
	4N5089	GUNTHER HOSTEL	22	1	25%	1	25%	2	50%	4	-$5.88
	4N5100	KABARA HOSTEL	41	0	0%	1	100%	0	0%	1	$0.00
	4N5105	MUNRO HOME	13	0	0%	1	33%	2	67%	3	-$31.66
	4N5108	MASONIC VILLAGE (NQ) LTD	143	1	8%	8	62%	4	31%	13	-$14.54
	4N5109	KOOLTOOPA HOSTEL	34	1	33%	2	67%	0	0%	3	$35.36
	4N5110	TARALGA RETIREMENT VILLAGE HOSTEL	20	1	100%	0	0%	0	0%	1	$46.71
	4N5112	THE HOMESTEAD	29	0	0%	6	100%	0	0%	6	$0.00
	4N5119	BUFFALO MEMORIAL HOSTEL	55	0	0%	0	0%	6	100%	6	-$129.87
	4N5122	HOMEFIELD HOSTEL	57	5	71%	2	29%	0	0%	7	$127.01
	4N5126	ORANA (KINGAROY) HOSTEL	53	1	50%	1	50%	0	0%	2	$11.35
	4N5132	ADVENTIST RETIREMENT VILLAGE	50	1	50%	1	50%	0	0%	2	$20.31
	4N5134	COOINDA	62	0	0%	2	100%	0	0%	2	$0.00

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											$
	4N5137	YALLAMBEE (MILLMERRAN) HOSTEL	25	0	0%	1	100%	0	0%	1	$0.00
	4N5140	GROUNDWATER HOSTEL	30	0	0%	6	100%	0	0%	6	$0.00
	4N5141	ROSLYN LODGE HOSTEL	38	1	100%	0	0%	0	0%	1	$12.48
	4N5142	MORRISON PARK AGED PERSONS COMPLEX	24	1	25%	2	50%	1	25%	4	$8.96
	4N5143	ROCKINGHAM CARDWELL SHIRE HOME FOR THE AGED	37	2	50%	1	25%	1	25%	4	$29.48
	4N5147	KARINYA HOSTEL	29	2	100%	0	0%	0	0%	2	$26.81
	4N5148	HIBISCUS GARDENS HOSTEL	42	1	17%	2	33%	3	50%	6	-$19.08
	4N5174	JAMES BRUCE GORDON HOSTEL	54	3	43%	3	43%	1	14%	7	$50.41
	4N5179	NETHERLANDS RETIREMENT VILLAGE	42	1	100%	0	0%	0	0%	1	$15.05
	4N5180	CARINYA AGED PERSONS HOSTEL	12	1	100%	0	0%	0	0%	1	$20.93
	4N5187	FREEMASONS SOUTH COAST HOSTEL	48	0	0%	3	50%	3	50%	6	-$48.72
	4N5195	PINE WOODS HOSTEL	50	0	0%	1	100%	0	0%	1	$0.00
	4N5199	EROWAL	53	0	0%	1	17%	5	83%	6	-$64.35
	4N5209	CENT & UPPER BURNETT DIST HOME	26	0	0%	1	25%	3	75%	4	-$87.11
	4N5237	WARRAWEE RETIREMENT VILLAGE	25	0	0%	1	100%	0	0%	1	$0.00
	4N5240	FRED LEFTWICH REST HOME	5	0	0%	1	100%	0	0%	1	$0.00

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											$
	4N5246	ROD VOLLER HOSTEL	28	2	67%	1	33%	0	0%	3	$70.72
	4N5248	GREVILLEA GARDENS HOSTEL	30	0	0%	6	100%	0	0%	6	$0.00
	4N5256	ST. PAUL'S LUTHERAN HOSTEL	60	2	33%	4	67%	0	0%	6	$29.05
	4N5259	MEILENE HOME FOR THE AGED	40	0	0%	8	100%	0	0%	8	$0.00
	4N5260	ST PATRICK'S VILLA	30	1	100%	0	0%	0	0%	1	$5.88
	4N5261	KEPNOCK GROVE HOSTEL	50	1	100%	0	0%	0	0%	1	$15.05
	4N5262	DOMAIN ANNEX HOSTEL	60	2	100%	0	0%	0	0%	2	$67.02
	4N5265	SOVEREIGN LODGE	40	0	0%	2	100%	0	0%	2	$0.00
	4N5270	ST ANDREWS LUTHERAN AGED CARE (HOSTEL)	72	2	22%	7	78%	0	0%	9	$26.91
	4N5278	WISHART VILLAGE HOSTEL	39	2	25%	4	50%	2	25%	8	$8.96
	4N5279	JIMBELUNGA HOSTEL	25	0	0%	1	50%	1	50%	2	-$8.74
	4N5285	BURPENGARY GARDENS	45	1	17%	0	0%	5	83%	6	-$81.41
	4N5286	RSL (QLD) WAR VETERANS' HOMES LTD	40	1	13%	4	50%	3	38%	8	-$19.45
	4N5287	CASA MIA HOSTEL	10	1	100%	0	0%	0	0%	1	$5.88
	4N5288	TARCOOLA HOSTEL	15	1	100%	0	0%	0	0%	1	$5.88
	4N5294	FIG TREE GARDENS RESIDENTIAL CARE	45	2	33%	3	50%	1	17%	6	$13.55
	4N5295	SOUTHPORT LODGE	33	1	50%	1	50%	0	0%	2	$6.60
	4N5297	HILL VIEW HOUSE	40	1	25%	3	75%	0	0%	4	$11.35

State	SERVID	Facility Name	Total No Approved Beds	Upgrades		No Change		Downgrades		Total Reviews	Total Adjustment to Daily Subsidy
				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	4N5303	TALLEYHAVEN AGED CARE FACILITY	36	2	25%	6	75%	0	0%	8	$47.84
	4N5304	KALOMA HOSTEL	30	1	100%	0	0%	0	0%	1	$11.35
	4N5306	VILLA LA SALLE RETIREMENT VILLAGE	39	1	33%	2	67%	0	0%	3	$35.36
	4N5314	PINE WOODS NURSING HOME	42	0	0%	1	100%	0	0%	1	$0.00
	4N5315	COOLOOLA COAST HOSTEL	20	1	100%	0	0%	0	0%	1	$15.05
	4N5322	FAIRHAVEN AGED CARE FACILITY	41	0	0%	3	100%	0	0%	3	$0.00
	4N5405	EVENTIDE CHARTERS TOWERS	140	0	0%	3	38%	5	63%	8	-$82.30
	4N5429	GOOD SAMARITAN NURSING HOME	116	1	8%	10	77%	2	15%	13	-$2.39
	4N5438	MARYBOROUGH HOSPITAL NURSG HOME	103	0	0%	5	100%	0	0%	5	$0.00
	4N5442	KARINGAL NURSING HOME	80	0	0%	3	100%	0	0%	3	$0.00
	4N5449	NAMBOUR HOSPITAL NURSING HOME	40	0	0%	3	60%	2	40%	5	-$22.70
	4N5453	NUBEENA NURSING HOME	42	0	0%	1	100%	0	0%	1	$0.00
	4N5464	CAZNA GARDENS NURSING HOME	40	1	17%	4	67%	1	17%	6	$0.00
	4N5468	JIMBELUNGA NURSING CENTRE	30	0	0%	1	100%	0	0%	1	$0.00
	4N5781	HERSTONVILLE NURSING HOME	89	1	50%	1	50%	0	0%	2	$8.74
	4N5817	TOOWOOMBA GARDEN SETTLEMENT	34	1	20%	4	80%	0	0%	5	$11.35

State	SERVID	Facility Name	Total No Approved Beds	Upgrades Total	Upgrades % of Total Reviews	No Change Total	No Change % of Total Reviews	Downgrades Total	Downgrades % of Total Reviews	Total Reviews	Total Adjustment to Daily Subsidy
											$
	4N5825	CARRINGTON CONVALESCENT CENTRE	55	0	0%	3	50%	3	50%	6	-$61.76
	4N5875	VILLA VINCENT	72	0	0%	6	55%	5	45%	11	-$78.16
	4N5893	IONA NURSING CENTRE	60	0	0%	3	60%	2	40%	5	-$55.45
	4N5911	HOMEFIELD AGED PERSONS HOME	45	2	40%	2	40%	1	20%	5	$6.13
	4N5912	LORETO	22	0	0%	5	100%	0	0%	5	$0.00
	4N5916	BEENLEIGH NURSING HOME	84	0	0%	5	83%	1	17%	6	-$15.05
	4N5921	ROBERT ASHTON RESIDENTIAL CARE CENTRE	97	0	0%	7	100%	0	0%	7	$0.00
	4N5924	RSL (CABOOLTURE) NURSING HOME	55	0	0%	6	100%	0	0%	6	$0.00
	4N5939	JINDALEE NURSING CENTRE	93	2	33%	4	67%	0	0%	6	$44.10
	4N5940	NIMBIN NURSING HOME	120	1	17%	5	83%	0	0%	6	$8.74
	4N5945	CANOSSA NURSING HOME	48	0	0%	6	100%	0	0%	6	$0.00
	4N5947	TOOWOOMBA NURSING CENTRE	78	1	20%	4	80%	0	0%	5	$8.74
	4N5950	CROWS NEST NURSING HOME	30	1	33%	2	67%	0	0%	3	$8.74
	4N5960	KEDRON NURSING HOME	41	0	0%	3	75%	1	25%	4	-$31.66
	4N5962	TRINDER PARK NURSING HOME	55	1	33%	2	67%	0	0%	3	$8.74
	4N5984	ST AUBYNS AGED CARE CENTRE	100	0	0%	1	100%	0	0%	1	$0.00
	4N5985	ORANA NURSING HOME	40	0	0%	2	100%	0	0%	2	$0.00
	4N5988	PIONEERS NURSING HOME	40	1	50%	1	50%	0	0%	2	$5.88

				Upgrades		No Change		Downgrades			
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											$
	4N5992	NORTHVIEW NURSING CENTRE	62	0	0%	4	67%	2	33%	6	-$20.09
	4N5998	AKOORA MAK NURSING HOME	31	1	17%	5	83%	0	0%	6	$11.35
QLD Total				71	17%	270	65%	76	18%	417	$130.60
SA	5N6005	BARMERA NURSING HOME	31	0	0%	2	40%	3	60%	5	-$71.97
	5N6014	ALDERSGATE VILLAGE	56	0	0%	1	13%	7	88%	8	-$385.88
	5N6017	MURRAY MUDGE SETTLEMENT	66	0	0%	1	13%	7	88%	8	-$76.62
	5N6020	MILPARA HOSTEL	42	0	0%	0	0%	8	100%	8	-$157.61
	5N6043	ROSS ROBERTSON MEMORIAL NURSING HOME	38	2	29%	3	43%	2	29%	7	$13.55
	5N6066	LUTHERAN HOMES GLYNDE HOSTEL	70	0	0%	0	0%	14	100%	14	-$431.93
	5N6072	WESLEY HOUSE	76	0	0%	3	100%	0	0%	3	$0.00
	5N6091	LOURDES VALLEY HOSTEL	62	2	17%	7	58%	3	25%	12	$6.23
	5N6103	TROWBRIDGE HOUSE HOSTEL	64	0	0%	0	0%	12	100%	12	-$268.69
	5N6132	ASHMAN GROVE AGED CARE HOSTEL	49	0	0%	4	40%	6	60%	10	-$92.24
	5N6137	BALTIC COMMUNITIES HOME	30	0	0%	0	0%	6	100%	6	-$125.40
	5N6138	GLENVIEW HOMES	14	0	0%	0	0%	3	100%	3	-$24.96
	5N6141	ST MARTINS HOSTEL	30	0	0%	3	50%	3	50%	6	-$72.03
	5N6149	BONNEY LODGE	35	0	0%	1	17%	5	83%	6	-$58.89
	5N6166	TREGENZA AVE AGED CARE SERVICE	20	0	0%	1	25%	3	75%	4	-$53.36
	5N6170	PARK VILLAGE	40	0	0%	1	25%	3	75%	4	-$50.22
	5N6183	ALLAMBI	118	0	0%	0	0%	5	100%	5	-$97.03

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				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	5N6403	TREGENZA AVE AGED CARE SERVICE	30	1	17%	3	50%	2	33%	6	-$26.03
	5N6405	LOXTON DISTRICT NURSING HOME	31	0	0%	0	0%	6	100%	6	-$161.87
	5N6753	ALLAMBI NURSING HOME (Note facility now 5N6183)	0	0	0%	1	100%	0	0%	1	$0.00
	5N6763	ALDERSGATE VILLAGE NURSING HOME	59	0	0%	0	0%	10	100%	10	-$223.35
	5N6787	THE PEMBROKE NURSING HOME	23	0	0%	1	25%	3	75%	4	-$33.20
	5N6793	FULLARTON LUTHERAN NURSING HOME	65	0	0%	1	9%	10	91%	11	-$216.47
	5N6798	MONTROSE NURSING HOME	40	0	0%	2	25%	6	75%	8	-$86.81
	5N6802	SEMAPHORE RESIDENTIAL CARE CENTRE	31	1	50%	1	50%	0	0%	2	$9.18
	5N6809	RIDGE PARK NURSING HOME	50	0	0%	4	44%	5	56%	9	-$82.21
	5N6811	HYDE PARK NURSING HOME	40	0	0%	3	50%	3	50%	6	-$75.27
	5N6834	WINCHESTER RESIDENTIAL CARE	54	0	0%	2	33%	4	67%	6	-$54.39
	5N6865	WYNWOOD NURSING HOME	36	0	0%	2	40%	3	60%	5	-$104.14
	5N6898	ROSS ROBERTSON MEM NURSING HOME	38	1	13%	6	75%	1	13%	8	$0.00
	5N6906	HARROW NURSING HOME	23	0	0%	0	0%	2	100%	2	-$54.65

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											$
	5N6927	LUTHERAN NURSING HOME GLYNDE	62	0	0%	1	8%	11	92%	12	-$268.08
	5N6930	MILPARA NURSING HOME	35	0	0%	0	0%	7	100%	7	-$158.78
	5N6939	JAMES MARTIN NURSING HOME	26	0	0%	0	0%	6	100%	6	-$147.24
	5N6944	BELLEVUE NURSING HOME	56	0	0%	2	25%	6	75%	8	-$152.43
	5N6965	BARTON VALE NURSING HOME	78	0	0%	0	0%	14	100%	14	-$285.65
	5N6972	PHILIP KENNEDY CENTRE	100	0	0%	1	5%	18	95%	19	-$389.69
	5N6975	BLIND WELFARE NURSING HOME	35	0	0%	1	17%	5	83%	6	-$115.39
SA Total				7	3%	58	21%	212	77%	277	-$4,573.52
TAS	7N8003	GLENVIEW HOME FOR THE AGED	65	0	0%	3	75%	1	25%	4	-$5.88
	7N8005	ELIZA PURTON HOME FOR THE AGED	53	0	0%	0	0%	6	100%	6	-$63.48
	7N8006	EMMERTON PARK HOSTEL	33	0	0%	0	0%	5	100%	5	-$32.28
	7N8009	MARY OGILVY HOME	35	0	0%	1	100%	0	0%	1	$0.00
	7N8011	NAZARETH HOUSE	54	1	13%	7	88%	0	0%	8	$24.33
	7N8013	GUILFORD YOUNG GROVE	33	0	0%	4	100%	0	0%	4	$0.00
	7N8015	TYLER HOUSE HOSTEL	35	1	25%	3	75%	0	0%	4	$10.44
	7N8024	CORUMBENE HOSTEL	18	0	0%	3	75%	1	25%	4	-$6.60
	7N8027	UMINA PARK HOSTEL	47	0	0%	3	38%	5	63%	8	-$74.13
	7N8028	TANDARA LODGE	7	0	0%	1	100%	0	0%	1	$0.00
	7N8031	BARRINGTON LODGE	10	0	0%	2	100%	0	0%	2	$0.00
	7N8040	COMPTON DOWNS HOSTEL	70	0	0%	4	100%	0	0%	4	$0.00

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											$
	7N8042	FLINDERS ISLAND MULTI-PURPOSE-CENTRE	4	0	0%	1	100%	0	0%	1	$0.00
	7N8046	QUEENS-TOWN HOSTEL	5	0	0%	1	100%	0	0%	1	$0.00
	7N8409	TOOSEY NURSING HOME	25	1	50%	1	50%	0	0%	2	$13.57
	7N8420	STRATHGLEN NURSING HOME	45	0	0%	3	75%	1	25%	4	-$13.57
	7N8765	MARY OGILVY HOME	30	1	33%	2	67%	0	0%	3	$24.33
	7N8805	THE HUON ELDERCARE HOME	42	0	0%	2	67%	1	33%	3	-$10.44
	7N8818	TANDARA LODGE	25	0	0%	3	75%	1	25%	4	-$10.44
	7N8831	KING ISLAND MULTI-PURPOSE CENTRE	8	0	0%	0	0%	1	100%	1	-$5.88
	7N8835	FLINDERS ISLAND M/PURPOSE CENTR	4	0	0%	2	100%	0	0%	2	$0.00
	7N8837	LORD FRASER HOME	27	0	0%	4	100%	0	0%	4	$0.00
TAS Total				4	5%	50	66%	22	29%	76	-$150.03
VIC	3N3008	MANOR COURT WERRI-BEE AGED CARE HOSTEL	55	0	0%	10	83%	2	17%	12	-$12.48
	3N3021	BAPTIST VILLAGE BAXTER LIMITED	187	0	0%	1	6%	15	94%	16	-$345.72
	3N3031	ROSSTOWN COURT	53	0	0%	2	17%	10	83%	12	-$367.50
	3N3035	WAH-ROONGA FRIEND-SHIP VIL-LAGE HOSTEL	76	0	0%	3	20%	12	80%	15	-$211.96
	3N3058	PROVI-DENCE HOSTEL	58	0	0%	0	0%	2	100%	2	-$11.76
	3N3059	CAMDEN COURT HOSTEL	51	0	0%	3	25%	9	75%	12	-$113.57
	3N3080	HOWARD KINGHAM LODGE HOSTEL	47	0	0%	0	0%	10	100%	10	-$362.16

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				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	3N3150	ST BASIL'S HOSTEL FOR THE AGED	50	4	67%	1	17%	1	17%	6	$96.08
	3N3162	UKRAINIAN ELDERLY PEOPLE'S HOME	32	1	17%	4	67%	1	17%	6	$17.90
	3N3172	WINTRINGHAM HOSTEL	60	0	0%	3	50%	3	50%	6	-$17.64
	3N3185	DANDENONG COMMUNITY HOSTEL	55	0	0%	0	0%	5	100%	5	-$55.80
	3N3219	TEMPLESTOWE PIONEERS VILLAGE	52	1	3%	12	39%	18	58%	31	-$417.39
	3N3220	GREEN GABLES PRIVATE HOSTEL	45	0	0%	4	40%	6	60%	10	-$86.18
	3N3225	GRANTHAM GREEN HOSTEL	39	0	0%	0	0%	7	100%	7	-$270.22
	3N3242	ALPHINGTON PRIVATE HOSTEL	45	0	0%	2	29%	5	71%	7	-$78.63
	3N3248	TEMPLETON LODGE HOSTEL	45	0	0%	3	75%	1	25%	4	-$25.49
	3N3249	LATROBE PRIVATE HOSTEL	50	0	0%	4	67%	2	33%	6	-$28.41
	3N3295	HEATHLANDS HOSTEL	46	1	14%	5	71%	1	14%	7	-$12.67
	3N3305	MACLEOD RETIREMENT CENTRE	52	0	0%	4	31%	9	69%	13	-$166.98
	3N3309	SAMBELL LODGE HOSTEL	43	0	0%	1	13%	7	88%	8	-$173.12
	3N3335	JACANA HOSTEL FOR CONFUSED ELDERLY	32	0	0%	0	0%	5	100%	5	-$66.64
	3N3339	VONLEA MANOR HOSTEL	30	0	0%	3	50%	3	50%	6	-$56.86
	3N3357	ST GEORGE'S HOSTEL	30	1	17%	3	50%	2	33%	6	-$5.61
	3N3361	SOUTHERN CROSS VIC AGED CARE	42	0	0%	0	0%	1	100%	1	-$5.88

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											$
	3N3374	HUME COURT HOSTEL FOR FRAIL AGED	59	0	0%	0	0%	6	100%	6	-$48.48
	3N3386	YARRA-VILLE VILLAGE	45	0	0%	2	33%	4	67%	6	-$32.02
	3N3417	KINGS-TON CEN-TRE NURSING HOME	168	0	0%	3	38%	5	63%	8	-$115.19
	3N4087	KINROSS NURSING HOME	80	1	10%	5	50%	4	40%	10	-$37.88
	3N4107	BRUNS-WICK NURSING HOME	39	1	17%	4	67%	1	17%	6	-$3.10
	3N4154	EMILY LENNY NURSING HOME	45	0	0%	4	80%	1	20%	5	-$13.66
	3N4270	HANSLOP E NURS-ING HOME	40	0	0%	3	43%	4	57%	7	-$55.90
	3N4325	REGENT AGED CARE FA-CILITY	45	0	0%	1	33%	2	67%	3	-$21.12
	3N4405	WEIGH-BRIDGE NURSING HOME	30	0	0%	2	67%	1	33%	3	-$10.56
	3N4524	LONS-DALE HOUSE PRIVATE NURSING HOME	60	0	0%	3	60%	2	40%	5	-$27.32
VIC Total				10	4%	95	35%	167	61%	272	-$3,143.92
WA	6N7054	WAMIND A HOSTEL	120	0	0%	5	45%	6	55%	11	-$53.27
	6N7057	BEDINGFE LD LODGE	35	2	50%	2	50%	0	0%	4	$27.59
	6N7065	RAY LODGE	68	0	0%	2	40%	3	60%	5	-$24.24
	6N7069	CASSON HOUSE	90	0	0%	8	73%	3	27%	11	-$34.19
	6N7074	GORDON LODGE	60	1	17%	4	67%	1	17%	6	$0.00
	6N7076	MERTOM E VIL-LAGE	70	0	0%	5	45%	6	55%	11	-$58.53
	6N7081	JAMES BROWN HOSTEL	60	0	0%	1	17%	5	83%	6	-$32.28
	6N7086	CARINYA VILLAGE HOSTEL	44	1	17%	1	17%	4	67%	6	-$18.20
	6N7088	VILLA TERENZIO	41	0	0%	2	29%	5	71%	7	-$93.24

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											$
	6N7095	CARL AND SADIE COHEN HOSTEL	36	3	75%	1	25%	0	0%	4	$34.29
	6N7098	ELIMATTA LODGE	40	0	0%	2	100%	0	0%	2	$0.00
	6N7099	RIVERSLEA LODGE	46	1	33%	2	67%	0	0%	3	$6.60
	6N7102	MEATH HOUSE	70	0	0%	1	14%	6	86%	7	-$69.47
	6N7108	SERVITE VILLA	32	0	0%	1	20%	4	80%	5	-$66.94
	6N7110	CATHERINE MCAULEY HOSTEL	60	0	0%	3	33%	6	67%	9	-$97.36
	6N7111	ARCHBISHOP GOODY HOSTEL	40	0	0%	1	17%	5	83%	6	-$47.39
	6N7114	THOMAS SCOTT HOSTEL	40	1	10%	1	10%	8	80%	10	-$113.02
	6N7116	BEN RITCHER LODGE	44	0	0%	6	75%	2	25%	8	-$28.41
	6N7124	TUIA LODGE	16	0	0%	3	50%	3	50%	6	-$24.96
	6N7128	ILLAWONG VILLAGE HOSTEL	39	2	50%	2	50%	0	0%	4	$19.08
	6N7130	FAIRHAVEN HOSTEL	10	0	0%	3	75%	1	25%	4	-$12.66
	6N7135	DOMINICAN RESIDENTIAL CARE CENTRE	12	1	50%	1	50%	0	0%	2	$21.81
	6N7137	CHALLENGER LODGE	40	0	0%	2	100%	0	0%	2	$0.00
	6N7141	TORMEY HOUSE	24	0	0%	5	83%	1	17%	6	-$12.48
	6N7142	FLORENCE HUMMERSTON LODGE AND CLEAVER COTTAGE	28	0	0%	3	50%	3	50%	6	-$35.01
	6N7145	CYGNET LODGE	42	0	0%	1	13%	7	88%	8	-$175.39
	6N7146	HILLTOP LODGE	61	1	10%	3	30%	6	60%	10	-$62.80
	6N7147	TRINITY LODGE	52	0	0%	0	0%	6	100%	6	-$119.64
	6N7165	WILLIAM CAREY COURT HOSTEL	40	0	0%	2	33%	4	67%	6	-$26.40

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											$
	6N7166	GRACEWOOD FRAIL AGED HOSTEL	56	0	0%	1	100%	0	0%	1	$0.00
	6N7172	EDGE-WATER MERCY HOSTEL	21	0	0%	2	100%	0	0%	2	$0.00
	6N7179	RIVERSEA HOSTEL	44	2	40%	3	60%	0	0%	5	$19.26
	6N7189	JOHN BRYANT HOUSE	42	0	0%	1	20%	4	80%	5	-$131.04
	6N7190	BARRIDALE LODGE	24	2	50%	2	50%	0	0%	4	$27.69
	6N7193	DOROTHY GENDERS VILLAGE	28	0	0%	0	0%	6	100%	6	-$118.20
	6N7194	BRIGHTWATER, SOUTH LAKE HOSTEL	30	0	0%	2	40%	3	60%	5	-$33.47
	6N7199	JAMES WATSON HOSTEL	16	1	50%	1	50%	0	0%	2	$26.87
	6N7207	RECHER-CHE_ROTARY HOSTEL	31	1	13%	5	63%	2	25%	8	-$27.87
	6N7208	ST VINCENT'S HOSTEL	20	0	0%	6	86%	1	14%	7	-$5.88
	6N7209	KINROSS CARE CENTRE	48	0	0%	1	17%	5	83%	6	-$172.09
	6N7211	PEEL LODGE	50	2	29%	3	43%	2	29%	7	-$18.51
	6N7212	CANNING LODGE	42	0	0%	1	100%	0	0%	1	$0.00
	6N7213	WARRINA HOSTEL	40	0	0%	0	0%	7	100%	7	-$130.27
	6N7214	ANNIE MELSOM HOUSE	10	0	0%	1	25%	3	75%	4	-$49.56
	6N7217	SECOND AVENUE HOSTEL	14	0	0%	4	67%	2	33%	6	-$41.98
	6N7218	TANBY HALL	52	0	0%	3	50%	3	50%	6	-$30.84
	6N7226	GLOVER HOUSE HOSTEL	10	2	67%	1	33%	0	0%	3	$48.68
	6N7228	WILLIAM CAREY COURT NURSING HOME	40	0	0%	0	0%	6	100%	6	-$106.98
	6N7230	CARINYA OF BICTON	63	2	20%	3	30%	5	50%	10	-$42.19
	6N7231	PETER ARNEY HOME	60	0	0%	3	100%	0	0%	3	$0.00

State	SERVID	Facility Name	Total No Approved Beds	Upgrades		No Change		Downgrades		Total Reviews	Total Adjustment to Daily Subsidy
				Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews		
											$
	6N7401	BRIGHTWATER,SUBIACO NURSING HOME	148	0	0%	1	9%	10	91%	11	-$108.74
	6N7785	HOFFMAN NURSING HOME	35	0	0%	2	50%	2	50%	4	-$25.32
	6N7807	LEIGHTON NURSING HOME	65	0	0%	6	67%	3	33%	9	-$79.03
	6N7826	TUOHY NURSING HOME	50	0	0%	5	56%	4	44%	9	-$72.93
	6N7844	WINDSOR PARK AGED CARE	107	0	0%	1	6%	17	94%	18	-$343.82
	6N7845	BURSWOOD PRIVATE NURSING HOME	35	0	0%	1	17%	5	83%	6	-$80.45
	6N7852	FREEMAN NURSING HOME	33	1	17%	4	67%	1	17%	6	-$10.03
	6N7864	BASSEN-DEAN NURSING HOME	44	0	0%	3	60%	2	40%	5	-$22.41
	6N7868	LATHLAIN NURSING HOME	52	2	25%	4	50%	2	25%	8	$0.00
	6N7870	KOH-I-NOOR NURSING HOME	41	0	0%	3	60%	2	40%	5	-$19.50
	6N7873	MIDLAND NURSING HOME	107	0	0%	10	71%	4	29%	14	-$66.09
	6N7874	HAMILTON HILL NURSING HOME	40	0	0%	5	63%	3	38%	8	-$85.66
	6N7887	CATHERINE MCAULEY NURSING HOME	45	0	0%	4	50%	4	50%	8	-$78.75
	6N7889	THE HOWARD SOLOMON NURSING HOME	45	0	0%	0	0%	6	100%	6	-$121.19
	6N7895	HILLCREST NURSING HOME	30	0	0%	6	100%	0	0%	6	$0.00
	6N7897	ITALIAN COMMUNITY NURSING HOME	40	0	0%	4	57%	3	43%	7	-$35.07

				Upgrades		No Change		Downgrades			
State	SERVID	Facility Name	Total No Approved Beds	Total	% of Total Reviews	Total	% of Total Reviews	Total	% of Total Reviews	Total Reviews	Total Adjustment to Daily Subsidy
											$
	6N7898	CUNNINGHAM NURSING HOME	44	0	0%	0	0%	6	100%	6	-$83.82
	6N7900	LESLIE A WATSON NURSING HOME	40	0	0%	2	50%	2	50%	4	-$25.32
	6N7901	KWINANA NURSING HOME	30	1	17%	3	50%	2	33%	6	-$20.99
	6N7906	ESPERANCE COMM NURSING HOME	30	0	0%	5	63%	3	38%	8	-$32.16
	6N7908	LAKESIDE NURSING HOME	61	0	0%	5	83%	1	17%	6	-$9.75
	6N7914	GRACEHAVEN NURSING HOME	40	0	0%	3	50%	3	50%	6	-$32.16
WA Total				29	6%	193	43%	229	51%	451	-$3,236.08
Grand Total				238	10%	1254	51%	985	40%	2477	-$13,996.70

Attachment B

RCS Reviews—1/1/98 to 31/12/98

	Downgrades		No Change		Upgrades		
STATE	Total	% of Total Reviews	Total	% of Total Reviews	Total	%	Total No. Reviews
NSW	768	21.3%	2119	58.6%	726	20.1%	3613
VIC	626	29.2%	1177	55.0%	338	15.8%	2141
QLD	188	11.1%	887	52.4%	618	36.5%	1693
SA	330	34.5%	473	49.5%	153	16.0%	956
WA	235	14.8%	985	61.9%	372	23.4%	1592
TAS	50	22.4%	149	66.8%	24	10.8%	223
ACT	14	7.6%	164	89.1%	6	3.3%	184
NT	7	31.8%	12	54.5%	3	13.6%	22
Grand Total	2218	21.3%	5966	57.2%	2240	21.5%	10424

Nursing Homes: Recovery of Funds

(Question No. 652)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 31 March 1999:

(1) Can information be provided on the arrangements for recovering unspent funds under the previous care aggregated module (CAM) for nursing homes for the period from July 1997 to September 1997.

(2) How much has been recovered from providers on this basis.

(3) Can it be confirmed that, under the previous CAM funding arrangements, subsidies were provided on a uniform level throughout the year, an approach which averaged out fluctuations in staffing costs due to public holidays and other factors.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

(1) Nursing home funding for the period 1 July to 30 September 1997 is acquitted in accordance with the legislative provisions of the National Health Act 1953, in force at that time.

(2) Most adjustments in respect of the September 1997 quarter have only recently been implemented, as finalisation of acquittals for the quarter depended

on the provision and processing of full year figures for some funding items, such as workers' compensation and payroll tax.

(3) Under the CAM funding arrangements, subsidies were provided on a uniform level throughout the year, with levels reflecting average staffing costs. The system did not prescribe spending patterns for homes. Each proprietor was free to plan and manage expenditure in ways best suited to the needs of their facilities.

Advanced Australian Air Traffic System: Completion Date and Cost

(Question No. 653)

Senator Woodley asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 1 April 1999:

In February 1991 the board of the Civil Aviation Authority, approved the Advanced Australian Air Traffic System (TAAATS) project, based on a total estimated cost of $300 million and a completion date of December 1995 (including training and transition). Given that a current TAAATS brochure by Airservices Australia indicates that transition to an operational TAAATS has to begin in the second half of 1998:

(1) What is the current anticipated completion date for the implementation of TAAATS.

(2) (a) What has been the total expenditure on TAAATS to date; and

(b) What is the estimated final aggregate expenditure on TAAATS.

(3) What is the consequence of the actual expenditure and actual completion date on the financial analysis done for TAAATS in 1991;

(4) (a) What has been the effect of the delay on the implementation of TAAATS on the projected staff reductions of 900; and (b)On the achievement of other projected benefits.

(5) Were any staff made redundant unnecessarily prior to the introduction of TAAATS.

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

Airservices Australia has provided the following information:

(1) End of 1999.

(2) (a) $325 million.

(b) $377 million.

(3) The 1991 financial analysis estimated the cost of TAAATS at around $300 million in 1991 dollars with an expected delivery period of around 3 years from commencement of contractual arrangements. The $300 million did not include some items that are contained in Airservices internal costs referred to in response to (2) above. The major components which were not included are staff training and transition costs.

(4) (a) Originally TAAATS was scheduled to be ready for initial operational use by the end of 1995. The MacPhee Inquiry and the subsequent retendering process significantly impacted on the planned commencement of TAAATS and the schedule was revised to be ready for initial operational use in the second half of 1997. Site acceptance of system was achieved in late 1997. Phased commissioning progressed during 1998 and will be completed at the end of 1999. Staff reductions follow on from the finalisation of each element of TAAATS transitioning.

(b)Benefits in the form of improved operations will continue to be realised as the TAAATS system's capacity for utilising software and satellite based technologies in the provision of air traffic management is extended.

(5) No.

Sydney (Kingsford Smith) Airport: Long Term Operating Plan Implementation Cost

(Question No. 660)

Senator O'Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 13 April 1999:

(1) What was the estimated cost of the development and implementation of the Long Term Operating Plan for Sydney Airport when the project was approved.

(2) Has the timing of the implementation of the project been the subject of a review; if so: (a) who undertook the review; and (b) what was the outcome of the review.

(3) Has the cost of the development and implementation been the subject of a review; if so: (a) who undertook the review; and (b) what is the latest cost estimate for the plan.

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

(1) Approval to the implementation of the Long Term Operating Plan for Sydney Airport was provided by way of a Ministerial Direction (by the then Minister for Transport and Regional Development) to Airservices Australia on 30 July 1997. Airservices Australia has advised that it established a project budget in March 1997 in anticipation of

formal approval of the Long Term Operating Plan for Sydney Airport. The estimated development and implementation costs for the project in the budget were approximately $960,000. Additionally, Airservices Australia anticipated some administrative and technical costs which were spread over several cost centres but were not separately identified at the time the project was approved.

(2) Progress on the implementation of the Long Term Operating Plan for Sydney Airport is monitored by the Implementation and Monitoring Committee established by the Ministerial Direction to Airservices Australia of 30 July 1997.

(3) No.

Sydney (Kingsford Smith) Airport: Slots System for Traffic Control

(Question No. 665)

Senator O'Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 13 April 1999:

(1) When did the Board of Airservices Australia first consider the proposal for the introduction of a slots system for traffic control at Sydney Airport.

(2) On how many further occasions did the board consider the project.

(3) When did the board endorse the project.

(4) When did the Minister, or his office, endorse the project.

(5) What was the original timing for the implementation of the slots system.

(6) What is the current timing for the implementation of the slots system.

(7) If the full implementation of the slots system has been delayed, what is the cause of the delay.

(8) Has the Minister implemented, or does he plan to implement, a procedure for a variable cap under the slots system to ensure the integrity of the Long Term Operating Plan noise sharing targets is protected.

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

(1) The slot scheme at Sydney Airport reflects Government policy and is not an initiative of Airservices Australia. The policy was implemented through the Sydney Airport Demand Management Act 1997. The Opposition supported the passage of the legislation through the Federal Parliament. Many organisations, including Airservices Australia, were consulted during the detailed development and implementation of the slot management system.

(2) Refer to answer (1).

(3) Refer to answer (1).

(4) Introduction of a slot system at Sydney Airport was announced as Coalition policy on 29 January 1996—"Putting People First".

(5) There was no timeframe announced as part of the above policy statement.

(6) The slot scheme was implemented on 25 March 1998. The associated compliance scheme was implemented on 25 October 1998.

(7) Refer to answer (6).

(8) No. The Government fully recognises the need for the slot scheme and the Long Term Operating Plan to be harmonised as closely as possible. The Government will continue to work towards achieving the noise sharing targets.

Precision Approach Radar Monitoring

(Question No. 674)

Senator O'Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 13 April 1999:

(1) When was the decision made to purchase the Precision Approach Radar Monitoring (PRM) system.

(2) Was that decision the subject of Cabinet consideration, a decision by the Minister or a decision taken by Airservices Australia.

(3) Is it necessary to have the PRM system fully operational to achieve the optimal number of aircraft movements at Sydney Airport.

(4) Was an assessment undertaken of the compatibility of the PRM system with the Long Term Operation Plan (LTOP) for Sydney Airport; if so, who undertook the assessment and what was the result of that assessment; if not, will such an assessment be undertaken.

(5) Will the Minister abandon implementation of the PRM system if its implementation is found to be inconsistent with the movement forecasts, noise respite periods and other objectives of the LTOP.

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

(1) 28 July 1993.

(2) A decision taken by the then Civil Aviation Authority (now Airservices Australia).

(3) The purpose of PRM is to maintain in poor weather conditions the movement rate that can be achieved in good weather conditions within the overall capacity cap of 80 movements per hour.

(4) No. The decision to acquire PRM predates the Minister's 1997 Direction to Airservices on LTOP. However, the PRM was considered to be an integral part of operations during the use of parallel runways as its use had been noted in the Third Runway Environmental Impact Statement. Airservices would need to undertake a full environmental assessment, including fully consulting with the community, prior to any use of PRM for parallel arrivals from the north.

(5) The environmental assessment process on PRM in the Runway 16 direction would assess the impact, if any, on the LTOP measures.

Child Disability Allowance: Applications

(Question No. 676)

Senator Brown asked the Minister for Family and Community Services, upon notice, on 16 April 1999:

With reference to the answer to question on notice no. 170 (Senate Hansard, 17 February 1999, p.2047):

(1) Given that the department was examining how reliable data by disability type could be obtained 'as soon as possible', is this data now available; if so, what are the results, if not (a) why not, and (b) when will the data be available.

(2) With reference to the statement that information about grants of child disability allowance (CDA) to children with diabetes would be available in the second half of 1999: (a) exactly what information is being collected; (b) how and by whom is it being collected; and (c) when will the earliest results be available.

(3) How many families have complained about not being granted CDA for their diabetic children since the new assessment arrangements came into force.

Senator Newman—The answer to the honourable senator's question is as follows:

(1) Preliminary data is available from 1,100 applications for Child Disability Allowance (CDA) received from carers of children with diabetes since 1 July 1998. Of these applications, approximately 700 were granted and 400 rejected. This data is preliminary because it has not been validated and it does not distinguish between grants approved for full CDA and grants for Health Care Card only.

(2) (a) Information will include the number of claims for CDA granted and rejected, by medical condition for all applicants since 1 July 1998. The evaluation will also consider representations from individuals and community organisations and views expressed by a reference group established for the evaluation.

(b) Centrelink is preparing the data set from CDA customer records.

(c) As indicated in part (1), some preliminary information is already available. The final report of the evaluation is expected to be available by the end of September 1999.

(3) Four written representations have been received.

Marine Safety: Termination of Radio Service

(Question No. 680)

Senator Brown asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 19 April 1999:

With reference to the planned termination of the 27 megahertz service in Tasmania:

(1) What notification was given to radio users that this service would cease on 1 July 2000.

(2) Why is the service being terminated.

(3) What compensation is being offered to those people who will be forced to purchase new radio equipment as a result of the termination of the service.

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

(1), (2), and (3) The State Government has responsibility for the 27 megahertz service in Tasmania. The Australian Maritime Safety Authority (AMSA) has had no involvement in, nor is it aware of, any planned termination of the 27 megahertz service in Tasmania. The Tasmanian Minister responsible for marine and safety would be the most appropriate person to answer these questions.

Human Rights and Equal Opportunity Commission: Decisions

(Question No. 681)

Senator Allison asked the Minister representing the Attorney-General, upon notice, on 21 April 1999:

(1) Can the Attorney-General confirm that the commonwealth has bound itself in legislation to decisions of the Human Rights and Equal Opportunity Commission (HREOC) under the Human Rights and Equal Opportunity Commission Act, the Racial Discrimination Act, the Disability Discrimination Act and the Sex Discrimination Act.

(2) In the past 5 years and in 1999, to date, how many decisions of HREOC has the Commonwealth,

a Commonwealth department, or statutory authority appealed against an adverse finding of the commission.

(3) (a) What proportion of HREOC decisions that have been appealed do appeals by the Commonwealth constitute; (b) what has been the reason for each appeal; and (c) what has been the cost of each appeal and the outcome of each appeal.

(4) Does the Attorney-General have any general or specific legal practice directions which govern the grounds on which an appeal will be made against a decision of HREOC; if so: (a) what are they; (b) can copies be provided; and (c) do these practice directions apply to other Commonwealth departments and statutory authorities.

(5) If these directions do not apply to other Commonwealth departments and statutory authorities: (a) what, if any guidelines, are followed; and (b) can copies be provided and details concerning what officer rank in each department makes the decision to appeal a HREOC decision.

(6) (a) that arrangements, if any, has the Government made to replace the Disability Discrimination and the Aboriginal and Torres Strait Islander Social Justice commissioners; and (b) who, if anyone, is performing the role of presently unfilled positions of HREOC commissioners; and (c) what, if any, additional remuneration is being made to people in those acting capacities.

Senator Vanstone—The Attorney-General has provided the following answer to the honourable senator's question:

(1) Division 4 of Part III of the Racial Discrimination Act 1975, Division 4 of Part III of the Sex Discrimination Act 1984 and Division 4 of Part 4 of the Disability Discrimination Act 1992 each deal with review and enforcement of determinations made by the Human Rights and Equal Opportunity Commission in cases where a Commonwealth agency or the principal executive of a Commonwealth agency is the respondent under those Acts.

In each case, the agency must comply with the determination, the agency must not repeat or continues conduct that is covered by a declaration included in the determination and the agency must perform the conduct that is covered by a declaration included in the determination.

The principal executive of a Commonwealth agency must take all reasonable steps to ensure that the terms of the determination are brought to the notice of all members of the agency who may engage in conduct of the kind to which the determination relates.

If a determination includes a declaration that the Commonwealth agency or principal executive should pay the complainant damages, the claimant is entitled to be paid the damages.

The Commonwealth agency or principal executive may apply to the Administrative Appeals Tribunal for review of a declaration that the complainant be paid damages by way of compensation for any loss or damage suffered because of the conduct of the agency or principal executive. Such an application may not be made without the permission of the Attorney-General.

When acting under the Human Rights and Equal Opportunity Commission Act 1986 (HREOCA), the Human Rights and Equal Opportunity Commission is not empowered to make binding decisions. The Commission, having made an inquiry, may find that an act or practice is either inconsistent with or contrary to any human right within the meaning of the Act or constitutes discrimination within the meaning of the Act. In such a case, the Commission may make recommendations for preventing a repetition of the act or practice, for the payment of compensation to a person who has suffered loss or damage as a result of the act or practice and for the taking of other action to remedy or reduce loss or damage suffered as a result of the act or practice. The Commission may also make a report to the Attorney-General relating to the results of such an inquiry. The Commonwealth is not bound to comply with recommendations made by the Commission under the HREOCA.

(2) There is no avenue for a Commonwealth agency to appeal against findings of the Commission under the Racial, Sex or Disability Discrimination Acts. As indicated above, applications for review may be made to the Administrative Appeals Tribunal where damages are awarded. As far as can be ascertained, no such case has occurred in the last five years. There is also the possibility that agencies may apply under the Administrative Decisions (Judicial Review) Act 1977 (the AD(JR) Act) for review of decisions of the Commission. As far as can be ascertained, there have been 16 cases in the last five years in which this has occurred. In applying for review under the AD(JR) Act, there is no requirement that the consent of the Attorney-General be obtained.

(3) (a) As fat as can be ascertained, there have been 39 cases in the last five years in which parties other than the Commonwealth or Commonwealth agencies have appealed against or applied for review of a decision of the Commission. This includes three cases in which parties other than the Commonwealth or a Commonwealth agency applied for review to the Administrative Appeals Tribunal. Therefore, applications for review by the Commonwealth constitute 16 of a total of 55 such cases.

(b) It is not possible to accurately state the reason for the appeal or application for review in each case.

(c) It is not possible to accurately state the cost of the appeal or application for review in each case. The outcome in each case varied according to the circumstances. Generally, the court made orders which accorded with the facts of the particular case. For instance, some orders related to purely jurisdictional matters. It is therefore not possible to meaningfully state what was the outcome in each case.

(4) and (5) There are no specific legal practice directions of the Attorney-General which have specific application to cases involving the HREOC.

However, the policy entitled 'The Commonwealth as a Model Litigant' applies to the conduct of litigation, including decisions to undertake appeals, by Commonwealth agencies. A copy of that policy is attached. It states that the Commonwealth must act honestly and fairly in handling claims, including by not undertaking and pursuing appeals unless the Commonwealth believes that it has reasonable prospects for success or the appeal is otherwise justified in the public interest.

It is generally a matter for each Commonwealth department or statutory authority to make its own decisions in respect of litigation and, therefore, up to that agency to determine the officer rank at which decisions will be made.

(6) (a) The Government has appointed the Human Rights Commissioner, Mr Chris Sidoti to act as Disability Discrimination Commissioner and he is currently so acting. Mr William Jonas has been appointed as Aboriginal and Torres Strait Islander Social Justice Commissioner for a term of five years commencing on 6 April 1999.

(b) There are no unfilled positions of Commissioners.

(c) No additional remuneration is paid to any Commissioner when acting as another Commissioner.

THE COMMONWEALTH AS A MODEL LITIGANT

Nature of the Obligation

The Commonwealth must act honestly and fairly in handling claims by

* promptly dealing with claims and not causing unnecessary delay;

* paying legitimate claims without litigation, including making partial settlements of claims or interim payments, where it is clear that liability is at least as much as the amount to be paid;

* acting consistently in the handling of claims:

* endeavouring to avoid litigation, wherever possible;

* where it is not possible to avoid litigation, keeping the costs of litigation to a minimum, including by:

. not requiring the other party to prove a matter which the Commonwealth knows to be true; and

. not contesting liability if the Commonwealth knows that the dispute is really about quantum;

* not taking advantage of a claimant who lacks the resources to litigate a legitimate claim;

* not relying on technical defences unless the Commonwealth's interests would be prejudiced by the failure to comply with a particular requirement;

* not undertaking and pursuing appeals unless the Commonwealth believes that it has reasonable prospects for success or the appeal is otherwise justified in the public interest: and

* apologising where the Commonwealth is aware that it or its lawyers have acted wrongfully or improperly.

Commentary

The Attorney-General, as First Law Officer, is responsible for the maintenance of proper standards in Commonwealth litigation. Consistently with that responsibility the Attorney-General requires that the Commonwealth behave as a model litigant in the conduct of its litigation.

In essence, being a model litigant requires that the Commonwealth, as a party to litigation, act with complete propriety, fairly and in accordance with the highest professional standards. The expectation that the Commonwealth will act as a model litigant has been recognised by the Courts. See, for example, Melbourne Steamship Limited v Moorhead (1912) 15 CLR 133 at 342. Kenny v State of South Australia (1987) 46 SASR 268 at 273. Yong Jun Qin v The Minister for Immigration and Ethnic Affairs, Full Court of Federal Court of Australia (1997) 144 ALR 695.

The obligation to act as a model litigant does not prevent the Commonwealth from acting firmly and properly to protect the Commonwealth's interests. It does not therefore preclude the Commonwealth from taking all legitimate steps in pursuing claims by it and testing or defending claims against it. The obligation not to pursue an appeal without reasonable prospects of success is not intended to prevent the Commonwealth from lodging a protective appeal to ensure that it has time to properly assess whether to pursue the matter.

The obligation applies to litigation involving Government Departments, agencies and other parties, such as Ministers and officers, where the Commonwealth indemnifies them against claims for action taken in the course of their duties. Lawyers engaged in such litigation must also act in accordance with t the obligation, whether AGS, in-house or private.

The obligation goes beyond requiring the Commonwealth and their lawyers to act honestly and in accordance with the law and court rules. It also

goes beyond the requirement for lawyers to act in accordance with their ethical obligations.

Liquica, East Timor: Massacre

(Question No. 703)

Senator Bourne asked the Minister representing the Minister for Foreign Affairs, upon notice, on 27 April 1999:

Regarding the investigation of the massacre of East Timorese people in the village of Liquica.

(1) How many people does the Government's report indicate were killed during that massacre.

(2) Will the government release a copy of the report, if not at this time, at least to the Senate committee inquiry into East Timor.

(3) Will the Government make representations to the President of Indonesia that he will take all necessary steps to ensure that the ABRI troops in East Timor follow his orders, and restore peace and order.

(4) If the violence leads to Jakarta abandoning the autonomy vote scheduled for July 1999, what does the Australian Government plan to do.

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

(1) The investigation into the deaths at Liquica was unable to confirm the number of deaths as a result of the incident. The number of deaths is unknown, partly because of the rapid clean-up of the area by security forces, and partly because there may have been deaths at a later date due to injuries received in the incident. Given the evident ferocity of the attack, and the large numbers of people involved, non-ABRI estimates of over 25 killed are not implausible.

(2) As has been the practice with previous governments, the Government will not release a copy of this report.

(3) In meeting with the President of Indonesia in Bali on 27 April, the Prime Minister personally delivered a message urging the Government of Indonesia to prevent violence in East Timor and ensure the integrity of the 8 August consultation process. The Government has consistently underlined with the Indonesian Government the importance of ensuring that all efforts are made to create an environment in East Timor free of violence and intimidation, and that they and the security forces remain responsible for law and order and the protection of the people of East Timor.

(4) The Government recognises that the period leading to the 8 August vote will be a difficult one, and that genuine commitment by all parties to refrain from violence and intimidation will be critical. For its part, the Australian Government has been focusing its efforts on ensuring that the civilian UN presence is established at the earliest opportunity, that all parties cooperate fully with the UN, and that the process is successful and free of intimidation. Ultimately, however, it is the UN's responsibility to decide if the requisite security situation exists for the ballot to proceed as scheduled, be postponed or be abandoned. Australia's response to a UN decision to abandon the ballot will be based on a consideration of the circumstances that may lead to such a decision being taken, and by the responses adopted by the parties principal to the dispute, namely the Governments of Indonesia and Portugal, the United Nations and the people of East Timor.

Dementia: Residential Aged Care Services

(Question No. 705)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 28 April 1999:

With reference to residential aged care dementia specific services:

(1) How many places are available in each state/territory, both as a total and broken down into metropolitan and rural areas (the number of places should be provided as both an absolute figure and per 1000 people aged over 70 years).

(2) How many places are available in each state/territory, broken down into high-and low-care facilities.

(3) How many places are available in each state/territory, broken down into private and not-for-profit facilities.

(4) (a) What is the total number of places over the 1996-97, 1997-98 and 1998-99 financial years; and (b) how many places are planned for the 1999-2000 and 2000-01 financial years.

(5) What is the occupancy rate of these places.

(6) What is the waiting times for these places in each state/territory.

(7) What information does the department have on the unmet demand for these places.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

(1) Under the Aged Care Act 1997, the Government does not approve or regulate dementia specific places or services, particularly as a very large proportion of aged care clients have dementia. Around 60 per cent of residents in high care facilities and 28 per cent of residents in low care facilities have some form of dementia.

Instead, the Government's approach is to provide funding for services to meet individual care needs.

There are some facilities that at any one time may cater exclusively or partially for dementia care. However, there are also many other facilities that meet the needs of some or many residents with dementia.

Therefore, the Department collects data on clients with dementia rather than on any dementia specific places.

(2)-(7) Please refer to the answer for question 1.

Australia Post: Non-Delivery of Items

(Question No. 707)

Senator Mark Bishop asked the Minister for Communications, Information Technology and the Arts, upon notice, on 27 April 1999:

Has Mr F L Weaver, formerly of 63 Harris Road, Five Dock, New South Wales, who formerly operated the Japan-Australia Pen Friends Association, lodged postal inquiry forms with Australia Post concerning the non-delivery at 39 different post offices of 49 800 letters since September 1985; if so, what investigations have been conducted into the matter.

Senator Alston—The answer to the honourable senator's question is as follows:

Based on advice received from Australia Post, Mr Weaver has raised allegations of withholding of and interference to his mail on numerous occasions over many years.

Mr Weaver's allegations have been investigated in the past and, without exception, have been found to be completely without foundation. In January 1989 the then Chairman of Australia Post advised Mr Weaver in writing that he had instructed the Corporation's staff not to apply any further resources to his allegations. In February 1992, Mr Weaver was advised by the General Manager, NSW, that his statements concerning a number of Australia Post employees were defamatory and that legal action would be considered if he did not cease making them.

The most recent representations on behalf of Mr Weaver were made in February 1993 by Senator Faulkner. Australia Post files relating to Mr Weaver have since been destroyed, consistent with normal archival practice.

Human Rights: Australia-China Dialogue

(Question No. 713)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 29 April 1999:

With reference to Australia-China dialogue on human rights:

(1) (a) How many meetings have taken place; (b) When and where were they conducted; and (c) Who represented each side.

(2) (a) What topics were discussed; and (b) What progress was achieved.

(3) (a) What is Australia's dialogue position regarding Tibet; and (b) What has been achieved for Tibetans.

(4) What environmental component, if any, has there been.

(5) Has the environment in Tibet been canvassed; if so, which issues.

(6) What issues of trade or commerce were discussed.

(7) When is the next meeting.

(8) Which other countries have such a dialogue with China.

(9) Does Australia have such a dialogue with any other country on human rights.

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

(1) (a) Two.

(b) The first meeting was held in Beijing from 11-14 August 1997. The second meeting was held in Canberra from 10-11 August 1998.

(c) In 1997, the Australian delegation included representatives from the Department of Foreign Affairs and Trade, the Attorney-General's Department, and AusAID. The Chinese delegation consisted of representatives of the Ministry of Foreign Affairs. Following the formal meeting, the Australian delegation held discussions with the Legislative Affairs Commission of the National People's Congress Standing Committee, the Supreme People's Court, the Supreme People's Procuratorate, the State Nationalities Affairs Commission, the Ministry of Justice, the Bureau of Religious Affairs, the All China Women's Federation, and the Chinese Academy of Social Sciences.

In 1998, the Australian delegation included, in addition, representatives of the Department of Immigration and Multicultural Affairs, the Department of Prime Minister and Cabinet, and the Human Rights and Equal Opportunity Commission. The Chinese delegation consisted of representatives of the Ministry of Foreign Affairs, the State Ethnic Affairs Commission, the Ministry of Justice, the Supreme People's Court, and the Chinese Academy of Social Sciences. Following the formal dialogue meeting, the Chinese delegation had meetings with the Joint Standing Committee on Foreign Affairs, Defence and Trade; the Human Rights and Equal

Opportunity Commission; a group of Australian non-government organisations; the Australian Law Reform Commission; and the NSW Independent Commission Against Corruption. The delegation also attended a criminal trial in the New South Wales District Court and visited Long Bay Gaol.

(2) (a) The agenda for the meetings covered a wide range of domestic, regional and international human rights issues. These included: the human rights situation in Tibet and that affecting other ethnic and religious minorities within China; treatment of dissidents; legal reform; the use of the death penalty; and China's progress towards accession to the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR).

(b) In 1997, we obtained acceptance from the Chinese side that national human rights situations were a legitimate subject for discussion between nations. Agreement was reached on a Human Rights Technical Assistance program which incorporates projects in fields such as legal reform and capacity building, education, women and children's rights, and the implementation of international human rights instruments. The program was substantially expanded in 1998.

The outcomes of the 1998 round of dialogue are detailed in my press release of 11 August 1998 which is available on the DFAT website (www.dfat.gov.au).

(3) (a) The Government views its bilateral human rights dialogue with China as a suitable forum for conveying to the Chinese government concerns about reports of restrictions on the freedoms of assembly, association, expression, and religion in Tibet; for seeking information on the detention of religious figures for the peaceful expressions of their beliefs; registering our interest in the preservation of Tibetan culture; and for exploring ways we can cooperate with China to improve the lives of the Tibetan people. At the same time, Australia accepts that Tibet is part of China and we do not support those who campaign for Tibetan independence.

(b) The bilateral human rights dialogue is one part of a broadly-based effort to address our human rights concerns in Tibet. The Government's concern to address the problems of Tibet is also reflected in our current bilateral assistance there, in the form of a $3.4 million project near Xigaze (Shigatse) to improve primary health care and water supply which, on completion, will significantly improve the lives of ordinary Tibetans. This is the largest bilateral aid project in Tibet so far.

(4) There has been no environmental component.

(5) No.

(6) Trade and commerce issues have not been discussed.

(7) Although timing is not yet confirmed, I would expect the dialogue to take place in August this year.

(8) Countries that also conduct similar bilateral human rights dialogues with China include the United Kingdom, Canada, Japan, Norway, Switzerland, and Brazil, as well as the European Community. China has suspended its dialogue with the United States in response to the bombing of the Chinese Embassy in Belgrade.

(9) Australia engages in dialogue on human rights with a wide range of countries. The dialogue with China is different in that it is a formal meeting dedicated to human rights issues held annually at a senior official levels.

Norfolk Island

(Question No. 717)

Senator Allison asked the Minister for Regional Services, Territories and Local Government, upon notice, on 3 May 1999:

(1) What status do referenda under the Norfolk Island Referendum Act 1964 have regarding the formulation of government policy about Norfolk Island.

(2) What consultations were undertaken with the Government of Norfolk Island concerning the drafting of the Norfolk Island Amendment Bill 1999.

(3) (a) How many referenda concerning the relationship between Norfolk Island and the Australian Federal Government have been passed by Norfolk Island in the past 10 years; and (b) what are the details of those referenda.

(4) Has the Commonwealth Government commissioned any advice concerning the consistency of the Norfolk Island Amendment Bill 1999 and Australia's international treaty obligations, particularly concerning the International Covenant on Civil and Political Rights.

(5) What is the annual Commonwealth budget for Norfolk Island.

(6) How much does the Commonwealth spend on: (a) the salary; (b) office; (c) travel; (d) staff; and (e) other expenses (please specify), for the Chief Administrator.

(7) (a) How many staff are allocated to the Chief Administrator; (b) who are they; and (c) what functions do they perform.

(8) Does the Commonwealth accept advice from the Government of Norfolk Island on the appointment of the Chief Administrator; if not, why not.

(9) Is the Government aware that a referenda Proposal is to be held on 12 May 1999 with the following questions: 'Do you agree with the Australian Federal Government's proposal to alter the Norfolk Island Act so that: (a) people who have been ordinarily resident in the Island for 6 (six) months will in future be entitled to enrol on the electoral role for Legislative Assembly elections; and (b) Australian citizenship will in future be required as a qualification to be elected to the Assembly, and as a qualification for people who in future apply for enrolment on the electoral roll for Assembly elections'.

(10) If the response from the people of Norfolk Island is 'no' to either or both these questions, will the Government: (a) withdraw the bill; or (b) amend the bill to take into account the results of the referenda and the wishes of the people of Norfolk Island.

(11) Has the Minister or any other Minister in the Federal Government had representations from the Government of Norfolk Island concerning the Norfolk Island Amendment B ; if so, what was the view expressed in those representations; if not, will the Minister take into account any representations of the Government of Norfolk Island.

(12) How much does the Commonwealth spend on natural heritage and national parks on Norfolk Island.

Senator Ian Macdonald—The answer to the honourable senator's question is as follows:

(1) Referenda held under the Norfolk Island Referendum Act 1964 have no defined legal status in relation to the formulation of government policy by either the Commonwealth or Norfolk Island Governments.

(2) Consultation with the Norfolk Island Government concerning the drafting of the Norfolk Island Amendment Bill 1999 has been ongoing since the Government's announcement of the proposed changes on 5 March 1998.

(3) (a) and (b) The referenda details, in order of date of referendum the question asked and the result, are:

2 January 1991, "With respect to matters discussed by the Legal Regimes Inquiry, including the question of Federal Representation, should the constitutional position of Norfolk Island be changed?"

Yes 162; No 788; Informal 8.

21 October 1991, "The Commonwealth proposes to pass a law to make Norfolk Island part of Canberra for Federal electorate purposes. Are you in favour of this proposal?"

Yes 178; No 801; Informal 7.

27 August 1998, "The Australian Government has recently indicated its intention to bring about changes to Norfolk Island's electoral process. Given this situation do you feel that it is appropriate that the Australian Government in Canberra dictates the electoral process on Norfolk Island?"

Yes 184; No 719; Informal 14

12 May 1999, "Do you agree with the Australian Federal Government's proposal to alter the Norfolk Island Act so that

(1) people who have been ordinarily resident in the island for 6 (six) months will in future be entitled to enrol on the electoral roll for Legislative Assembly elections; and

(2) Australian citizenship will in future be required as a qualification to be elected to the Assembly, and as a qualification for people who in future apply for enrolment on the electoral roll for Assembly elections."

Yes 247; No 691; Informal 26

(4) No. The Commonwealth has deferred to earlier legal advisings in assessing the consistency of the Norfolk Island Amendment Bill 1999 and the International Covenant on Civil and Political Rights.

(5) The Commonwealth Grants Commission Report on Norfolk Island, tabled in September 1997, assessed the Commonwealth expenditure on Norfolk Island at an average of around $4 million per annum over the 3 years 1992/94 to 1995/96.

(6) The total allocation for salaries and administration for the Norfolk Island Office of Administrator for the 1998/99 financial year is $560,000 The specific expenditures sought are

(a) $75,300; (b) $64,500; (c) $30,000 (d) $159,000 (not including Island residents employed or hired as domestic staff); and (e) $231,200 which covers district and other allowances (including those payable to the Administrator), superannuation, maintenance of the Office premises and Government House, the wages of domestic and gardening staff employed on a casual basis or under short to medium term contracts and the maintenance and replacement of official vehicles.

(7) (a) Four (4) office staff. Some specific purpose staff are engaged at Government House for domestic and gardening purposes on a casual basis or under short to medium term contracts

(b) and (c)—Official Secretary; provide advice to the Administrator in respect to his or her powers and functions, manage crown land in the Territory, draft and examine legal instruments, prepare correspondence relating to Norfolk Island and Commonwealth legislation and policy matters, oversight the preparation of financial and staffing estimates, and manage the operations of the Office of Administrator.

Receptionist/Personal Assistant; provide secretarial services for the Administrator, arrange the Administrator's representational activities, prepare correspondence, returns and reports for the Office of Administrator, and provide office support as required,

Finance and Administration Officer; prepare financial estimates and monitor expenditure, maintain financial and accounting records, manage purchases for the Office of Administrator, arrange travel and accommodation, provide conditions of service advice to office staff, and provide general assistance in the managing the operations of the Office.

Immigration and Records Officer; interview and advise inquirers on the requirements for Australian citizenship, passports, visas and other travel documents, maintain the records of the Office, assist in arranging accommodation and travel for official visitors, maintain other office records including legislation, and provide general assistance for the operation of the Office.

(8) No. Besides his vice regal activities the Administrator is the most senior Commonwealth representative in the Territory and discharges functions on behalf of the Commonwealth. It would be inappropriate for the Norfolk Island Government to participate directly in the appointment of the Norfolk Island Administrator.

(9) Yes.

(10) (a) No. (b) No. Note: The questions were asked together.

(11) Yes. The Norfolk Island Government representatives have expressed opposition to the Norfolk Island Amendment Bill 1999.

(12) In the order of $1.2 million per annum over the years 1993/94 to 1995/96. Additional funding is proposed for the repair of roads in the Norfolk Island National Park from 1999/2000.

Radio Frequency Standards in Australia

(Question No. 723)

Senator Allison asked the Minister for Communications, Information Technology and the Arts, upon notice, on 11 May 1999:

(1) Is the Minister aware that Standards Australia's TE/7 committee has been unable to reach agreement regarding a radio frequency standard for Australia.

(2) Can details be provided as to how the Australian Communications Authority (ACA) intends to proceed with setting a radio frequency standard in Australia.

(3) Is this standard to be separated from the New Zealand standard.

(4) Will there be an extension of the interim standard.

(5) Is it the case that Australia now has no radio frequency standard at all.

(6) Does the ACA intend to mandate the current or the International Commission on Non-Ionising Radiation Protection standard.

Senator Alston—The answer to the honourable senator's question is as follows:

(1) Yes. I understand that under Standards Australia's guidelines, balloted documents require 80% acceptance for adoption. At the final ballot, Australia only achieved a 67% acceptance rate (14 out of the 21 members) while New Zealand achieved 87.5% (7 out of the 8 members).

(2) On 1 February 1999, the ACA made the Radiocommunications (Electromagnetic Radiation Human Exposure) Standard 1999 under section 162 of the Radiocommunications Act 1992, which requires mobile phones and mobile phone base stations to comply with the exposure requirements in the interim Australian and New Zealand Standard 2772.1: 1998. The application of the standard is expected to be extended to all radiocommunications transmitters by the end of 2000. The ACA's mandatory standard will apply indefinitely or until it is changed.

The ACA supports the adoption of "Worlds Best Practice" standards and practices, where appropriate, and is currently consulting with representatives of other regulators, unions, consumers, industry, defence, emergency services and standards organisations in order to identify a process that will deliver an EMR standard that reflects World Best Practice and the latest scientific recommendations.

(3) Yes. As stated in (1), New Zealand achieved the required level for acceptance of the standard while Australia did not. I understand the Joint Electrotechnology Standards Policy Board (JESPB) agreed to split the standard and that the Standards Council of New Zealand has endorsed the standard, with effect from 1 May 1999, and will be publishing the document as a New Zealand standard only.

(4 and 5) No. I have been advised that AS2772.1(Int):1998, which had previously been extended to 30 April 1999, will not be extended further by Standards Australia. However, the exposure requirements in the interim standard form the basis of the ACA's mandatory standard (Radiocommunications (Electromagnetic Radiation Human Exposure) Standard 1999), which continues to remain in force even though the interim standard has lapsed.

(6) I am advised that in the short term the ACA is not intending to amend the limits in the mandatory standard, but will continue to work with stakeholders to develop a process that will deliver

an EMR standard that reflects World Best Practice and the latest scientific recommendations. Before any changes are made to the current standard, the ACA would need to consult with stakeholders.

Treasury: Internal Staff Development Courses

(Question No. 852)

Senator Faulkner asked the Minister representing the Treasurer, upon notice, on 11 May 1999:

(1) How many internal staff development courses has the department, or any agency in the portfolio, conducted since 3 March 1996.

(2) What is the cost of internal staff development courses the department, or any agency in the portfolio, has conducted since 3 March 1996.

(3) How many staff have attended internal staff development courses the department, or any agency in the portfolio, has conducted since 3 March 1996.

(4) (a) How many internal staff development courses conducted by the department, or any agency in the portfolio, since 3 March 1996 have contained training on making decisions under the Freedom of Information Act; and (b) of this number, how many: (i) were specifically focusing on the subject of freedom of information decisions, and (ii) how many dealt with the issue amongst others.

(5) What is the total cost of the courses in (4).

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

Treasury's approach to staff development provides for responsibility at both Corporate and Divisional levels. The collection of the information sought would be a major task and involve considerable expenditure of resources and effort, which the Department is not in a position to provide. Other agencies in the portfolio have also been unable to allocate sufficient resources to gather the requested information.

Treasury: External Staff Development Courses

(Question No. 870)

Senator Faulkner asked the Minister representing the Treasurer, upon notice, on 11 May 1999:

(1) How many departmental officers have attended external staff development courses since 3 March 1996.

(2) What is the total cost of the external staff development courses attended by the officers of the department, or any agency in the portfolio, since 3 March 1996.

(3) (a) How many external staff development courses attended by departmental or agency staff since 3 March 1996, have contained training on making decisions under the Freedom of Information Act; and (b) of this number, how many: (i) were specifically focusing on the subject of freedom of information decisions, and (ii) how many dealt with the issue amongst others.

(4) Of the courses relevant to (3), which agencies or consultants provided that training.

(5) What is the total cost of the courses in (3).

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

Treasury's approach to staff development provides for responsibility at both Corporate and Divisional levels. The collection of the information sought would be a major task and involve considerable expenditure of resources and effort, which the Department is not in a position to provide. Other agencies in the portfolio have also been unable to allocate sufficient resources to gather the requested information.

Aboriginal and Torres Strait Islander Commission: External Staff Development Courses

(Question No. 885)

Senator Faulkner asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 12 May 1999:

(1) How many departmental officers have attended external staff development courses since 3 March 1996.

(2) What is the total cost of the external staff development courses attended by the officers of the department, or any agency in the portfolio, since 3 March 1996.

(3) (a) How many external staff development courses attended by departmental or agency staff since 3 March 1996, have contained training on making decisions under the Freedom of Information act; and (b) of this number, how many : (I) were specifically focusing on the subject of freedom of information decisions, and (ii) how many dealt with the issue amongst others.

(4) Of the courses relevant to (3), which agencies or consultants provided that training.

(5) What is the total cost of the courses in (3).

Senator Herron—The answer to the honourable senator's question is as follows:

(1) 3,467 The exact number of officers cannot be provided however this reflects the number of times officers have attended external staff development courses.

(2) $1,733,799.

(3) (a) 7; (b)(i) 3; (b)(ii) 4.

(4) Australian Government Solicitor; Australian Institute of Management; PSMPC; Seminars Australia.

(5) $17,495.

Robertson, Mr Geoffrey QC: Consultancy

(Question No. 988)

Senator O'Brien asked the Minister representing the Treasurer, upon notice, on 20 May 1999:

Has Mr Geoffrey Robertson QC been engaged as a consultant by the Minister or the department since March 1996; if so:

(1) (a) What was the nature of the work Mr Robertson undertook; (b) when was he engaged; (c) when was the work completed; (d) what was the nature of the work; and (e) what was the cost of the consultancy.

(2) Was the contract the subject of a tender process; if not, why not.

(3) Did the final cost vary from the contracted price; if so; (a) what was the magnitude of the cost variation; and (b) what was the cause of the variation.

(4) Have other consultants been engaged to undertake work associated with the Robertson consultancy; if so: (a) who were those consultants; (b) when were they engaged; (c) when was the work completed; (d) what was the nature of the work undertaken by them; and (e) what was the cost of each consultancy.

(5) Did the final cost vary from the contracted price for any of the above consultancies; if so: (a) what was the magnitude of the cost variation; and (b) what was the cause of the variation.

(6) Was each contract the subject of a tender process; if not, why not.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

No.

Robertson, Mr Geoffrey QC: Consultancy

(Question No. 989)

Senator O'Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 20 May 1999:

Has Mr Geoffrey Robertson QC been engaged as a consultant by the Minister or the department since March 1996; if so:

(1) (a) What was the nature of the work Mr Robertson undertook; (b) when was he engaged; (c) when was the work completed; (d) what was the nature of the work; and (e) what was the cost of the consultancy.

(2) Was the contract the subject of a tender process; if not, why not.

(3) Did the final cost vary from the contracted price; if so: (a) what was the magnitude of the cost variation; and (b) what was the cause of the variation.

(4) Have any other consultants been engaged to undertake work associated with the Robertson consultancy; if so: (a) who were those consultants; (b) when were they engaged; (c) when was the work completed; (d) what was the nature of the work undertaken by them; and (e) what was the cost of each consultancy.

(5) Did the final cost vary from the contracted price for any of the above consultancies; if so: (a) what was the magnitude of the cost variation; and (b) what was the cause of the variation.

(6) Was each contract the subject of a tender process; if not, why not.

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

From the information available, Mr Geoffrey Robertson QC has not been engaged as a consultant by the Minister or the department since March 1996.

Robertson, Mr Geoffrey QC: Consultancy

(Question No. 1005)

Senator O'Brien asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 20 May 1999:

Has Mr Geoffrey Robertson QC been engaged as a consultant by the Minister for the department since March 1996; if so:

(1) (a) What was the nature of the work Mr Robertson undertook; (b) when was he engaged; (c) when was the work completed; (d) what was the nature of the work; and (e) what was the cost of the consultancy.

(2) Was the contract the subject of a tender process; if not, why not.

(3) Did the final cost vary from the contracted price; if so: (a) what was the magnitude of the cost variations; and (b) what was the cause of the variation.

(4) Have other consultants been engaged to undertake work associated with the Robertson consultancy; if so (a) who were those consultants; (b) when were they engaged; (c) when was the work completed; (d) what was the nature of the work undertaken by them; and (e) what was the cost of each consultancy.

(5) Did the final cost vary from the contracted price for any of the above consultancies; if so: (a) what was the magnitude of the cost variation; and (b) what was the cause of the variation.

(6) Was each contract the subject of a tender process; if not, why not.

Senator Herron—The Aboriginal and Torres Strait Islander Commission has provided the following information in response to the honourable senator's question:

The Aboriginal and Torres Strait Islander Commission has not engaged Mr Geoffrey Robertson QC as a consultant.