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FIRST SESSION—SIXTH PERIOD

BY AUTHORITY OF THE SENATE

CONTENTS

THURSDAY, 8 JUNE

Petitions	
Goods And Services Tax: Receipts And Dockets.....	14911
Medicare.....	14911
Notices—Presentation	14911
Business	
Government Business.....	14912
General Business	14912
Broadcasting Services Amendment (Digital Television and Datacasting) Legislation.....	14913
Government Business.....	14913
Committees	
Foreign Affairs, Defence and Trade References Committee	14913
Extension of Time	14913
Superannuation and Financial Services Select Committee.....	14913
Extensions of Time.....	14913
Welfare Services: At-Risk School Students	14913
Committees	
Publications Committee—Report.....	14914
Bills Returned from the House of Representatives	14914
Transport Legislation Amendment Bill 2000	
Financial Management and Accountability Amendment Bill 2000	
Petroleum (Submerged Lands) Legislation Amendment Bill (No. 2) 2000	
First Reading	14914
Second Reading.....	14914
Corporations Law Amendment (Employee Entitlements) Bill 2000	
Consideration of House of Representatives Message.....	14916
New Business Tax System (Miscellaneous) Bill 1999	
Consideration of House of Representatives Message.....	14916
Broadcasting Services Amendment (Digital Television And Datacasting) Bill 2000	
Report of Environment, Communications, Information Technology and the Arts Legislation Committee.....	14926
Fuel Sales Grants Bill 2000	
Product Grants and Benefits Administration Bill 2000	
Fuel Sales Grants (Consequential Amendments) Bill 2000	
Second Reading.....	14930
In Committee	14951
Third Reading.....	14954
Local Government (Financial Assistance) Amendment Bill 2000	
In Committee.....	14954
Primary Industries (Excise) Levies Amendment Bill 2000	
Second Reading.....	14956
Pooled Development Funds Amendment Bill 1999	
Second Reading.....	14957
Taxation Laws Amendment Bill (No. 10) 1999	
Second Reading	14958
Ministerial Arrangements	14960
Ministerial Statements	14960
Evacuation of Australian Nationals	14960
Questions Without Notice	
Nursing Homes: Riverside	14961

CONTENTS—*continued*

Unemployment: Level	14962
Telstra: Public Relations Campaign.....	14963
Lucas Heights Nuclear Reactor	14964
Goods and Services Tax: Information Mail-Out.....	14965
Privatisation: Costs	14967
Goods and Services Tax: Information Mail-Out.....	14968
Goods and Services Tax: Local Government	14970
Goods and Services Tax: Caravan Parks	14971
Foreign Policy: Asia	14971
Goods and Services Tax: Rural and Regional Australia.....	14973
Drugs: Ecstasy	14974
Fuel Sales Grants Scheme.....	14975
Arcas (Air Facilities): Documents	14975
Personal Explanations.....	14975
Answers to Questions Without Notice	
Goods And Services Tax: Information Mail-Out	14978
Air Facilities: Documents	14984
Committees	
Economics Legislation Committee.....	14986
Meeting.....	14986
Environment, Communications, Information Technology and the Arts	
References Committee.....	14986
Report: Government Response	14986
Retailing Sector Committee.....	14989
Report: Government Response	14989
Documents	
Parliamentarians' Travelling Allowance.....	14994
Committees	
Membership.....	14994
Cox Peninsula Transmitter: Sale.....	14995
Documents	
Australian Electoral Commission.....	15018
Ministerial Council on Education, Employment, Training and Youth	
Affairs.....	15020
Consideration.....	15021
Committees	
Public Works Committee	15021
Report	15021
Rural and Regional Affairs and Transport Legislation Committee	15023
Report	15023
Consideration.....	15026
Adjournment	
Trade Unionism	15026
Australian Broadcasting Corporation	15029
Goods and Services Tax: Business Information	15031
Cox Peninsula Transmitter: Sale	15032
Documents—Tabling	15033
Questions On Notice	
No. 1359—Alimar Nursing Home: Closure	14129
No. 1853—Civil Aviation Authority: Non-Compliance Notices	14129
No. 1910—Australia Post: Remote Aboriginal Communities Postal	
Service	15035

CONTENTS—*continued*

No. 1952—Department of Communications, Information and the Arts: Provision Of Income And Expenditure Statements	15036
No. 1975—Goods and Services Tax: Department of the Prime Minister and Cabinet Research	15037
No. 2007—Department of Finance and Administration: Contracts with Deloitte Touche Tohmatsu	15038
No. 2026—Department of Finance and Administration: Contracts With Pricewaterhousecoopers	15038
No. 2045—Department of Finance and Administration: Contracts with Kpmg	15039
No. 2064—Department of Finance and Administration: Contracts with Arthur Andersen	15039
No. 2083—Department of Finance and Administration: Contracts with Ernst And Young	15040
No. 2098—Bilateral Orchidectomies	15040
No. 2119—Department of the Prime Minister and Cabinet: Commercial-in-Confidence Provisions	15041
No. 2120—Department of Finance and Administration: Commercial-in-Confidence Records Management	15043
No. 2121—Employees' Email Monitoring: Survey	15043
No. 2123—Aboriginal Corporations: Liquidation	15044
No. 2130—Sri Lanka: Tamil People	15048
No. 2134—Regional Forest Agreements: Cost	15048
No. 2142—Brown, Ms Sally: Statutory Declaration	15049
No. 2161—Remuneration Tribunal: Government Authorities	15049
No. 2162—Basslink: Transmission Lines	15050
No. 2167—Child-Care Benefit	15050
No. 2168—Telstra: Pre-Sale Analysis	15052
No. 2170—Fruit Bats: Botanical Gardens, Melbourne	15053
No. 2192—Comcar: Drivers	15055

CONTENTS—*continued*

Thursday, 8 June 2000

The PRESIDENT (Senator the Hon. Margaret Reid) took the chair at 9.30 a.m., and read prayers.

PETITIONS

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

Goods and Services Tax: Receipts and Dockets

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

This petition of the undersigned draws to the attention of the Senate that under current legislation the GST will not be included on dockets and that consumers will not know how much GST they are being charged, or whether they are being charged correctly.

Your petitioners therefore request the Senate that when a business provides a consumer with a receipt or docket issued in respect of a taxable supply the receipt or docket must separately include:

- (a) the price of the goods or services excluding the GST;
- (b) the amount of the GST; and
- (c) the total price including the GST.

by **Senator Reid** (from 25 citizens).

Medicare

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

The Petition of the undersigned shows:

We strongly support Medicare, our universal public health system. Medicare is an efficient, effective and fair system. Under Medicare, access to care is based on health needs rather than ability to pay.

Access to quality health care for all Australians is a basic human right.

Your petitioners request that the Senate should:

Do all within its power to ensure the continued viability and strengthening of Medicare by supporting a substantial funding increase for the public health system. Further to this, we strongly urge you to continue to support adequate funding for public health and oppose all government policy initiatives that would undermine the integrity and ongoing viability of Medicare.

by **Senator Crowley** (from 85 citizens).

Petitions received.

NOTICES

Presentation

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

That the Senate—

- (a) notes that:
 - (i) a recent study from the Hunter Valley Research Foundation shows that almost one-third of Hunter households are now connected to the Internet, which is higher than the national level of 25 per cent, and
 - (ii) research found that 43 per cent of homes with Internet connections access them daily and half the households with computers are planning to get connected to the Internet in the next 12 months;
- (b) welcomes the announcement of Telstra's Country Wide plan, with its commitment to improving access to the Internet to Australians in regional areas; and
- (c) urges all Internet providers to match Telstra's commitment to the bush and provide affordable and quality service to all Australians, not just those in metropolitan areas.

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

That so much of standing order 36 be suspended as would prevent the Standing Committee on Regulations and Ordinances holding a private deliberative meeting on 22 June 2000 with members of the Scrutiny of Acts and Regulations Committee of the Victorian Parliament in attendance.

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

That the Senate—

- (a) notes:
 - (i) the enormous charges that banks are passing on to customers, some rising as high as 30 per cent, and
 - (ii) an investigation by the Australian Consumers Association which claims that banks have steered customers into electronic transactions, but automatic teller machines transaction charges have risen by between 20 and 28 per cent;
- (b) condemns the banks for losing sight of genuine customer service in their pursuit of obscenely high levels of profit;

- (c) calls on banks to stop 'slugging' the less well off with hefty bank fees and to restore a sense of faith in banking within the community;
- (d) welcomes the establishment of the joint parliamentary inquiry into fees on electronic and telephone banking; and
- (e) encourages people aggrieved by current banking fees and charges to make submissions to the inquiry.

Senator Woodley to move, 15 sitting days hence:

That the following determinations made under the Native Title Act 1993 be disallowed:

Native Title (Approved Exploration Etc. Acts — Queensland) (Low Impact Exploration Permits) Determination 2000, made under subsection 26A (1) of the *Native Title Act 1993*.

Native Title (Approved Exploration Etc. Acts — Queensland) (Low Impact Mineral Development Licences) Determination 2000, made under subsection 26A (1) of the *Native Title Act 1993*.

Native Title (Approved Exploration Etc. Acts — Queensland) (Low Impact Prospecting Permits) Determination 2000, made under subsection 26A (1) of the *Native Title Act 1993*.

Native Title (Approved Gold or Tin Mining Acts — Queensland) (Surface Alluvium (Gold or Tin) Mining Claims) Determination 2000, made under subsection 26B (1) of the *Native Title Act 1993*.

Native Title (Approved Gold or Tin Mining Acts — Queensland) (Surface Alluvium (Gold or Tin) Mining Leases) Determination 2000, made under subsection 26B (1) of the *Native Title Act 1993*.

Native Title (Right to Negotiate — Alternative Provisions) (Queensland Laws about Exploration Permits) Determination 2000, made under paragraph 43 (1)(b) of the *Native Title Act 1993*.

Native Title (Right to Negotiate — Alternative Provisions) (Queensland Laws about Exploration Permits for Alternative Provision Areas) Determination 2000, made under paragraph 43A (1)(b) of the *Native Title Act 1993*.

Native Title (Right to Negotiate — Alternative Provisions) (Queensland Laws about Mineral Development Licences) Determination 2000, made under paragraph 43 (1)(b) of the *Native Title Act 1993*.

Native Title (Right to Negotiate — Alternative Provisions) (Queensland Laws about Mineral Development Licences for Alternative Provision

Areas) Determination 2000, made under paragraph 43A (1)(b) of the *Native Title Act 1993*.

Native Title (Right to Negotiate — Alternative Provisions) (Queensland Laws about Mining Claims) Determination 2000, made under paragraph 43 (1)(b) of the *Native Title Act 1993*.

Native Title (Right to Negotiate — Alternative Provisions) (Queensland Laws about Mining Claims for Alternative Provision Areas) Determination 2000, made under paragraph 43A (1)(b) of the *Native Title Act 1993*.

Native Title (Right to Negotiate — Alternative Provisions) (Queensland Laws about Mining Leases) Determination 2000, made under paragraph 43 (1)(b) of the *Native Title Act 1993*.

Native Title (Right to Negotiate — Alternative Provisions) (Queensland Laws about Mining Leases for Alternative Provision Areas) Determination 2000, made under paragraph 43A (1)(b) of the *Native Title Act 1993*.

BUSINESS

Government Business

Motion (by **Senator Ian Campbell**) agreed to:

That the following government business orders be considered from 12.45 pm till not later than 2 pm this day:

No. 2 Primary Industries (Excise) Levies Amendment Bill 2000,

No. 5 Pooled Development Funds Amendment Bill 1999,

No. 6 Taxation Laws Amendment Bill (No. 10) 1999.

General Business

Motion (by **Senator Ian Campbell**) agreed to:

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

- (1) general business notice of motion No. 585 standing in the name of Senator Bishop relating to Radio Australia and the Cox Peninsula radio transmitter; and
- (2) consideration of government documents.

Broadcasting Services Amendment (Digital Television and Datacasting) Legislation

Motion (by **Senator Calvert**, at the request of **Senator Eggleston**)—by leave—agreed to:

That business of the Senate order of the day No. 3 be postponed to a later hour of the day.

Government Business

Motion (by **Senator Ian Campbell**) agreed to:

That the order of consideration of government business until 12.45 pm today be as follows:

Government business orders of the day –

- No. 2 Fuel Sales Grants Bill 2000 and two related bills,
- No. 1 Local Government (Financial Assistance) Amendment Bill 2000, and
- No. 3 Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999 and a related bill.

COMMITTEES

Foreign Affairs, Defence and Trade References Committee

Extension of Time

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

That the time for the presentation of reports of the Foreign Affairs, Defence and Trade References Committee be extended as follows:

- (a) the economic, social and political conditions in East Timor—17 August 2000; and
- (b) Australia in relation to Asia Pacific Economic Cooperation (APEC)—29 June 2000.

Superannuation and Financial Services Select Committee

Extensions of Time

Motion (by **Senator Calvert**, on behalf of **Senator Watson**) agreed to:

That the time for the presentation of reports of the Select Committee on Superannuation and Financial Services be extended as follows:

- (a) initial terms of reference—7 December 2000; and
- (b) the provisions of the Family Law Legislation Amendment (Superannuation) Bill 2000—31 October 2000.

WELFARE SERVICES: AT-RISK SCHOOL STUDENTS

Motion (by **Senator Allison**)—as amended, by leave—agreed to:

That the Senate

- (a) notes that:
 - (i) more than 20,000 at-risk primary school students in Victoria are missing

out on adequate, or in some cases any, welfare services, according to a recent survey by the Victorian Primary Principals' Association;

- (ii) nearly half the 8982 students identified as at risk in the survey received inadequate support, and a quarter received no support at all;
 - (iii) almost 86 per cent of principals felt welfare resources were inadequate at their school;
 - (iv) the Smith Family has expanded its Learning for Life program to help more than 40,000 Victorian students, particularly those in rural areas, pay the costs of attending school;
 - (v) this state of affairs is a legacy of chronic underfunding of government schools by the former Kennett Government and will take many years to redress; and
 - (vi) the 'broadbanding' by the Minister for Education, Training and Youth Affairs (Dr Kemp) of the Disadvantaged Schools Program into general literacy spending resulted in the Commonwealth washing its hands of any responsibility to redress educational problems stemming from disadvantage; and
- (b) urges the Federal Government to:
- (i) recognise that disadvantage is not solely a function of poor literacy but instead has many causes, particularly socio-economic;
 - (ii) fund programs to redress disadvantage and alienation, to ensure that principals and teachers have sufficient resources to help children at risk, and to genuinely support families;
 - (iii) recognise that primary schools are uniquely placed to provide early intervention, and that early intervention is a crucial determinant in ensuring that literacy and other problems do not persist into secondary school;
 - (iv) call on state governments to consider the call by the Australian Council of State School Organisations, and the Victorian Primary principals' Association, for a welfare-coordinator or counsellor for each school, including primary schools; and

- (v) act on the recommendations of the 1996 report of the Senate Employment, Education and Training References Committee, *Not a Level Playground: Private and Commercial Funding of Government Schools*, and, particularly, alleviate the pressure on public schools to raise funds for core educational activities.

COMMITTEES

Publications Committee

Report

Senator CALVERT (Tasmania) (9.35 a.m.)—On behalf of Senator Lightfoot, I present the 15th report of the Publications Committee.

Ordered that the report be adopted.

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 bill:

A New Tax System (Trade Practices Amendment) Bill 2000.

TRANSPORT LEGISLATION AMENDMENT BILL 2000

FINANCIAL MANAGEMENT AND ACCOUNTABILITY AMENDMENT BILL 2000

PETROLEUM (SUBMERGED LANDS) LEGISLATION AMENDMENT BILL (No. 2) 2000

First Reading

Bills received from the House of Representatives.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.36 a.m.)—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 IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.37 a.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—

TRANSPORT LEGISLATION AMENDMENT BILL 2000

The Transport Legislation Amendment Bill 2000 incorporates amendments relating to the Australian National Railways Commission (AN) and the Transport and Communications Legislation Amendment act (No.2) 1992. These amendments are currently before the Senate as part of the Transport and Territories Legislation Amendment Bill 1999. While it appears that provisions unrelated to those contained in this bill will delay its passage, it is important that both the AN and maritime amendments are allowed to proceed in a timely fashion. The amendments will enable the wind-up of AN to be finalised by 30 June 2000 and for Australia to meet its commitments under the 1998 Protocol on Environment Protection to the Antarctic Treaty.

As a consequence of the unrelated difficulties the AN and Maritime amendments are now being re-introduced as part of the Transport Legislation Amendment Bill 2000. I note that the Opposition and Democrats previously indicated that they would support these amendments when they were considered in the Committee stage as part of the Transport and Territories Legislation Amendment Bill 1999.

The sale of the three operating businesses of AN in 1997 constituted a significant milestone in the Government's rail reform agenda. Improving the performance of Australia's railways will contribute to the competitiveness of the nation's businesses and the entire economy. Accordingly, the Government places a high priority on achieving reform in this important area.

The sound performance of the former AN businesses in private ownership clearly supports the Government's view that the Commonwealth should not be involved in the operation of railway businesses. The passenger operator has extended the historic Ghan services between Adelaide and Alice Springs to Melbourne and Sydney as part of a strategy to target important international tourist

markets. The two freight businesses have achieved profitability for the first time in many years and have attracted significant new business. These results have only been achievable through the provision of improved service to customers.

The positive performance by these companies is of particular benefit to South Australia and Tasmania. As rail freight becomes a viable alternative, through competitive prices and service quality, it will facilitate and enhance the performance of other businesses. Furthermore, the impressive results achieved will contribute to the security of long term employment in the rail industry.

The sale of the AN businesses was facilitated by the Australian National Railways Commission Sale Act 1997 (the Sale Act), which commenced on 30 June 1997. Following sale, AN was reduced to a non-operating entity charged with managing any residual functions, including the realisation of remaining assets and liabilities, and resolving outstanding litigation and disputes prior to abolition.

Proclamation of the remaining provisions of the Sale Act will enable the residual AN entity to be abolished as well as the repeal or amendment of a number of Acts relating to the previous operations of AN. All conditions specified in the Sale Act which are to be met prior to Proclamation have been satisfied. It is now important to abolish the residual entity to remove the administrative burden and cost currently being borne by the Commonwealth.

Two issues of a technical nature have been identified which need to be addressed before the remaining provisions of the Sale Act can be Proclaimed. The amendments being proposed will correct an inaccurate citing of the Port Augusta to Whyalla Railway Act 1970. It will also enable the preservation of a technically robust process for registration of title for land already legally transferred from AN to the Australian Rail Track Corporation.

While the proposed amendment is of a technical nature, it is essential to enable the wind up of AN therefore reducing the ongoing administrative costs to the Commonwealth.

The commencement provision of the Transport and Communications Legislation Amendment Act (No.2) 1992 is being amended to overcome a technical difficulty that prevents a Proclamation being made for the commencement of amendments to the Protection of the Sea (Prevention of Pollution from Ships) Act 1983. Those amendments relate to the discharge of sewage and disposal of garbage from ships in the Antarctic area.

Currently, the commencement provision provides that the relevant provisions commence on a date to be fixed by Proclamation, being the day on which the Protocol on Environment Protection to the Antarctic Treaty enters into force. The Protocol entered into force on 14 January 1998. Insufficient notice of the entering into force of the Protocol was provided to enable a Proclamation to be made by that date. The amendment removes references to the Protocol. It is anticipated that Proclamation will be made soon after this bill receives Royal Assent.

FINANCIAL MANAGEMENT AND ACCOUNTABILITY AMENDMENT BILL 2000

This Bill, a Bill to amend the Financial Management and Accountability Act 1997, provides for a supplement to annual and special appropriations on account of amounts of GST paid by Commonwealth entities, as part of consideration for a taxable supply or on creditable importations, which are recoverable through the input tax credit mechanism (recoverable GST).

The need for this technical amendment results from the way in which GST will impact on the Commonwealth's transactions, and the way in which annual and special appropriations are made.

The Commonwealth and Commonwealth entities will be liable to pay GST in respect of taxable supplies and taxable importations, so that they will be treated in much the same way as other GST taxpayers. They will not be exempted from GST passed onto them by their suppliers.

The accepted Australian guidance concerning the accounting treatment of GST in respect of expenses and assets is set out in Urgent Issues Group Abstract 31, issued by the Australian Accounting and Research Foundation in January 2000. Consistent with this guidance, annual and special appropriations will be made on a GST exclusive basis. Accordingly, amounts in the annual Appropriation Bills represent the net amount, or cost to the Budget, that Parliament is asked to allocate for particular purposes.

It is a Constitutional requirement that all payments by the Commonwealth be made under appropriation made by law.

This Bill proposes an amendment to the Financial Management and Accountability Act 1997 to provide for additional appropriation to supplement annual and special appropriations, equal to any recoverable GST payable by Commonwealth agencies. This will ensure that there will always be sufficient appropriation to cover the full amount of a payment, where the GST exclusive amount of the payment has been made by way of annual or special appropriation.

Parliamentary control over, and scrutiny of, expenditure will not be diminished as a result of the additional appropriation.

The additional appropriation will not have any Budgetary impact, as the part of the payment it represents will be recovered by the Commonwealth agency or department as an input tax credit.

I commend the Bill.

**PETROLEUM (SUBMERGED LANDS)
LEGISLATION AMENDMENT BILL(NO. 2)
2000**

This bill proposes the repeal of Section 130 of the *Petroleum (Submerged Lands) Act 1967*. Section 130 was introduced in 1985 to allow the payment of \$117.1 million in 1984/85 dollars to Western Australia through an annual schedule of payments. This agreement was entered into after the Western Australian government's gas utility sought to renegotiate domestic gas "take or pay" contracts with the North West Shelf joint venture participants.

The schedule of annual payments was planned to run from 1985-86 to 2004-05. The Commonwealth, with the agreement of Western Australia, intends to discharge the remaining five years of obligations, with a single one-off payment in 1999-2000 of \$79,118,990. The payment is fair and equitable to the Commonwealth and Western Australia. It is based on agreed estimates of the future obligations discounted to a current value using discount rates derived from the Commonwealth's yield curve. Repeal of Section 130 is necessary for the Commonwealth to make the payment, as the Section as originally drafted did not foresee, nor allow, amounts in excess of the Commonwealth's retained gas royalty share to be transferred to Western Australia.

The payment will deliver administrative efficiencies and simplification of petroleum taxation revenue arrangements between the Commonwealth and Western Australia. By replacing the current complicated arrangements, the payment honours the Commonwealth's election commitment to review and simplify the administration of petroleum taxation arrangements. Furthermore, the Government is delivering on its tax reform objectives of developing a fairer, more internationally competitive, more efficient and less complex tax system.

The North West Shelf project has evolved from the early stages where royalty from domestic gas was limited by the small market. It is now a mature project with the Commonwealth royalty receipts from LNG, condensate, crude oil, domestic gas and LPG far exceeding the remaining share of

royalty to be paid to Western Australia under Section 130.

Debate (on motion by **Senator O'Brien**) adjourned.

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

**CORPORATIONS LAW AMENDMENT
(EMPLOYEE ENTITLEMENTS)
BILL 2000**

**Consideration of House of Representatives
Message**

Message received from the House of Representatives acquainting the Senate that the House has disagreed to the amendment made by the Senate and requesting reconsideration of the bill in respect of the amendment.

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

**NEW BUSINESS TAX SYSTEM
(MISCELLANEOUS) BILL 1999**

**Consideration of House of Representatives
Message**

Message received from the House of Representatives acquainting the Senate that the House has disagreed to the amendments made by the Senate, but in place thereof has amended the bill and requesting concurrence in the amendments made by the House.

Ordered that the message be considered in committee of the whole immediately.

House of Representatives amendments—

- (1) Schedule 2, page 11 (after line 11), after item 6, insert:

Income Tax Assessment Act 1936

6A Section 160APA

Insert:

entity has the same meaning as in the *Income Tax Assessment Act 1997*.

6B Section 160APA

Insert:

exempt institution means an entity whose ordinary and statutory income (within the meaning of the *Income Tax Assessment Act 1997*) are exempt from income tax because of Division 50 of that Act.

- (2) Schedule 2, page 11 (after line 11), after item 6, insert:

**6C Subparagraph
160AQT(1A)(b)(iv)**

Repeal the subparagraph, substitute:

- (iv) a registered organisation; or
- (v) an exempt institution whose exempt status is disregarded in relation to the dividend under section 160ARDAB; and

6D After subsection 160AQT(4)

Insert:

- (4A) Disregard section 50-1 of the *Income Tax Assessment Act 1997* in determining, for the purposes of this section, whether a dividend is exempt income of an exempt institution whose exempt status is disregarded in relation to the dividend under section 160ARDAB.

- (3) Schedule 2, page 11 (after line 11), after item 6, insert:

6E Subparagraph 160AQU(1)(b)(ii)

Repeal the subparagraph, substitute:

- (ii) a trustee (other than the trustee of an eligible entity within the meaning of Part IX or of an exempt institution whose exempt status is disregarded in relation to the dividend under section 160ARDAB);

6F At the end of section 160AQU

Add:

- (3) Disregard section 50-1 of the *Income Tax Assessment Act 1997* in determining, for the purposes of subsection (1), the amount included under section 160AQT in the assessable income of an exempt institution whose exempt status is disregarded in relation to the dividend concerned under section 160ARDAB.

- (4) Schedule 2, page 11 (after line 11), after item 6, insert:

6G Subsection 160AQW(1)

After “section 128D”, insert “of this Act or section 50-1 of the *Income Tax Assessment Act 1997*”.

- (5) Schedule 2, page 11 (after line 11), after item 6, insert:

6H At the end of section 160AQA

Add:

- (2) In determining the entitlement to a rebate under section 160AQX of an exempt

institution whose exempt status is disregarded in relation to the trust amount concerned under section 160ARDAB, assume that section 50-1 of the *Income Tax Assessment Act 1997* had not been enacted.

- (6) Schedule 2, page 11 (after line 11), after item 6, insert:

6I Subparagraph 160AQX(1)(b)(ii)

Repeal the subparagraph, substitute:

- (ii) a registered organisation (other than a trustee); or
- (iii) an exempt institution (other than a trustee) whose exempt status is disregarded in relation to the trust amount under section 160ARDAB; and

- (7) Schedule 2, page 11 (after line 11), after item 6, insert:

6J After Division 7 of Part IIIA

Insert:

**DIVISION 7AA—FRANKING REBATES
FOR CERTAIN EXEMPT INSTITUTIONS**

160ARDAA Definitions

- (1) In this Division:

ABN has the meaning given by the *A New Tax System (Australian Business Number) Act 1999*.

arrangement has the same meaning as in the *Income Tax Assessment Act 1997*.

associate has the same meaning as in section 318.

controller, in relation to an exempt institution, has the meaning given by subsections (2) to (6) (inclusive).

notional trust amount, in relation to an exempt institution, is an amount that would be a trust amount of the institution if section 50-1 of the *Income Tax Assessment Act 1997* had not been enacted.

related transaction, in relation to a dividend or notional trust amount, means an act, transaction or circumstance that has occurred, will occur, or may reasonably be expected to occur as part of, in connection with or as a result of:

- (a) the payment or receipt of the dividend; or
- (b) the arising of the entitlement to, or the distribution or receipt of, the notional trust amount; or

- (c) any arrangement entered into in association with:
 - (i) the payment or receipt of the dividend; or
 - (ii) the arising of the entitlement to, or the distribution or receipt of, the notional trust amount.

Controller of exempt institution that is a company

(2) An entity is a **controller** of an exempt institution that is a company if the entity is a controller of the company (for CGT purposes) within the meaning of section 140-20 of the *Income Tax Assessment Act 1997*.

Controller of exempt institution other than a company—basic meaning

(3) Subject to subsections (5) and (6), an entity is a **controller** of an exempt institution that is not a company if:

- (a) a group in relation to the entity has the power, by means of the exercise of a power of appointment or revocation or otherwise, to obtain beneficial enjoyment (directly or indirectly) of the capital or income of the institution; or
- (b) a group in relation to the entity is able (directly or indirectly) to control the application of the capital or income of the institution; or
- (c) a group in relation to the entity is capable, under a scheme, of gaining the beneficial enjoyment referred to in paragraph (a) or the control referred to in paragraph (b); or
- (d) the institution or, if the institution is a trust, the trustee of the trust:
 - (i) is accustomed; or
 - (ii) is under an obligation; or
 - (iii) might reasonably be expected; to act in accordance with the directions, instructions or wishes of a group in relation to the entity; or
- (e) a group in relation to the entity is able (directly or indirectly) to remove or appoint the trustee of the trust if the institution is a trust; or
- (f) a group in relation to the entity has more than a 50% stake in the income or capital of the institution; or
- (g) entities in a group in relation to the entity are the only entities that, under the terms of:

- (i) the constitution of the institution or the terms on which the institution is established; or
- (ii) the terms of the trust if the institution is a trust;

can obtain the beneficial enjoyment of the income or capital of the institution.

(4) For the purposes of subsection (3), each of the following constitute a **group** in relation to an entity:

- (a) the entity acting alone;
- (b) an associate of the entity acting alone;
- (c) the entity and one or more associates of the entity acting together;
- (d) 2 or more associates of the entity acting together.

Controller of exempt institution that is not a company—deemed absence of control

(5) If:

- (a) at a particular time, an entity is a controller of an exempt institution that is not a company; and
 - (b) the Commissioner, having regard to all relevant circumstances, considers that it is reasonable that the entity be taken not to be a controller of the institution at the particular time;
- the entity is taken *not* to be a controller of the institution at the particular time.

(6) Without limiting paragraph (5)(b), the Commissioner may have regard under that paragraph to the identity of the beneficiaries of the trust at any time before and at any time after the entity began to be a controller of the institution if the institution is a trust.

160ARDAB Certain exempt institutions eligible for rebates in relation to franking credits

(1) The exempt status of an exempt institution is disregarded for the purposes of determining its entitlement to a rebate under Division 6, 6A or 7 of this Part in relation to a dividend or notional trust amount if:

- (a) it satisfies subsection (2), (3), (4), (5) or (6); and
- (b) section 160ARDAC (anti-avoidance provision) does not apply to the dividend or notional trust amount; and

- (c) subsection (8) (chains of exempt institutions) does not apply to the notional trust amount.

(2) The institution's exempt status is disregarded if the institution:

- (a) is covered by item 1.1, 1.5, 1.5A or 1.5B of the table in section 50-5 of the *Income Tax Assessment Act 1997*; and
- (b) is endorsed as exempt from income tax under Subdivision 50-B of the *Income Tax Assessment Act 1997*; and
- (c) is a resident.

Note: Paragraph (c)—see subsection (7).

(3) The institution's exempt status is disregarded if the institution:

- (a) is endorsed under paragraph 30-120(a) of the *Income Tax Assessment Act 1997*; and
- (b) is a resident.

Note: Paragraph (b)—see subsection (7).

(4) The institution's exempt status is disregarded if:

- (a) the institution's name is specified in a table in a section in Subdivision 30-B of the *Income Tax Assessment Act 1997*; and
- (b) the institution has an ABN; and
- (c) the institution is a resident.

Note: Paragraph (c)—see subsection (7).

(5) The institution's exempt status is disregarded if:

- (a) a declaration by the Treasurer is in force in relation to the institution under subsection 30-85(2) of the *Income Tax Assessment Act 1997*; and
- (b) the regulations do not provide that the institution's exempt status is not to be disregarded for the purposes of this Division.

(6) The institution's exempt status is disregarded if the institution is prescribed by the regulations as an institution whose exempt status is to be disregarded for the purposes of this Division.

(7) For the purposes of this section, the institution is a **resident** if the institution has a physical presence in Australia and, to that

extent, incurs its expenditure and pursues its objectives principally in Australia at all times during the year of income in which the dividend is paid or the entitlement to the notional trust amount arises.

(8) The institution's exempt status is not disregarded in relation to a notional trust amount if the notional trust amount arises because of a dividend paid to, or a notional trust amount of, another exempt institution.

160ARDAC Franking rebates denied in certain circumstances

(1) The exempt institution's exempt status is not disregarded in relation to a dividend or notional trust amount if subsection (2), (4), (5), (6), (7), (9) or (10) is satisfied. None of those subsections limits any of the others.

(2) The institution's exempt status is not disregarded if:

- (a) there is a related transaction in relation to the dividend or notional trust amount; and
- (b) because of the related transaction:
 - (i) the amount or value of the benefit derived by the institution because of the dividend is, will be, or may reasonably be expected to be, less than the amount or value of the dividend at the time when the dividend was paid; or
 - (ii) the amount or value of the benefit derived by the institution because of the notional trust amount is, will be, or may reasonably be expected to be, less than the amount or value of the notional trust amount at the time when the notional trust amount arose.

The amount or value of the dividend or notional trust amount is to be increased to include the value of any franking rebate to which the institution would be entitled if this section did not apply to the dividend or notional trust amount.

(3) Subsection (2) does not apply to the dividend or notional trust amount if:

- (a) the only reason why paragraph (2)(b) is satisfied is that the institution has incurred, will incur, or may reasonably be expected to incur, expenses for the purpose of obtaining the dividend or notional trust amount (and the associated franking rebate); and

- (b) the expenses are, in the Commissioner's opinion, reasonable in relation to the value of the dividend or notional trust amount.

(4) Subject to subsection (11), the institution's exempt status is not disregarded if:

- (a) there is a related transaction in relation to the dividend or notional trust amount; and
- (b) because of the related transaction, the institution or another entity:
 - (i) makes, becomes liable to make, or may reasonably be expected to make or to become liable to make, a payment to any entity; or
 - (ii) transfers, becomes liable to transfer, or may reasonably be expected to transfer or to become liable to transfer, any property to any entity; or
 - (iii) incurs, becomes liable to incur, or may reasonably be expected to incur or to become liable to incur, any other detriment, disadvantage, liability or obligation.

(5) Subject to subsection (11), the institution's exempt status is not disregarded if:

- (a) there is a related transaction in relation to the dividend or notional trust amount; and
- (b) because of the related transaction:
 - (i) the company that paid the dividend or an associate of that company; or
 - (ii) the trustee of the trust in relation to which the notional trust amount arises or an associate of that trustee;
 - has obtained, will obtain or may reasonably be expected to obtain a benefit, advantage, right or privilege.

Note: Section 160ARDAE makes special provision in relation to benefits provided by an exempt institution to its controller.

(6) The institution's exempt status is not disregarded in relation to a dividend if:

- (a) the dividend to any extent takes the form of property other than money; and
- (b) the terms and conditions on which the dividend is paid are such that the institution:

- (i) does not receive immediate custody and control of the property; or
- (ii) does not have the unconditional right to retain custody and control of the property in perpetuity to the exclusion of the company or an associate of the company; or
- (iii) does not obtain an immediate, indefeasible and unencumbered legal and equitable title to the property.

(7) The institution's exempt status is not disregarded in relation to a notional trust amount that arises in a year of income if the total value of the payments of money, and transfers of property, by the trustee to the institution from the trust that:

- (a) occur during the year of income; and
- (b) are attributable to notional trust amounts that arose during the year of income;
 - are less than the total amount of those notional trust amounts.

(8) Subsection (7) does not apply to a notional trust amount if the Commissioner is satisfied, having regard to all the circumstances, that it would be reasonable to treat the notional trust amount as having been distributed to the institution during the year of income.

(9) The institution's exempt status is not disregarded in relation to a notional trust amount if:

- (a) the trustee of the trust in relation to which the notional trust amount arises makes a distribution to the institution in relation to the notional trust amount; and
- (b) the distribution to any extent takes the form of property other than money; and
- (c) the terms and conditions on which the distribution is made are such that the institution:
 - (i) does not receive immediate custody and control of the property; or
 - (ii) does not have the unconditional right to retain custody and control of the property in perpetuity to the exclusion of the trustee or an associate of the trustee; or

- (iii) does not obtain an immediate, indefeasible and unencumbered legal and equitable title to the property.

(10) Subject to subsection (11), the institution's exempt status is not disregarded if:

- (a) an arrangement is entered into as part of, or in association with, the payment of the dividend or the arising of the entitlement to, or the distribution of, the notional trust amount; and
- (b) because of the arrangement the institution or another entity has acquired or will acquire (whether directly or indirectly) property, other than property comprising the dividend or notional trust amount, from:
 - (i) the company or an associate of the company; or
 - (ii) the trustee of the trust in relation to which the notional trust amount arises or an associate of the trustee.

(11) Subsection (4), (5) or (10) does not apply to the dividend or notional trust amount if:

- (a) the institution has the choice of:
 - (i) receiving payment of the dividend or notional trust amount; or
 - (ii) being issued with shares in the company that paid the dividend or fixed interests in the trust estate in relation to which the notional trust amount arises; and
- (b) the institution is under no obligation (whether express or implied and whether legally enforceable or not) either to choose to take, or to choose not to take, the shares or interests rather than receiving payment of the dividend or notional trust amount; and
- (c) the institution chooses to be issued with the shares or fixed interests; and
- (d) subsection (4), (5) or (10) would, but for this subsection, apply to the dividend or notional trust amount because the institution makes that choice; and

- (e) making that choice furthers the purpose for which the institution was established; and

- (f) the institution does not make that choice for the purpose, or purposes that include the purpose, of benefiting:

- (i) the company that paid the dividend; or
- (ii) the trustee of the trust in relation to which the notional trust amount arises; or
- (iii) an associate of that company or trustee (other than the institution); and

- (g) any benefit obtained by the company, trustee or associate because the institution makes that choice is an ordinary incident of issuing the shares or interests to the institution or of the institution's holding of those shares or interests; and

- (h) the following deal with one another on an arm's length basis in relation to any related transaction or arrangement in relation to the dividend or notional trust amount that, but for this subsection, would have prevented the institution's exempt status from being disregarded in relation to the dividend or notional trust amount:

- (i) the institution;
- (ii) the company that paid the dividend or the trustee of the trust in relation to which the notional trust amount arises;
- (iii) any other entity involved in, connected with or party to the related transaction or arrangement.

Note: Subparagraph (11)(a)(ii)—for ***fixed interest*** see subsections (12) to (15).

A vested and indefeasible interest constitutes a fixed interest

(12) For the purposes of subsection (11), a taxpayer's interest in a trust estate is a fixed interest if it is a vested and indefeasible interest in the corpus of the trust estate.

Case where interest not defeasible

(13) If:

- (a) the trust is a unit trust and the taxpayer holds units in the unit trust; and
- (b) the units are redeemable or further units are able to be issued; and
- (c) where units in the unit trust are listed for quotation in the official list of an approved stock exchange (within the meaning of section 470)—the units held by the taxpayer will be redeemed, or any further units will be issued, for the price at which other units of the same kind in the unit trust are offered for sale on the approved stock exchange at the time of the redemption or issue; and
- (d) where the units are not listed as mentioned in paragraph (c)—the units held by the taxpayer will be redeemed, or any further units will be issued, for their market value at the time of the redemption or issue;

then the mere fact that the units are redeemable, or that the further units are able to be issued, does not mean that the taxpayer's interest, as a unit holder, in the corpus of the trust estate is defeasible.

Commissioner may determine an interest to be vested and indefeasible

- (14) If:
- (a) a taxpayer has an interest in the corpus of a trust estate; and
 - (b) apart from this subsection, the interest would not be a vested or indefeasible interest; and
 - (c) the Commissioner considers that the interest should be treated as being vested and indefeasible, having regard to:
 - (i) the circumstances in which the interest is capable of not vesting or the defeasance can happen; and
 - (ii) the likelihood of the interest not vesting or the defeasance happening; and
 - (iii) the nature of the trust; and
 - (iv) any other matter the Commissioner thinks relevant;

the Commissioner may determine that the interest is to be taken to be vested and indefeasible.

Effect of determination

- (15) A determination made under subsection (14) has effect according to its terms.

160ARDAD Controller liable to pay amount in respect of refund in some cases

(1) A controller of an exempt institution is liable to pay an amount in respect of a refund paid to the institution under Division 67 of the *Income Tax Assessment Act 1997* if:

- (a) the institution claimed the refund on the basis of an entitlement to a rebate under Division 6, 6A or 7 of this Part; and
- (b) the institution was not entitled to the rebate because of the operation of section 160ARDAC in relation to a related transaction or arrangement; and
- (c) the controller or an associate of the controller benefited from the related transaction or arrangement; and
- (d) some or all of the amount that the institution is liable to pay in respect of the refund remains unpaid after the day on which the amount becomes due and payable; and
- (e) the Commissioner gives the controller written notice:
 - (i) stating that the controller is liable to pay an amount under this section; and
 - (ii) specifying the amount that the controller is liable to pay.

Except as provided for in subsection (5), this subsection does not affect any liability the institution has in relation to the refund.

Note: Section 160ARDAF also provides that the exempt institution's present entitlement to a notional trust amount is disregarded for the purposes of Division 6 of Part III.

(2) An entity that is dissatisfied with a decision of the Commissioner under subsection (1) in relation to the entity may object against it in the manner set out in Part IVC of the *Taxation Administration Act 1953*.

(3) The amount the controller is liable to pay under subsection (1):

- (a) is the amount specified under subparagraph (1)(e)(ii); and

- (b) becomes due and payable at the end of the period of 14 days that starts on the day on which the notice referred to in paragraph (1)(e) is given.
- (4) The amount the controller is liable to pay under subsection (1) must not exceed the amount or value of the benefit that the controller or associate obtained from the related transaction or arrangement.
- (5) The total of:
 - (a) the amounts that the Commissioner recovers in relation to the refund from controllers under subsection (1); and
 - (b) the amounts the Commissioner recovers in relation to the refund from the exempt institution;

must not exceed the amount of the refund.

160ARDAE Treatment of benefits provided by an exempt institution to a controller

- (1) A benefit given by an exempt institution to a controller of the institution, or an associate of a controller of the institution, is dealt with under this section if:
 - (a) the controller or associate:
 - (i) pays a dividend to the institution; or
 - (ii) is trustee of the trust in relation to which a notional trust amount of the institution arises; and
 - (b) the benefit is, or was, given to the controller or associate at any time during the period that starts 3 years before, and ends 3 years after, the dividend is paid or the notional trust amount arises.
- (2) The controller or associate is taken, for the purposes of subsection 160ARDAC(5), to have obtained the benefit because of a related transaction in relation to the dividend or notional trust amount.
- (3) The controller or associate is taken, for the purposes of section 160ARDAD, to have benefited from a related transaction or arrangement that caused section 160ARDAC to apply to the dividend or notional trust amount at least to the extent of the benefit given to the controller or associate by the exempt institution.
- (4) Subsection (2) or (3) does not apply to a benefit if the Commissioner is satisfied, having regard to all the circumstances, that

it would be unreasonable to apply that subsection.

160ARDAF Present entitlement of exempt institution disregarded in certain circumstances

The present entitlement of an exempt institution to a share of trust income is disregarded for the purposes of Division 6 of Part III if:

- (a) the institution claims a refund under Division 67 of the *Income Tax Assessment Act 1997* on the basis of a rebate under Division 6, 6A or 7 of this Part in relation to a notional trust amount that related to that share of trust income; and
- (b) the institution was not entitled to the rebate because of the operation of section 160ARDAC in relation to a related transaction or arrangement.

The CHAIRMAN (9.39 a.m.)—Before we proceed with this, I have a statement to make. In the House of Representatives the Senate amendments, which were government amendments, were rejected but identical amendments were made to the bill. This is on the basis of the Office of Parliamentary Counsel claiming that the amendments made in the Senate should have been requests. In my statement on 5 July, I pointed out that there was no basis for the amendments being requests. The Office of Parliamentary Counsel appears to be taking the view that any amendment which might result in increased expenditure should be a request, even if there is no appropriation in sight affected by the amendment. On this basis, virtually every amendment moved in the Senate would have to be a request and proceedings on all bills would be greatly prolonged. I should add that the Office of Parliamentary Counsel did not respond to a request by the Clerk of the Senate for an explanation of the amendments being framed as requests in the first place. The simplest way for the bill to proceed is for the Senate to agree to the amendments made in the House, which are identical to the amendments made in the Senate in the first place.

Motion (by **Senator Ian Campbell**) proposed:

That the committee agrees to the amendments made by the House of Representatives.

Senator O'BRIEN (Tasmania) (9.40 a.m.)—As I understood your statement, Madam Chair, the amendments now proposed by the House of Representatives are identical to the amendments carried in the Senate and therefore what the House of Representatives are asking us to do is to carry our amendments by agreeing to theirs. Is that the position?

The CHAIRMAN—That is correct, because the parliamentary counsel to the House of Representatives has advised them that they should have been requests and that we are not entitled to amend requests. It gets complicated, and we have some slight disagreement. So this is basically agreeing to keep the bill as it was amended when it left here in the first place.

Senator O'BRIEN—So this is a matter of form rather than substance, Madam Chair?

The CHAIRMAN—Exactly.

Senator O'BRIEN—Thank you.

Senator CARR (Victoria) (9.41 a.m.)—On the same matter, what implications does agreement with these amendments have for the consideration of other bills when there are similar sets of circumstances? Is it the case that the advice that you have tendered to the Senate in your opening statement will, in fact, apply to other bills, and that there will be a considerable delay in the passage of other bills where we impose requests rather than amendments?

The CHAIRMAN—Senator Carr, that is precisely what I said. We are still waiting for the Office of Parliamentary Counsel to respond to a request from the Clerk of the Senate for an explanation of the amendments and why they were framed as requests in the first place, and that has not happened.

Senator BROWN (Tasmania) (9.41 a.m.)—Madam Chair, I am not going to support a set of amendments from the House of Representatives when the amendments sent from the Senate were perfectly adequate. I support the amendments as they have gone from the Senate. If the House of Representatives wants to be precious about this, then let it supply the information upon which it insists on going through this procedure of adopting our amendments and then sending

them back as its, because it does not want to accede to the fact that the amendments coming from here are the right of this chamber to send to the House. They are legitimate, they have been endorsed by this chamber and they are obviously acceptable to the House of Representatives. We are seeing a game play here which is effectively the House of Representatives saying that the Senate does not have the power to put forward these amendments while not providing reasons. I do not accept that.

The CHAIRMAN—It is the Office of Parliamentary Counsel who is giving that advice, Senator Brown. Senator Harradine, were you seeking the call?

Senator HARRADINE (Tasmania) (9.43 a.m.)—Yes, Madam Chair, but it is really to ask a question. I think we all realise that this is not just a matter of form but is a matter of substance. It goes to the very powers of the Senate in a bicameral system of government. I would request, Madam Chair, in your situation as Deputy President, that you raise this matter with the President in due course so that we can be advised in due course of the views of the presiding officers as to the powers of this Senate in respect of pieces of legislation that come before us.

The CHAIRMAN—Thank you, Senator Harradine, I will raise it with Madam President. This was, of course, the subject of a Procedures Committee report a number of years ago and I think we need to find and review that report. I will certainly raise it with Madam President.

Senator MURRAY (Western Australia) (9.44 a.m.)—I think we have to be very careful of lightly giving up the powers of the Senate because it is assumed to be a matter of form not substance. My own suggestion—and I would like reaction from the Senate to it—is that this matter be adjourned to a later time today for consideration. It may be appropriate to adjourn this matter to later today, because the content of the amendments is not the issue; it is the nature of the interaction between the two houses which is the issue. I would like to ask the Clerk, through you, Madam Chair, if he could devise a motion for us which would say that, whilst we accept that these amendments go through, we do not

accept that this represents a precedent. We do not accept the views of the House as regards the way in which these are to be dealt with, and we object to it. That may or may not be a useful way to do it, but if the amendments are not at question, if it is the process that is at question, then I think the Senate simply should not acknowledge that the process is valid but should allow the matter to go forward in a practical sense. That is a suggestion, but I would need advice on that and I am not in a position to discuss this matter with any real understanding or knowledge of what is entailed.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.46 a.m.)—I am happy to have this adjourned until a later hour, but I would like to have it dealt with before 12.45 p.m. I also make the point that the statement that was read by you, Madam Chair, as you would know better than anybody in this chamber, is a statement that you have read on a range of bills when this situation occurs. It is an ongoing conflict between the Senate and the House of Representatives that is based particularly on an interpretation of the Constitution and of the forms of the House and that has been going on for a long time. It is not a new matter, and I find it surprising that senators who have been in this chamber for a long time have not noticed that the Chairman has read this out in the past. It is an ongoing dispute and the way it is being handled is the normal way, which is for the Senate to reiterate—which is quite proper—the continuing position of the Senate on these issues. It is a situation that has been well documented, and the Senate's view has been well argued, particularly by Harry Evans, the Clerk of the Senate. This is a dispute that came to my attention when I first became Manager of Government Business in the Senate. I sought to resolve the dispute between the Office of Parliamentary Counsel and the Senate. I used my best negotiating skills over a very long period of time, skills which are clearly not as good as the skills of my counterpart on the other side of the chamber in negotiating Senate committee amendments on behalf of the ACTU and others. Those skills failed, and I gave up because

I figured that the pragmatic solution is to do exactly what the Chairman has done this morning, which is to restate the Senate's position. It is an ongoing dispute. If anyone else can assist me in trying to negotiate a resolution on this, I welcome their assistance.

But what needs to be understood is that this is not some new thing. The Labor Party were told exactly what we were doing with these amendments. They understand the amendments. The fact that we have created a hullabaloo over this this morning comes as somewhat of a surprise to me. I presume that the motives of those doing it are entirely worthy, and I am happy to go along with the concept of delaying it. But I would like to ensure that this matter is dealt with before 12.45 p.m. because if this arcane dispute between effectively—and I do not say this in a pejorative way—some bureaucrats is to hold up the program, it would turn it from being a matter of form substance into a matter of great delay, which will affect the people of Australia who will benefit from the provisions of the bill that we are trying to get through. I would move that progress be reported.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (9.49 a.m.)—I do not intend to delay the proceedings, but I think that it is important that the opposition formally state their position on this. The motion of the Manager of Government Business in the Senate is attractive, and we will support it if it is put to the vote. It seems to me to reflect the foreshadowed intention of the Australian Democrats and perhaps other speakers in this chamber, but that is for them to say. As for the opposition, we will support it. I do not intend to canvass this issue at great length. I am one of those who are notorious for not paying as much attention to the technical procedures as to the merit or substance of the issue. But it seems to me that the substance of the issue is met by the changes that the House have made to our amendments. Their insistence is that they move them, not us, and the question is a conflict between the chambers as to who takes precedence in this matter. That is an important issue, and I do not diminish it. But my immediate predilection is to go to the substance—what

stance—what material difference does it make—and enable the chambers to continue an argument about the other matters. I thought that the foreshadowed intention of the Democrats in which we express a view and get on with the issue is probably the right outcome. An adjournment on this matter would enable us to give due consideration to it, and therefore we would support one.

Before I resume my seat, there is one other comment I would make. It may well be—and I do not dispute what the Manager of Government Business in the Senate has said—that this statement has been read out on other occasions. Certainly I have not been aware of it, but I do not follow every item of legislation in the chamber and it is quite reasonable that it could have been read out and not attracted my attention.

Senator Ian Campbell—It is about once every month.

Senator COOK—Yes. As I said, my attention is usually on the substance of the issue rather than on the technical matter. It is perhaps a defect in my role as a senator that that is the case, but that is for me to correct. What the parliamentary secretary said was that the Labor Party had been consulted on this. I have just checked with my whip and the manager of business on our side and neither of them have knowledge of that. I want to say that for the record. I have not been consulted. If the opposition have been consulted, I am not sure who has been. Certainly the responsible officers on our side have not been.

Senator BROWN (Tasmania) (9.53 a.m.)—I note in your statement, Madam Chair, the very important component here that if we are going to come back to this matter later in the day, we should be informed. There is not much point in us resuming this matter if we have not had a response to the Clerk's request for information from the Office of Parliamentary Counsel regarding the explanation of the amendments being framed by the House of Representatives and sent back to us. I would strongly submit that the Office of Parliamentary Counsel should respond to the Clerk so that we are able, when we come back to debate this matter, to be informed by the Office of

Parliamentary Counsel as to exactly why this form of procedure is taking place, otherwise nothing will be gained. I would request through you, Chair, that contact be made with the Office of Parliamentary Counsel and that when we resume we have that response in hand and that we not resume until we do get that response.

The CHAIRMAN—I cannot guarantee that that will eventuate, Senator Brown.

Progress reported.

BROADCASTING SERVICES AMENDMENT (DIGITAL TELEVISION AND DATACASTING) BILL 2000

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

Senator CALVERT (Tasmania) (9.55 a.m.)—On behalf of Senator Eggleston, I present the report of the Environment, Communications, Information Technology and the Arts Legislation Committee on the provisions of the Broadcasting Services Amendment (Digital Television and Datacasting) Bill 2000, together with the *Hansard* record of the committee's proceedings, submissions received by the committee and tabled documents.

Ordered that the report be printed.

(*Quorum formed*)

Senator O'BRIEN (Tasmania) (9.58 a.m.)—by leave—Not more than 10 or perhaps 15 minutes ago this matter was adjourned to a later hour of the day. At that time Senator Bishop was in the chamber inquiring as to when the matter would come up. We received no advice that this matter would immediately be dealt with. I understand that Senator Bishop is intending to seek leave to take note of the report. To deal with this matter, I would ask that his right, if it is possible, be preserved to do that. The normal courtesy would have been that we would have been told when this matter would be dealt with. If there is an understanding that Senator Bishop may seek leave to be granted to take note of the report at a later hour of the day, then I am happy that we proceed now accordingly.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.59 a.m.)—by leave—My preference was to have that report tabled after question time for the obvious reason that it would eat into opposition time and not scarce government business time. I was advised by the Clerk that, when a report is available for tabling, I am honour bound to have it tabled. Apparently that is the normal thing.

Whenever people seek leave to speak on reports relating to bills that have been referred through the selection of bills process under standing order 24, I make a short statement saying that I think it is undesirable that those debates take place then, because clearly the debate on those bills is listed on the *Notice Paper* and will ensue shortly; but, being a pragmatist, as I have come to be in this job, we do not refuse leave. I understand that Senator Bishop or any other senator can seek leave between any other item of business to deal with this. That is his right and I will not interfere with it.

I foreshadow that I will grant leave to Senator Bishop, but could I point out that standing order 24A(10) says this:

A report from a standing committee relating to a bill referred to it under this order shall be received by the Senate without debate, and consideration of the report deferred until the order of the day relating to the bill is called on.

I remind all honourable senators that is the standing order and that the subject of the report that Senator Bishop will be seeking leave to speak on is listed on the *Notice Paper*. It is a high priority for the government, and we will be sending out the schedule for the next fortnight within a few hours. You will find it is listed high on that *Notice Paper* and, therefore, within a couple of hours of Senate sitting time it will be a matter for debate. To debate these items by leave when the report is tabled is a clear and unadulterated waste of Senate time, creating repetition and delaying the passage of legislation. It clearly delays it. The debate can occur, as the standing orders make quite clear, when the bill comes on. It is a clear waste of the Senate's time and could be perceived—I am sure it is

not on this occasion—as a form of obstructionism and time wasting.

Senator MARK BISHOP (Western Australia) (10.02 a.m.)—by leave—I move:

That the Senate take note of the report.

You may be able to help me, Mr Acting Deputy President. Has the report of the legislation committee been tabled?

The ACTING DEPUTY PRESIDENT (Senator George Campbell)—Yes, it has.

Senator MARK BISHOP—Thank you. I just want to take a short time to address a few matters arising out of the bill. At the outset, I should say that there has been a very short time involved in the preparation of a rather lengthy report by both government and opposition, arising out of a very large bill, tabled less than one month ago in this place.

There were in excess of 40 submissions received by the committee in a week. There were almost 20 hours of public hearing on the digital television and datacasting bill, and the committee concluded its hearings last Thursday at about 9 or 10 p.m. The report is being tabled now and, as I understand it, will be listed very early when we return to this place after a week's sitting break. There has been quite an unreasonable time frame from beginning to end, and the government's desire for haste has compromised the ability of relevant industries to formulate detailed responses to the inquiry.

The ALP minority report addresses critical issues in the bill within the framework of the 1998 legislation. It should be noted at the outset that there was and is criticism of the 1998 framework because of uncertainty facing HDTV around the world, technological convergence, and aspects of the current bill which go beyond understanding around the 1998 framework legislation. Labor senators address in some detail in their report the following issues: datacasting, multichannelling by the national broadcasters, spectrum loan to commercial TV stations and HDTV, enhanced programming, and a series of reviews which are part and parcel of the bill.

I will turn to each of those points in a little more detail. In respect of datacasting, which is a critical emerging industry for the passage of information in our society, Labor senators,

after consideration, came to the view that the definition of 'datacasting' as it stands in the bill is overly restrictive, complicated and goes beyond restricting datacasting to services that do not constitute broadcasting. Labor senators believe that, while datacasting cannot be de facto broadcasting, the definition should be amended to remove the artificial and unnecessary limitations on datacasting. Labor senators believe it is crucial that this emergent industry is not stifled in this development and innovative capacity by overly restrictive regulation and that the benefits for Australia's technological advancement, improved consumer services and employment and economic opportunities should not be constrained. Accordingly, Labor senators oppose the genre based content definition of datacasting and call upon the government to withdraw from that approach. Labor senators support an approach that favours flexibility, minimises barriers to entry and allows new services to develop over time.

In respect of the national broadcasters and datacasting, we regard the decision to impose datacasting fees on the national broadcasters as quite silly or nonsensical and call upon the government to reverse that decision. Similarly, the opposition senators believe that the national broadcasters—the ABC and SBS—should be allowed to broadcast radio programs for datacasting purposes. In respect of the datacasting transmission licences after the broadcast moratorium, Labor senators believe it is important that the post-moratorium arrangements for datacasting licences, which have a term of 10 years with a five-year option, be considered by early review.

Turning to multichannelling, perhaps the second most important issue in the debate around the bill, Labor senators believe that there is broad support for allowing the national broadcasters the ability to multichannel. Labor senators see no valid justification for denying the national broadcasters the ability to multichannel, particularly when those arguments are balanced against the resultant benefits.

In terms of the debate concerning the spectrum loan to commercial television sta-

tions and HDTV, there is some industry criticism of the government's policy decision to loan spectrum to commercial free-to-air broadcasters for the purpose of conversion to digital and HDTV. Labor senators believe that the arrangements mandating HDTV require early review to assess the continued mandating of HDTV broadcasting. In terms of enhanced programming, on the evidence it is a not unreasonable conclusion that the provisions of the bill allow simultaneous multiple broadcast of distinct substance, which could constitute de facto multichannelling. This allows the free-to-air broadcasters to compete with multichannelling services offered by the pay TV sector. After consideration, Labor senators have come to the view that the bill should be consistent with the minister's previous policy indications of what would comprise enhanced programming and the circumstances in which multichannelling in the case of an overlap would be permitted so that commercial free-to-air stations do not engage in de facto multichannelling.

In terms of the series of reviews that are part of the bill, in recognition of the transitional nature of the legislation the opposition is of the view that it is highly desirable that its consequences and efficacy are measured over the coming years to ensure that parliament's policy objectives are being properly and effectively implemented. Labor senators believe it is critical for the proposed reviews to be instigated, completed and their findings considered in a timely manner consistent with the industry's requirements for certainty. Accordingly, Labor senators believe it is pertinent for the reviews to be transparent and accountable to parliament. As such, they should be statutory and required by the legislation.

I was requested to be brief in my remarks. I just repeat that the critical issues of datacasting, multichannelling by commercial broadcasters, the spectrum loan to commercial television stations and HDTV, enhanced programming and the series of reviews are the matters the opposition senators have concentrated on in the bill process. Whilst we briefly addressed other matters raised in the public hearings, they are the critical matters in the bill and they are the matters we will be

most likely moving amendments on when the bill is debated.

Senator HUTCHINS (New South Wales) (10.09 a.m.)—I just want to speak briefly on the **Broadcasting Services Amendment (Digital Television and Datacasting) Bill 2000** because I know we will have an opportunity to speak in more detail in the next session. I must say that I was intrigued by a number of the definitions that were bandied about. I think we are the only country in the world that has this term 'datacasting'. From what I see as the definition of datacasting, it is pretty much a joke in terms of the technological age we live in. From what I understand from talking to people who are knowledgeable in the industry and particularly in communications, this is a modern equivalent of putting someone with a red flag in front of a modern motor vehicle and walking down the expressway. We have modern technology now being restrained by what might be new technology.

I was very impressed by the evidence given by Mr Encel, who was very concerned about the introduction of this new technology. He very much doubted whether the HDTV would bring the benefits to Australia that are being enunciated by people. If we extrapolate from the US experience, he said that on the basis of the percentage of the number of Australians as opposed to Americans we would only have 250 HDTV sets purchased here. The main reasons are the cost and the consumer resistance to it.

I have been asked to keep my comments short. In conclusion, I would like to say that I was very impressed by the people that came along from captioning. I was very impressed when they made the comment that the proprietor of Channel, Mr Kerry Stokes, seems to have gone out of his way to make sure captioning has been available to a large degree on his Prime Television. Mr Stokes, who I understand did not come from a privileged or advantaged background, I would think knows what it is to be disadvantaged and to be held back in this world and he has certainly done his bit for people who are hearing impaired.

Question resolved in the affirmative.

**FUEL SALES GRANTS BILL 2000
PRODUCT GRANTS AND BENEFITS
ADMINISTRATION BILL 2000
FUEL SALES GRANTS
(CONSEQUENTIAL AMENDMENTS)
BILL 2000**

Second Reading

Debate resumed from 11 May, on motion by **Senator Heffernan**:

That this bills be now read a second time.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (10.12 a.m.)—These bills are on the *Notice Paper* at No. 2. The **Local Government (Financial Assistance) Amendment Bill 2000** is on at No. 1, but my understanding is that the government does not wish to proceed with that bill today. In any case, I might say the minister is refusing to answer questions, which I think is a very disgraceful performance by him. It is something that we will have to pay attention to when that bill comes back on.

Let me turn to the bills now before the chamber. The **Fuel Sales Grants Bill 2000** and related bills are but another example of the incompetence of the minister responsible for the detailed implementation of the GST, Senator Kemp, to try and win favour with the vast, vanishing support base for the GST in country Australia. As the government continue to realise the devastation they are about to wreak on rural and regional Australia, they have finally realised what the ALP has been saying since 1998, that is, that the GST will push the price of petrol up in the bush and the gap between rural and city petrol prices, otherwise known as the fuel price differential, will only get worse thanks to the GST. After all, it is simple arithmetic. If you are living in Kalgoorlie and paying 10c or more per litre for your petrol than if you were living in Perth, then when it is taxed by 10 per cent under the GST you will pay an extra cent on your petrol. That is because of the percentage nature of the tax. So there is in-built discrimination in the GST against people living in country Australia, where there are higher costs for most consumer goods.

This package of bills seeks to provide a tiered system of grants for petrol sales to

consumers in the bush with a higher rate of grant to be provided to sales in more remote rural areas. The scheme is estimated to cost \$500 million over four years from the financial year 2000-01, although at the recent Senate estimates committee hearing we discovered that another \$19.6 million will be required to operate and administer the scheme. A central component of this cost is an as yet undefined centralised computer system that will link all of the participating service stations to a central computer database. No doubt they will provide confidential information to the ATO for the government to use, as it has done in the recent ABN application of information on the Australian electoral roll.

This scheme, though, represents a vindication of the position argued by Labor going back before the last election, when we pointed out that including petrol in the GST would widen the city-country petrol price differential. For a long time the government resisted this argument and claimed it was not so, but this legislation is an admission and an acknowledgment by the government of the fact that the GST will indeed push up petrol prices in country Australia. The government's plan involves reducing the excise on fuel by a set amount, such as 7c or 8c per litre, and then imposing the 10 per cent GST on fuel. The formula will have effect depending upon the retail price at the time. For example, if the existing retail price of petrol were 77c, removing 7c of excise and imposing a 10 per cent GST, that is, 7c, would have no effect, therefore, on the retail price.

However, as anyone who has driven around the country or who lives in the country or who has spent any time in country areas will readily understand, at various petrol stations around the country there will be prices in excess of 70c per litre. Indeed, to cite Kalgoorlie, where my electorate office is at the present time, it is not unusual to encounter petrol prices of 98c per litre or more. Generally, the further away you get from the metropolitan area the higher that price differential becomes. For example, if you have a petrol station in country New South Wales which currently charges 87c, there will be a price effect whereby it reduces the price by 7c a litre for the excise reduction but then the

10 per cent GST kicks in. It would add 10 per cent of 80c, that is, 8c. The retail price in that country service station would increase from 87c to 88c because of the GST. There is still a price rise. There is still a widening gap between the city and the country. The city-country price differential increases.

Where a petrol station is very remote, as in outback Australia—and we are all aware of examples of that in the Northern Territory, Western Australia, remote western Queensland and New South Wales—the price will be even higher, which will mean greater than a 1c per litre increase. That price effect is an inescapable mathematical fact, despite the weasel words in the ANTS package that no petrol price need rise. It is important to remember that this is what the government said—that no petrol price need rise. If you just plainly look at the facts, that is not true.

To overcome the problem, various state ministers, the Prime Minister, the Treasurer and the former Deputy Prime Minister, Tim Fischer, were saying before the election that no petrol price would rise. That is palpably untrue. Despite their claims, Labor continually pointed out that this promise was undeliverable under the original ANTS package. Motoring organisations, and in particular the Australian Automobile Association, the most prestigious body representing Australian motorists, confirmed Labor's argument. The only ones in a state of denial are people like Senator Kemp and others in the government who are responsible for the design and implementation of the GST—although Senator Kemp has become universally known as the minister responsible for the detailed failure of the implementation of the GST.

We did see, though, at one stage the Treasurer, Mr Costello, actually attempt to walk away from the promise that fuel need not rise as a result of the GST. He did that on the Laurie Oakes *Sunday* program when he said that there were limits to that promise. Before the election a promise that petrol need not rise and after the election an admission by the Treasurer that there were limits to that promise. This was basically Treasurer Costello attempting to redefine the government's commitment from a core to a non-core promise—weasel words at their worst.

What the Treasurer was trying to do was to dud country Australia. We all know that Treasurer Costello has a contempt for country Australia. He hardly ever goes there or, when he does, it is in a Commonwealth car with tinted glass windows so he cannot be recognised. We know what the Treasurer's answer is to the problems faced by those in the bush. His answer is 'Cut their wages.' According to the Treasurer, people in the bush are paid too much and the only way you will get more jobs in country Australia is to cut the wages of rural and regional workers. So the Treasurer's solution to the problems in rural and regional Australia is to put up their fuel, impose a 10 per cent GST on almost everything they buy and, what is more, pay them less for their efforts. Is it any wonder that rural and regional Australian Liberal MPs are not clamouring to take the Treasurer on visits with them to country electorates? He is political poison.

What about the poor old pitiful National Party in all of this? Their *raison d'être* is to stand up for country Australia. They do not represent anyone anymore. Respected by nobody, least of all the Liberal Party and the Treasurer, in particular, they are no more than the old obedient and trusty sheep dog, ready to be trodden on and kicked about by their Liberal Party masters, led by the Treasurer. It is really quite sad—the grand old and once proud National Party firmly on the Costello leash, told where to stand, when to sit, when to speak and, on the odd occasion when they try to speak out, when to shut up. Like the old, tired, obedient sheep dog this is exactly what they do. Black Jack McEwen must be turning in his grave.

To look at these measures in a little more detail, I now turn to the main bill. The main bill establishes a grants scheme to fuel retailers in respect of sales in non-metropolitan and remote areas to end users. A grant will apply to all sales after 1 July. This bill is notable because it is particularly light in any detail at all. What it does is establish a registration system for the grants, but it does precious little else. It merely establishes a framework for the grants. To obtain a grant, a person has to register under the scheme, and there is simply no detail provided about the

key points. For example: where are the non-metropolitan locations that qualify for the grants? They are not set out in the bill. The government cannot tell us—and this was confirmed in the recent Senate estimates. This is the old argument on conurbations that we had previously and this is an argument that is being revisited: where are the boundaries for the fuel grants scheme? We need to know where the boundaries are to know who is eligible. If we do not have boundaries, we do not know who is eligible and there is confusion as a consequence. The bottom line is that Senator Kemp does not know because he is still waiting for Liberal Party headquarters to tell him where the final boundaries of the Liberal Party's most marginal seats will be as a result of the current redrawing of electoral boundaries. That is what politics in Australia has come down to: cut the boundaries according to political necessity; do not cut the boundaries according to economic need.

Senator Patterson interjecting—

Senator COOK—What we did see, Senator, in the case of the diesel fuel grants scheme, was a trip between Canberra and Queanbeyan qualifying for a diesel fuel grant, yet a trip between Melbourne and Geelong does not. Why was that? Because Queanbeyan is in the marginal Liberal seat of Eden-Monaro and Geelong is in the safe Labor seat of Corio; therefore, discriminate against Geelong, provide the grant to Eden-Monaro. So, until the government knows the final boundaries of the marginal seats, we will not know where the boundaries will be in the fuel sales grants scheme.

This is just one of the outstanding issues, but there are many more. For example: where are the remote locations that qualify for a higher level of grant? Again, they are not set out in the bill. We do not know. What is the rate of the grant in various locations? Again, they are not set out in the bill. We do not know. All of these issues are absolutely basic, fundamental points and are to be given to us in the form of regulations, we are told, at some as yet undefined time. We are told this bill is urgent, but we do not know when the regulations will be tabled that tell us the critical detail about how this bill in fact will operate. We once again have Senator Kemp not

telling the parliament or the community anything in the way of detail concerning this legislation, although to expect anything more from the Assistant Treasurer—we know on this side of the chamber—would be stretching his ministerial capability beyond anybody's expectation.

Put simply, this bill is a farce. It gets the newspaper headline; it announces '\$500 million'—and then quietly, 'over four years', and says that this is the answer to the prayer of motorists in the bush; but then it does not provide any detail to say how this prayer will be answered. One can be forgiven for assuming that the purpose of this bill was to get the headline and not deal with the problem. It does not clarify any of the details which are necessary for this parliament to evaluate the effectiveness of the scheme. This is a house of review. How can we review whether this legislation does what the government claims it will do, without the detail? We are most concerned that the government have not yet actually settled the detail of the boundaries, yet they are able to tell us with certainty how much the scheme will cost. They know the price, but they just cannot tell us how it will be spent. All we have is the Treasurer's announcement that non-metropolitan locations will get 1c per litre grants and remote areas will get 2c or, possibly, more. Where is the detail? It is clear that this is a proposal arrived at on the run in the government's panic about being caught out, yet again, on another undeliverable GST promise.

Let me also make the observation that this scheme is not a benefit, as the government would portray it to be and would have us believe it is, but simply an attempt to offset an adverse impact of the GST on the country price differential. Therefore, to portray it as some sort of gift to regional and rural Australia is wrong. It is in fact ameliorating damage to regional and rural Australia. Because we do not have the detail, to what extent will it succeed? And one knows, because of the price differentials, it is unlikely to succeed all of the way—but it will not even do that. We had evidence presented to the Senate estimates committee that the full \$500 million will not even flow through to consumers in the country. This is because the government

has admitted that petrol station participants can offset the cost of complying with the grants scheme from the grants they have received from the \$500 million that has been allocated. But guess what: the government cannot even tell us what the compliance costs will be. So we have a scheme with no boundaries, no rates, no idea of how much it will cost in terms of compliance and no idea of how the \$500 million was calculated in the first place. 'Think of a figure' appears to be the way in which it was approached. Yet we are told with certainty that it will ensure that the price of fuel need not rise as a result of the GST. Wait for the horse laugh from country Australia!

The government can rely on hope, because this is the only thing they have going for them in these circumstances. What we do know is that the GST will put up the price of fuel in the bush; the GST will worsen the city-country price differential. The government's only answer to this problem and others in the bush is to slash the wages of rural workers, as outlined by the Treasurer and aided and abetted by the tired old, but obedient in this case, National Party. This is the perverseness of the government's position. They want to put up the price of petrol in country Australia, put a brand new 10 per cent GST on almost everything people in the bush purchase, and the Treasurer wants to slash their wages with which they are to pay for the higher priced fuel and higher priced goods and services as a consequence of the GST. That is the government's plan for regional and rural Australia. No wonder Senator Macdonald is not in the chamber to face the music.

I also note that we have before us the [Product Grants and Benefits Administration Bill 2000](#). As with the main Fuel Sales Grants Bill, this bill is deficient in terms of detail. We are not told in this bill how often the grants are to be paid, or what the base is for calculating the grants. That is not there. Is the basis past sales, or is it anticipated sales? No detail given. Is the grant subject to income tax in the hands of the recipient? We do not know—no detail. What records have to be kept in order to satisfy the requirements of the scheme? We still do not know. The gov-

ernment criticises those who criticise that there is insufficient information to enable small business in this country to prepare for the GST. If they put through legislation like this with no detail, how can small business be expected to know what they are supposed to do? Since ignorance of the law is no defence, if the law is unspecific and no-one knows, how can they then be prosecuted if there are breaches, or how can they then be denied an entitlement if the government will not tell them what they should do to apply?

We can see that this bill covers such administrative matters as method of registration and cancellation of registration; assessments and payments of claims; record keeping requirements; compliance enforcement measures, such as those against schemes which attempt to abuse the grants scheme; recovery of unpaid debts; penalties for false statements, et cetera, and information gathering and access powers for the Commissioner of Taxation, including secrecy provisions. In regard to the secrecy provisions, given the ATO's form to date, one has to question how protected confidential taxpayer information will be. We know that some taxpayer information is being sold by the tax office. I would therefore like to ask Senator Kemp this: once the government has its centralised fuel grants scheme computer database up and running, what, if any, information will be publicly available? What, if any, taxpayer information will be made available for sale? And will the government be using this database in order to conduct another taxpayer funded mail-out?

Labor understands that this scheme represents some form of compensation for the GST and, accordingly, the Labor Party will not be opposing these bills. We do commend the government for finally admitting that the GST will force up the price of fuel in country Australia. It has been our consistent position throughout the GST debate that, while we oppose the GST and believe that the compensation measures are inadequate, they should not be opposed; and we will not be opposing them. I move Labor's second reading amendment:

At the end of the motion, add:

"But the Senate condemns the Government for worsening the city/country fuel price differential by imposing a GST and imposing a costly, complex, and uncertain new layer of compliance burden on fuel retailers."

In the last seconds available to me, I also draw attention to the fact that the Labor Party spokesman on small business, Joel Fitzgibbon, has put in a private member's bill to help deregulate fuel pricing in the country. It is a pity the government voted it down. (*Time expired*)

Senator RIDGEWAY (*New South Wales*) (10.32 a.m.)—I rise today on behalf of the Australian Democrats to support the concept behind the **Fuel Sales Grants Bill 2000** and the package of related bills. I want to note some matters which the government could consider in the regulations to be made under this bill—specifically, the number of, and amount given to, the grant categories. I will not speak too long on the matter, but I do want to take the chamber to some particular issues.

On 11 April, when the Treasurer and the Assistant Treasurer announced the fuel sales grants program, the Australian Democrats welcomed the announcement of the \$500 million grants scheme to equalise fuel price effects in regional Australia following the introduction of the GST. A grants scheme is certainly preferable to greater cuts to excise rates across the board, which would have delivered lower fuel prices to city motorists, significantly reduced revenue and actually increased fuel price disparity. Our concern is much more about the city-country fuel price disparity. On 11 April I also acknowledged that it was the obvious way to equalise GST effects and that, had an across-the-board reduction in excise been used as the mechanism for the government to keep its promise, the country-city fuel disparity would have increased. So the Australian Democrats, at an adviser level and publicly on the record, had discussions with the government about such a scheme. These discussions were undertaken with the view that the grants should be done on the basis of transportation costs.

The current excise arrangement sees the government attain something like 44.15c per litre for unleaded fuel and 46.6c per litre for

leaded fuels. This totals to \$13 billion or \$14 billion per annum. With the implementation of the GST, the government will need to adjust down the current excise levels to be able to not significantly increase fuel prices from 1 July. As all of us are all too aware, there is a serious disparity between the petrol pricing in the cities and in rural and regional areas around the country. This will mean that a straight reduction in the excise will not prevent an increase in fuels in rural and regional areas, if it is pegged particularly to the average retail price in the cities. The Australian Democrats recognised some time ago that a method of altering the excise or some other rebate scheme is necessary to avoid greater disadvantage to rural and regional areas than already exists as a result of lower levels of competition and, particularly, higher transportation costs.

As a matter of fact, and I note what the Labor Party have said, the GST presented an opportunity for one of the three elements of petrol price disparity to be removed—that being the cost of transportation—hence leaving only lower through-put levels with competition and the number of sites as issues that need to be addressed in helping deal with the country-city fuel price disparities. The government's policy document, *Tax Reform: not a new tax, a new tax system*, released in August 1998, stated:

At the time of the introduction of the GST, the Government will reduce excise on petrol and diesel so that the pump price for these commodities for consumers need not rise.

To achieve that particular promise, it was estimated that the rate of excise would need to be reduced by 7c a litre, with the reduction being replaced by the GST payable. Businesses, of course, able to claim input tax credits will be able to claim the amount of GST on petrol. The promise made then was repeated a number of times during the campaign for the October 1998 election. I want to put on the record that the Prime Minister stated:

And because the price of petrol at the pump doesn't rise you will find in business that your petrol is seven cents a litre cheaper.

Later on he said:

The price of petrol at the bowser will not go up ... The excise will come down by the amount that is the equivalent of the GST and the price will not go up 1 cent at the bowser.

I think one of the difficulties in being able to implement the promise arises from the fact that, in regional and remote areas, petrol prices are generally higher than in metropolitan locations. The addition of a 10 per cent GST to a higher base price will result in the final price being greater than adding 10 per cent to a lower base. For example, if petrol in a metropolitan area retails for 77c per litre and excise is reduced by 7c per litre, the addition of a 10 per cent GST will result in the same retail price of 77c per litre. However, if the retail price is 90c per litre in a regional or remote area and excise is reduced by 7c per litre, the GST will be added to a base price of 83c per litre, leading to a final price of 91.3c per litre. This essentially means that the retail price has increased by 1.3c per litre, due to the replacement of part of the excise payable with the GST. Recently, these issues have come up in Tasmania, where they have seen prices of over 90c per litre in category; whereas in Sydney it has been, in places, just over the 80c mark. So, as prices increase in both metropolitan and regional and rural areas, it can be expected that the additional amount payable, due to the GST, will in fact increase.

However, whether prices have been reduced at the pump by the amount of the grant will depend on the prices charged throughout the supply chain, which will involve a number of decision makers. I want to take the Senate to a number of examples. If a wholesaler decides to increase its price or reduce a current discount to a particular outlet in an area, or to all outlets in an area, there is going to be difficulty, in the absence of any contrary evidence, in determining that it is due to the grant being offset. These are things that I think the government needs to take note of. While the ACCC may be successful in determining where prices have increased to make a windfall gain of the grant amount, the matter must be in doubt, given the current relatively much greater variations in prices. With regional prices currently varying from the metropolitan price by large amounts, for example, from 0.2c per litre in Berri through

to 7.9c per litre in Bateman's Bay, I think the challenge for the government is really about ensuring that the grant is not exploited in the future. That would appear to be a difficult task to police.

It was for this reason that the proposal the Australian Democrats worked on had eight categories, starting from 0.5c per litre to 4c per litre. Although this made it slightly more difficult to set up, the information systems available these days would mean that the paperwork would be no greater than what is currently required. There is one thing that the Democrats' policy did deliver—that is, a more realistic representation of what the cost differentials are. Also important is that the logic behind our scheme is, as alluded to earlier, the removal of transportation costs from the fuel equation. As it stands at the moment, I am not quite sure whether what the government has proposed will deliver what it expects. I might add that, although we suggested eight categories, it is also costed at approximately \$500 million over four years.

I think that the ACCC is going to have its work cut out in attempting to see that this grant is passed on. This is especially true considering the lack of transparency that continues to exist in this industry. I hope that the Treasurer and the government do give consideration to changes to the structure. I look forward to the government getting serious about change in the petroleum industry generally. The industry wants an oil code, some security in tenure and a program that will help small petrol station operators exit the industry where it is unviable for either them or their market to remain. There are smaller and smaller margins at all points within the industry. I think it is these smaller margins that, for the most part, have contributed to the industry being subjected to some 47 inquiries over many years. It is also of concern that only a small proportion of the excise is actually marked for infrastructure development, with the remainder being placed into consolidated revenue. These are important points, because I think moneys from the excise really need to be marked for both road and rail development. Moneys need to be made available to help make some of the structural changes needed to make this

industry, again, one that is viable for small business operators.

The **Fuel Sales Grants Bill 2000** and the related bills are, I believe, a step in the right direction in assisting rural and regional Australia. It is a step in the right direction towards dealing with petrol price disparity. It is, however, a pity that it appears this is the only step being made to address the problem. It is tragic for public policy that this has only come about as a result of the effects of the GST. It is a problem that existed well before then.

The Australian Democrats support the bill. However we believe that, as it stands, it will not deliver on the government's election promises that fuel prices would not increase. As such, I would encourage the government and the Treasurer to seriously consider the issues I have raised today when implementing the regulations for this bill and the package of related bills. Finally, I also note the circulation of late amendments on behalf of the government to improve the capacity of the ACCC to police. I can flag now that we have no difficulties in supporting those. I note also the amendment moved on behalf of the opposition by Senator Cook, and I flag now that we will not be supporting that.

Senator SHERRY (Tasmania) (10.43 a.m.)—The **Fuel Sales Grants Bill 2000** and related bills do a number of things in respect of fuel prices in this country. Firstly, they provide a tiered system of grants for petrol sales to consumers in non-metropolitan areas, with a higher rate of grant to be provided for sales in remote areas. Secondly, they standardise the administrative framework for grants and benefits administered by the Commissioner of Taxation. Thirdly, they ensure that the grants are covered under the Taxation Administration Act 1953, like other taxes in such areas as prosecutions, offences, et cetera. The estimated cost of the scheme is \$500 million over four years, from the year 2000-01. It is important to point out that this is an additional cost to budget that was not factored in to the government's tax package that was taken to the last election.

From Labor's perspective, the bills represent a vindication of the criticisms we made prior to the last election that a differential in

petrol prices between urban and rural and regional areas would emerge and that the differential would get worse as a result of the GST. The Liberal-National government's plan involves reducing the excise on fuel by a set amount—for example, 7c or 8c a litre—and then imposing the 10 per cent GST on top. The effect of this formula will depend upon the retail price at the time. For example, if the retail price of petrol is 77c, the 7c on excise will be removed and a 10 per cent GST will be imposed, which is equivalent to 7c, and there will be no effect on the retail price. However, at many petrol stations in rural and regional areas, some prices are above 77c. Generally, the further you go from the major metropolitan areas, such as Melbourne and Sydney, the higher the price differential for petrol.

If you apply the formula to a petrol station in my home state of Tasmania which currently charges 87c—and I would say in passing that the petrol prices in Tasmania have been up to \$1 in the last few months, but I will use 87c by way of an example—you would face the following price effect: there would be a reduction of 7c a litre for excise, you would then add 10 per cent GST, which would add 8c on top. So you end up with an additional 1c a litre on a base of 87 cents. To use my home state of Tasmania as an example, petrol is higher than 87 cents—generally in the low nineties, depending on where you purchase it—so, as a result of the GST, people in Tasmania will face a higher petrol price of 1c plus. This is in stark contrast to the commitment given by the Liberal-National parties prior to the last election that this would not occur.

The price effect I have outlined is an inescapable mathematical fact. It is based on the fact that petrol prices in most rural and regional areas are higher than in Sydney or Melbourne. The ANTS package—the government's propaganda document that they took to the last election—said that no petrol price need rise. To overcome the problems, we have had various government ministers—the Prime Minister, the Treasurer, and the then Deputy Prime Minister, Mr Fischer—pledging that no petrol price would rise. There is a clear difference between 'no petrol

price need rise' and 'no petrol price would rise'. This government ignored this problem prior to the last election, and Labor has continually pointed out that the promise that was made under the original ANTS package was undeliverable. It is not just Labor that has said this; motoring organisations have also done so. The Australian Automobile Association in particular has consistently confirmed Labor's arguments. Even that well-known public commentator, Mr Terry McCrann—who is not a favourite of the Labor Party's, I might say—has made very similar observations.

After the election, the Treasurer, Mr Costello, attempted to walk away from the promise when he said to Laurie Oakes on the *Sunday* program that there were limits to the promise. If you look through the government's document—the ANTS package—there were no such limits outlined prior to the election. The comment made by the Treasurer, Mr Costello, caused outrage, as it should have, in regional Australia. This in turn led the Prime Minister, Mr Howard, to very firmly rebuke the Treasurer the following day by saying that the promise would be honoured in full. The comments by the Treasurer, Mr Costello, came a short time after his famous pre-Christmas message to Australians who live in regional Australia that they should take a cut in their wages. After two or three attempts to clarify what he meant, the Treasurer backed down on that matter as well. I might say that there was considerable criticism of the Treasurer in respect of lower wages in rural and regional Australia, and not just from our side of politics.

The **Fuel Sales Grants Bill 2000** establishes a grants scheme to fuel retailers with respect to sales in non-metropolitan and remote areas to end users. This grant will apply to all such sales after 1 July. The sale is when the fuel is delivered, not when it is paid for, and the bill establishes a framework for these grants. In respect of these, there simply is not a great deal of detail about some critical issues—for example, which non-metropolitan locations qualify for the grants, which remote locations qualify for the higher grants, and the rates of grants at the various places. We

have to remember that there are about 5,000 petrol retailers in this country, so it is a very important issue. The details have not been released to the public, other than the Treasurer announcing that non-metropolitan locations will get 1c per litre grants and remote areas will get 2c. This bill is simply a farce when it comes to dealing with these issues—it does not clarify what are the critical issues to evaluate the effectiveness of the scheme. Just like the diesel fuel grants for heavy transport vehicles, the government has not settled the details of the boundary changes.

We have seen a number of examples of major changes to policy, carried out on the run, with respect to the GST. We had another example in the other place yesterday, when Minister Anthony rolled out the so-called compensation for people who were not to benefit from tax cuts as a result of the implementation of the GST. I would also point out that it is the responsibility of the Assistant Treasurer, Senator Kemp, to give us the details—it is one of his tasks delegated from the Treasurer. We look forward to his providing us with the details, but they should have been provided long before this.

The grants and administration bill will impose further compliance requirements on petrol retailers in this country. As if the GST itself is not going to be difficult enough, they will have an additional compliance burden placed on them. The cost of compliance will obviously be met by the retailer, and most of these petrol retailers are small businesses which are battling. But this legislation does not make this point clear. It is not known whether it is expected that the petrol retailer will have to make a loss as a result of them having to administer this particular scheme. So you have petrol retailers caught in a vice-like grip of administrative bureaucracy as a result of the GST package. On the one side they have to meet the requirements of the introduction of a GST and, on the other side, they are going to have to administer this grants scheme. How on earth do petrol retailers work out the costs of compliance when many of the details in this scheme are simply not provided? How often are the grants to be paid? What is the base for calculating the grants? Is it going to be past sales or anti-

pated sales? Is the grant subject to income tax for the recipient? What records have to be kept in order to satisfy the requirements of the scheme? The Assistant Treasurer, Senator Kemp, should come into this chamber and explain these details. It is obviously important to us as legislators, but it is particularly important to petrol retailers in this country, especially with the GST due to start in a few weeks.

There are two other points I want to deal with with respect to this legislation. The enforcement role of the ACCC is important with respect to petrol prices in this country. My colleagues, Senator Murphy and Senator Conroy, and I spent some time exploring this issue with the ACCC in front of Senate estimates last week. We asked questions of Mr Asher, who was representing the ACCC—Mr Fels had gone off to do another press conference, but that is another story.

Senator Schacht—The three millionth press conference?

Senator SHERRY—I think it was No. 299, according to the press release I was questioning Professor Fels about. Anyway, we can check that later for accuracy. It is certainly a substantial number so far this year. Mr Asher could not give a guarantee that fuel grants would be passed on to Australian motorists. So the ACCC—the regulator of the GST implementation in this country; supposedly there to ensure that there is not exploitation of consumers—cannot give an undertaking or a guarantee. Mr Asher was refreshingly frank when he said that they could not give a guarantee. He explained the practical difficulties in managing the schemes we are considering in this legislation. He pointed out that there are 5,000 petrol retailers in the country and that the ACCC would be monitoring about half of them. Under very incisive questioning from my colleagues, he explained that it was very difficult to monitor all 5,000 petrol stations in Australia. Of course, it is particularly difficult to monitor those petrol stations in rural and regional areas for obvious logistical reasons in terms of distance. So there is no guarantee that, when this scheme is implemented, motorists will benefit and that we will not see an increase in

the price differential in at least some rural and regional areas.

Unfortunately, we do not have the transcript available yet, but we did go to the point of whether or not a petrol retailer can absorb their compliance costs within, effectively, the subsidy paid to them to pass on to consumers, and the ACCC were not able to clarify this point. I put it to the Senate: with additional compliance burdens being placed on petrol retailers in this country—the vice that I referred to earlier—is it fair and reasonable for them to have to carry the additional costs, the paperwork, the bureaucratic burden? I would suggest that it is not. I would suggest that petrol retailers in this country, small business operators, are really going to be scrutinising this government and casting a harsh judgment, along with many other small businesses, at the next election.

There is one other point I wish to make—and I will conclude on this point—and that is the failure of the National Party, yet again, to defend the interests of people living in rural and regional Australia. It is not only with respect to petrol prices—

Senator Quirke—A sad failure.

Senator SHERRY—It is a sad failure. The performance of the National Party in recent times is somewhat pathetic with respect to not only the price of petrol in rural and regional but also the GST itself. How on earth could the National Party, supposedly representing farmers, accept the proposition that the implementation of a GST would be offset by income tax cuts, when half the farmers in this country do not pay income tax because they are not earning anything? They are drawing down on their capital; so they in fact have negative incomes at the present time. How on earth can the National Party be effectively not just conned but trampled on by the Liberal Party with respect to the GST? How on earth could the National Party accept that many farmers in this country are going to suffer as a result of the GST? There is no effective compensation. I had a discussion with a number of small farmers down at the Forth Pub about this issue a couple of weeks ago, and they pointed that out to me in no uncertain terms.

We have got two streams in the National Party in this country. We have got the old socialist strain, as represented by Senator Boswell. Senator Boswell is fairly rough and gruff but he believes in socialism, as long as socialism starts 50 kilometres outside the CBD of Brisbane, Sydney or Melbourne. Senator Boswell is an old-style socialist. Then we have, for example, Senator McGauran, a more urbane, smoother intellectual type in the National Party. He may as well be a Liberal. But the point is that Senator McGauran and similar National Party members have the predominant say in the National Party caucus and they are constantly overruling the attempts of people like Senator Boswell to defend the interests of people in rural and regional Australia. I do not know why the National Party simply do not pack up and those who are effectively Liberals join the Liberal Party and those who are effectively the old-style agrarian socialists like Senator Boswell join the Labor Party.

Senator Kemp—An invitation.

Senator SHERRY—I notice, Senator Kemp, that the National Party's Senator McGauran, because of the coalition deal in Victoria, was actually ahead of you on the Senate ticket. That does highlight at least one of the motivations for the National Party trying to continue in existence. But the basic fact is that the National Party, in respect of the GST, in respect of the issue of petrol prices and in respect of basic education and health services in rural and regional areas, has been a manifest failure in defending the interests of rural and regional people against the urban economic interests of the big end of town, the Liberal Party. This bill is further evidence of the National Party's increasing irrelevance in this country and its failure to represent rural and regional interests. We have seen this highlighted in a number of recent electoral outcomes, where the National Party has been defeated in a number of rural and regional areas, as it should have been.

I conclude my remarks by saying in summary that we are supporting this legislation. It is okay as far as it goes, but we still lack important details. It is yet another piece of legislation as a result of the GST. In the Senate we are going to see in the coming weeks

thousands of pages of amendments on the GST—more amendments. But this will not deliver the same outcome in terms of petrol prices for people in rural and regional Australia, particularly those that I represent in Tasmania.

Senator MURPHY (Tasmania) (11.03 a.m.)—The bills we are debating are the **Fuel Sales Grants Bill 2000**, the **Product Grants and Benefits Administration Bill 2000** and the **Fuel Sales Grants (Consequential Amendments) Bill 2000**. If we look at the general outline and financial impact statement, it says:

With regard to the Fuel Sales Grants Bill 2000, this Bill confers an entitlement to grants to be paid to registered sellers of petroleum fuel for sales to end-users that are made at an eligible location. The amount of the grant is to be calculated according to a method prescribed in the regulations.

It goes on:

The financial impact of this measure is estimated at \$500 million over four years. As the grants are entitlement based, the actual figure will vary depending on the total of eligible claims.

The first part of that statement says that the amount of the grant has to be calculated according to a method prescribed in the regulations. It is a very interesting set of circumstances, because we have not actually been able to identify yet where the 1c or the 2c will apply to, or in fact whether there is not a 3c a litre margin.

Senator Hutchins—Maybe in a Kellogg's box.

Senator MURPHY—That is possible, because I notice that the Treasurer said at one point:

Details on entitlement to the grant scheme, including the mechanisms for determining non-metropolitan and remote areas, along with the grant rates, will be prescribed in regulations to the legislation.

As Senator Sherry and Senator Cook pointed out, during the estimates process we asked a range of questions with regard to the conurbations or the lines on the maps where 1c will apply, what would determine the metropolitan area and the non-metropolitan area and how you then further determine remoteness in terms of how this will actually apply. We were finding it very difficult and in fact could

not get any information. We were told the information would be forthcoming. The Treasurer also made a statement on 11 April. He said at that time:

We are using an established index that measures remoteness, and it applies from outside the built-up metropolitan area.

If it is so established, why couldn't we be given it and why couldn't we get responses to our questions during estimates? To actually work out your \$500 million, there had to be some assessment of the number of litres that have been sold in the respective areas, remote or metropolitan. You had to do that to make any judgment at all. So I think that the Treasurer's statement is probably half accurate and that there is some information about. The problem with the information is that it is still very much untested and there is still a lot of concern about exactly where you draw the lines on the maps. I do not think they have really finalised it at all. That is why the bill actually says the amount 'will vary depending on the total of eligible claims'.

Another aspect of that really relates to claims. What is the process here? We are told that there has been monitoring of a number of service stations throughout this country. I think the Treasurer said about 200; the evidence to the estimates committee was substantially more than that. I think there were about 8,300 service stations throughout the country, and we might find that up to half of these might be eligible for making a grants claim. I am not sure exactly what the circumstances will be—I suppose this will all become evident as time goes by—but it is very unfortunate that we are in a position where we have a proposal for legislation to go through this place and we have no idea about how it is really going to work; we cannot ask any questions about particular matters that relate to its operation. Going back to the compliance issue, we asked questions through the estimates process about the people actually administering this scheme—that is, the petrol retailers—and whether they are entitled to make some claim with regard to the administration costs associated with operating this grants scheme. Again, it was very unclear, although I thought the indication was that they would be entitled to make a claim

for administrative costs and I thought—and I stand to be corrected on this, and maybe the minister when he gets up can actually deal with this matter—that there was an indication that they could make a claim and the cost of administration to the retailer would come out of the \$500 million or whatever it might end up being.

There were also some other issues that arose with regard to administration and whether or not the scheme could be rolled. The ACCC gave us a range of evidence that went to the possibility of rolling the scheme and, despite its best effort, I think there is a major concern that rolling is a real possibility. Will all this be passed on to the motorist? The real intention of this is to ensure that the cost ratio, the cost differential, between city and country prices—or indeed prices per se, because that is what it comes back to—and also the price of petrol will not increase as a result of the GST, and I will add a bit more to that in a moment. How do we actually guarantee that this gets passed on to the motorist, the consumer? It is going to be very difficult. If we look at all of the problems that we have had associated with fuel substitution and the total inability to even begin to address those issues, I cannot see at this point how you can ever guarantee that these costs are actually going to be passed on to the motorist and that the retailers are not going to be just taking extra profit.

With regard to the cost impact on the consumer, we have had various statements over a period of time. I want to go back to some of those with regard to the cost of fuel as it relates to the introduction of the GST. In August 1998 the Prime Minister said:

The ordinary motorist will not pay any more for petrol. But, of course, they will not get that reduction. They will not pay any more. It won't go up. The price at the pump will be the same.

In September 1998—it was just a month later—the Treasurer said that no petrol price would rise as a result of the GST 'anywhere'. That is a fairly strong and expansive statement—and I notice that Senator McGauran is nodding his head in agreement with that. We also had Mr Mark Vaile saying the same thing at about the same time, on 14 January. This issue must have worked a few people up

into a bit of a fervour because on 14 January this year the financial services minister went one step further in respect of that. He said that petrol prices would actually fall. He said they would not go up, they would actually fall. I suppose it might have been part of the position of jockeying for advancement in the Howard government ministry.

Now we come to our very noble Senator Kemp. On 8 February he actually said that the government would 'stick to its policy'—we seem to be having great variation from falling petrol prices to no increase, to no increase anywhere—and that petrol prices 'need not rise'. We are going backwards again now. 'Need not rise'—there is no guarantee that it will not rise. Despite the Treasurer's commitment and the fact of the Prime Minister's commitment, Senator Kemp, being very much more conservative, said petrol prices 'need not rise'. Of course, we then got—I think it was the next day—the Prime Minister on 9 February coming out and saying:

The imposition of the GST is not going to produce an increase in the price of petrol.

So we are back on to no increase again—not 'need not rise' but no increase. Then with regard to the process it all started to gel, it all started to come out and it started to hit the government in the face that this was a major problem, and the Treasurer says, 'Well, there are limits on this.' With regard to the 'need not rise', the 'will not rise' and the 'and/or will fall' issue, how is it going to be the case that, with at least a six per cent increase in the CPI as a result of the GST, petrol prices will not go up? It is just not possible. Petrol prices will go up, and will go up quite substantially.

Senator Hutchins—Not in Collins Street.

Senator MURPHY—Probably not. Senator McGauran has probably got some arrangement there.

Senator McGauran—Yes, a service station arrangement.

Senator MURPHY—You are going to have a buffer, and the buffer might be—

Senator Hutchins—The Volvo.

Senator MURPHY—Yes, for those with Volvo cars the petrol price need not rise. But,

as I said, if you have an increase in the CPI of more than six per cent as a result of the GST, how is it that petrol prices will not go up? The Australian Automobile Association pointed out correctly the fact that, if you look at a 2c a litre increase—which I think is equivalent to a six per cent increase in the CPI; that actually bumps petrol prices up by about 2c a litre—the excise revenue that the government would get as a result of that would be about \$400 million.

It seems to me that there is a bit of a sleight of hand here. The government has made a promise to consumers on the price of petrol: 'To offset the introduction of the GST, we're going to give you one or two cents a litre off depending on where you live. But in the meantime you are going to be smacked with a huge increase in the CPI that is going to cost you at least 2c a litre more for your petrol and is going to give us the money to pay you in the first place.' I think the suggestion of the Australian Automobile Association was right: the government ought to consider, at least for a period of time, moves to offset that. But there has been no indication of that—none whatsoever. When we started off with the ANTS package, the slogan was 'A new tax system, not a new tax.' As if that hasn't been lost in the ether! It is a new tax, all right, and it is going to hit people very severely, particularly in respect of petrol.

I asked some questions on the petrol issue during the estimates process because I was curious about this whole monitoring issue—the administration of it and how we could make sure that people would not be ripped off. What has happened with regard to petrol prices in Queensland recently? Why has there been a significant jump in the price of petrol there? We know that Queensland does not have a state excise on petrol, but prices went up substantially there. I was unable to get from various officials any explanation as to why that occurred, so I find it difficult to accept that we are going to have in place an administrative process that will guarantee that consumers will not be ripped off. If occurrences in a state appear to be without any explanation and yet there are people who are supposed to be monitoring these things, then how is it that we cannot get an explanation?

As I said earlier, how is it that we are yet to work out exactly where the lines on the maps will be?

Let us go back to the statements that have been made consistently by the Prime Minister, by the Treasurer and by Senator Kemp. Senator Kemp has probably been the most consistent of any of them—at least he has only had the one line, which is that prices 'need not rise'. Earlier this year, the Prime Minister said, 'I can only repeat what patently is our case; that is, we are going to honour our commitment.' I respect the Prime Minister for making that statement, but there is nothing in place to underpin it. There is no explanation that would give any comfort to anybody that that can actually be achieved—none whatsoever. So we are here debating legislation that is going to go through this place, and we are the people charged with the responsibility of overseeing the government's policy in this respect, yet we have no explanations on where the lines are, the administration of it and how it is going to work—nothing. It is deplorable that the government has that sort of approach and that it expects us to accept it on face value. You cannot do that, because of all of the other aspects of your legislation and the promises that you have made, none of which have ultimately been delivered.

Senator McGauran—Wait till 1 July.

Senator MURPHY—Wait till 1 July! It is all going to happen, is it? The sky rockets are all going to go off on 1 July and it is all going to be hunky dory! It is all going to be okay! I would suggest to the minister that the 'wait till 1 July' scenario is simply not good enough. People have a right to know that, come 1 July, these things are actually going to occur. It is not the 'wait and see' theory here. It just does not work like that. And if the Treasurer were so certain that the \$500 million—

Senator McGauran—It's not \$500 million.

Senator MURPHY—I will take that interjection. So it is not \$500 million! Senator McGauran obviously knows more about it than the Treasurer or anyone else. Perhaps Senator McGauran will get up in a minute

and explain to us what the figure is if it is not \$500 million. It says \$500 million in the explanatory memorandum here, so I am going to look forward to Senator McGauran's contribution and explanation as to exactly what it is. You can tell us where the lines on the maps are at the same time, and you can tell us how you are going to get the thing administered. You can tell us that you are going to guarantee that the consumers will get the benefit of this, which is something that we will all wait with bated breath to hear. The government might also address its mind to the CPI increase that will occur as a result of the GST, because this is all critical to the statements of the Prime Minister, of the Treasurer and indeed of Senator Kemp that prices 'need not rise'. They are going to go up by at least 2c a litre as a result of the GST. There is no doubt about that. The government might like to address its mind to that and whether or not it is going to take any action in terms of delivering its promise—that is, the promise given from 1998 that petrol prices will not go up as a result of the GST. That is the challenge for the government. It is a challenge for the government to come in here, to explain this process, to make sure that people understand it and to make sure that it can carry out its commitments. You keep coming in here day after day and saying that you are delivering on them when in fact you are not.

Senator HUTCHINS (New South Wales) (11.22 a.m.)—I rise to support Senator Cook's amendment and to talk in this debate about the bills. As has been explained by my colleagues, the coalition went to the last election saying that people who lived in what might be regional and rural Australia—or in what is now being defined in this legislation as non-metropolitan and remote Australia—would not be any worse off because of the introduction of the GST. However, from the points that have been put forward in the debate so far, people in regional and rural Australia know that they will be worse off under the GST. As Senator Murphy has so eloquently explained, the coalition spokesmen, from the Prime Minister through the Treasurer to the Assistant Treasurer, in one form or another said that petrol prices in regional and rural Australia would not be any worse after the

introduction of the GST. As a result of their actions, they have tried to work out some sort of scheme which they hope will be a sop to country Australia. They hope that they will get themselves off the hook as a result of the introduction of this scheme.

As my colleagues have already explained, there are a number of deficiencies in this scheme on which we have sought information—questions we would like to see answered in the minister's reply. In particular there is the term 'non-metropolitan and remote areas in Australia'; however, as far as I can see from the legislation, there is no definition of that. We had this problem with the Diesel Fuel Rebate Scheme as well. Fortunately, we now do have maps that determine what are the metropolitan and non-metropolitan parts of Australia. As has also been explained by my colleagues, they seem to be very much drawn up in terms of what might be marginal seats and the impact on those marginal seats in regional and rural Australia.

One of the difficulties still outstanding in relation to the Diesel Fuel Rebate Scheme is the definition of 'a journey'. The industry, the Taxation Office and the department of transport are still involved in determinations of what might be the definition of a journey because of the hotchpotch scheme that the government has introduced. As we have explained ad nauseam, if vehicles less than 20 tonnes leave a metropolitan area, go into a metropolitan area, make deliveries and then return to that metropolitan area, we have not been able to get succinct answers as to where and when the rebate will apply for that particular type of vehicle. Similarly, we are not sure whether a vehicle that comes from a non-metropolitan area, makes deliveries into a metropolitan area, picks up again in that metropolitan area and then proceeds to return to a non-metropolitan area in whatever time may be determined is eligible. We are not sure whether the journey is defined on a daily basis or by the time the vehicle returns to the non-metropolitan area.

Senator McGauran—Blame the Democrats.

Senator HUTCHINS—I am afraid you are in government, Senator McGauran. You

are the people who allowed this scheme to be introduced. You are confusing not only the road transport industry but also their clients and essentially the consumers in Australia. People will not know exactly where and when they will be able to make an application for this rebate so that it will mean, in effect, as you would argue, that the price of goods will come down. I will bet London to a brick on this one that shortly you will be advised that those prices will not be able to come down because, with any particular item, road transport costs—and I am only talking about road transport costs—represent anywhere between 27 per cent and 30 per cent of the cost of the item. It is a big gamble on the part of the government to think that there will be an impact on goods and services as a result of the introduction of this diesel fuel rebate, because I do not think there will be. I think you will find that the impact of that will be well and truly seen in terms of the consumer price index. Here we are, once again, dividing up our own land in terms of people having access to rebates or taxation exemptions, and we are leaving other parts of our country suffering through having to wear that additional taxation.

We do not have a copy of the definition of what non-metropolitan and remote areas might be, but if you look at the guide of what the government did in terms of the Diesel Fuel Rebate Scheme, you can see that it is more attuned to the government's marginal seats campaign than anything to do with good economics. I will just point out one area. As I outlined during the debate on the Diesel Fuel Rebate Scheme, we looked at towns just in this vicinity. Vehicles that are less than 20 tonnes and over four tonnes in the Canberra region are not eligible for the rebate. If you go to Queanbeyan, in the marginal seat of Eden-Monaro, you are eligible for the rebate. However—and I am not sure how we will define this—if you are a service station in Fyshwick maybe you will not be eligible for the petrol rebate. I wonder, if you are a petrol station in Queanbeyan, whether you will be eligible for this rebate.

Currently, if you drive down the road here to the Shell service station at Fyshwick, for leaded fuel you will pay 94.9c a litre and for

unleaded fuel you will pay 91.9c. If you go across the border to the Mobil at Queanbeyan, which one of my staff was able to do this morning, you will find that leaded fuel costs 94.9c and unleaded fuel costs 91.9c. They are similar prices. However, under the determination of the government in relation to the Diesel Fuel Rebate Scheme, you will find that Queanbeyan, in the marginal seat of Eden-Monaro, may be defined as non-metropolitan or remote. I do not know whether we could define it as remote, but it may be defined as non-metropolitan. I wonder how the service stations are going to react in Canberra when there is an incentive, if a city like Queanbeyan is to be defined as non-metropolitan, of maybe up to 6c or 7c a litre in rebate available to that region. What will the service stations in Canberra be doing? I will tell you what they will be doing: they will be closing down.

As the government should know, a number of road transport operators have said that they are going to move their base out of Fyshwick and into the non-metropolitan region of Queanbeyan, which seems to me just an extension of the industrial belt of Canberra. So you could have an adverse impact unless we see what is defined as non-metropolitan or remote areas in determination of this scheme.

We have seen in the legislation that it is going to cost about \$500 million over four years, and it has come out in estimates that the implementation and setting up of this scheme—and the tax office has admitted this—is going to cost the tax office \$19.6 million. So all around this hotchpotch of a goods and services tax is starting to cost a lot of money for Australians. We will wait with bated breath to see what the benefits will be, but I can tell you that they will not be much. Let us look at the implementation of this scheme—and let us say that we are looking at a figure of 6c or 7c a litre being discounted. Petrol prices in Liverpool in New South Wales have often been used for comparison, and currently unleaded fuel is worth 86.9c and leaded is 89.9c. In what may be termed 'remote' Australia, at the Wilcannia service station in remote New South Wales unleaded fuel is 102.9c and leaded is 103.9c. If you go to Goulburn up the road from here, unleaded

fuel is 89.9c and leaded is 92.9c. Let us say we take 7c a litre away from each of those prices and then add the GST. Currently, the Wilcannia unleaded is 102.9c. With the rebate of 7c and then adding the GST, that goes up to 105c. So the price is increased by about 2.6c a litre. The leaded fuel—which I would imagine a lot of people in regional and rural Australia are still using—will go from 103.9c to 106c a litre. Big deal! They must be bringing home the bacon with those increases in the fuel price.

If some of the National Party senators moved out of their inner-city abodes, whether in Sydney or Melbourne, they might find that rural and regional people use a lot more fuel—petrol or diesel—than any other Australians. It is going to be a significant impost on them. With a vehicle that might take 60 litres when filled up—and they are going to do that at least three times a week—they are looking at paying at least another \$10 or \$12 a week to keep doing what they are doing now. And, as we have identified in a number of reports over the last few years, the level of incomes in regional and rural Australia is not as significant as it is in the metropolitan areas.

Senator Sherry—Mr Costello wants to lower it even more.

Senator HUTCHINS—Of course he does. And of course that is supported by Senator McGauran, Senator Boswell and Senator Sandy Macdonald. They are lap-dogs here in the chamber who slavishly follow the Liberal Party philosophy of deregulation, to the detriment of their natural supporters. As I think Senator Sherry so aptly put it, what would Black Jack McEwen be doing now? He must be spinning in his grave. He must be disgusted with the compliance and the slavishness with which the National Party have laid down to their Liberal Party masters.

Senator McGauran—He would be proud we are in government.

Senator HUTCHINS—He would not be proud of you. He would be turning in his grave, Senator McGauran. He may be proud of you, Senator McGauran, for your achievements, but I do not think he would be very proud of that party that he set up.

Mr Acting Deputy President, you know as well as I do that this is going to be a regressive tax on people in regional and rural Australia. It will hurt them in the pocket and it will further diminish the standing of those people for the National Party and their Liberal Party masters. I support the amendment moved by Senator Cook, and I think it should be supported by the house.

Senator SCHACHT (South Australia) (11.35 a.m.)—This is an amazing package of bills. Each of the three second reading speeches is on one sheet of paper, but most of them do not even fill a page. Yet this is a measure which, according to the explanatory memorandum, is going to cost \$500 million over four years; \$125 million is the estimate. I have to say the figure of \$500 million shows that Treasury may well have advised the minister to throw a dart at a board and he hit 500—that is as good a guess as any.

I suspect the reason that these bills have got such a poor and limited explanation, with not even a page for each bill to introduce this measure, is that Treasury are running dead on this measure themselves. Treasury know that this is a policy outcome that has got an extraordinary number of holes in it. Any Treasury official from the rationalist school of economics—well trained at Sydney University or Chicago University, with a Friedmanite attitude—would say, ‘This is something we don’t like, but our political masters have told us we have to prepare something. We will do the least amount possible to explain this measure. We don’t want to have our fingerprints anywhere over it, because we know that, in a very short period of time, the measure won’t meet the promise of the government to maintain the petrol prices in rural and regional Australia at levels that exist prior to the introduction of the GST; and, secondly, its administration is going to be a classic of maladministration, endless amendments and endless complaints.’

It will drive small business mad. It will drive Treasury and the Taxation Office berserk trying to administer this scheme. There will be people over in the Treasury building every night with cold towels around their heads and aspros in glasses of water trying to administer this scheme in a way that they can

swear on their hearts that the money is being spent in the way the scheme is devised.

Senator McGauran—Blame the Democrats.

Senator SCHACHT—Blame the Democrats, says the National Party. Goodness me! It is your policy to introduce the GST. Thank you very much, Senator McGauran. I have no doubt that the result of Benalla will be repeated all over Victoria if you go round saying your only defence is 'blame the Democrats'. As a kid who grew up in Gippsland where the McGauran family owns half the pastoral areas, I cannot wait to tell some of my relatives that the policy of the National Party in Gippsland is 'blame the Democrats'. I trust your brother will not be as dopey as you are and go round Gippsland campaigning if that is his only policy at the next election.

When you look at an outline given of the explanation, it is extraordinary. Let us just take the second reading speech. I will not go to any other comment in the press or the very good remarks by my colleagues in estimates exposing the shortcomings of the scheme. I will just use the government's own words on the proposal and how it is going to be administered:

Eligible locations and the rate of grants to be paid are to be prescribed in regulations.

I am informed by my colleagues that we have not seen the regulations. They are going to do this all by prescribed regulation. Are they in the bill? Are they attached to the bill?

Senator Kemp—You never see regulations until the bill goes through.

Senator SCHACHT—That is not true. It would have helped a little bit if you had given us some general idea of what the regulations would be. The reason you cannot even give us an idea might be that Treasury cannot even devise them or are not even thinking about them yet, or you do not want to embarrass yourself with this bill in the parliament by giving us some idea of what these complicated regulations will be.

Senator Sherry interjecting—

The ACTING DEPUTY PRESIDENT (Senator George Campbell)—Order! I would remind the senators we are in a second reading debate. We are not in committee.

Senator SCHACHT—The committee is going to be a farce, too. I would trust the Department of the Treasury is not so incompetent that it has not started to draw up some draft regulations. If that is the advice the minister is now being given from the advisers table, this just proves even further that Treasury is running dead on this measure and is going to do everything it can to walk away from it. The second reading speech goes on:

Further details about the entitlement criteria and how to apply for payments under the scheme will be provided in advance of the implementation before 1 July 2000.

It is 8 June today. Are they going to provide this in the next three weeks? I see an adviser is kindly shaking his head, I think in agreement. Why can't they provide them now while we are debating it here, so we can get some idea of what these criteria—

Senator Sherry—These days you have to put in software to administer it.

Senator SCHACHT—Yes. This is astonishing—three weeks to go. I suppose Senator Kemp has gone over there to chastise the advisers for their embarrassment and to tell them not to show their embarrassment to the Senate. The second reading speech continues:

The scheme will provide for advances to be made against grant entitlements. These will address cash flow concerns.

I bet you there will be cash flow concerns. Then it says:

Fuel prices will be monitored in the lead up to 1 July 2000 and fuel retailers will be expected to pass on to consumers the benefit of the fuel sales grant.

It says 'in the lead up'. Can we get an idea when you started monitoring prices? Was it today or was it three months ago? When did Treasury start monitoring prices so that you can make some assessment of what you are going to pay? I would appreciate, and I think the Senate would also appreciate, knowing how the monitoring has been going and when it started. Even the National Party might like to know for its constituency—what is left of it. Did you pick sample areas or did you do the whole of Australia? Did you go to every petrol station in non-metropolitan Australia and monitor them in some way? Did you ask

them to do it on the Internet, mail it in, send out a carrier pigeon—

Senator McKiernan—Just get it from the Democrats.

Senator SCHACHT—Of course. Just get it from the Democrats. Blame the Democrats. The speech continues:

This Bill, the Fuel Sales Grants Bill, is one of 3 Bills that are required to implement the Fuel Sales Grants scheme. Together with regulations contemplated by the Bill—

Still being contemplated. What are you doing over there, Minister, you and your department? How is the contemplation going? Is this some sort of transcendental meditation you have going in the contemplation of the bill? It goes on:

It will confer the entitlement to the grant on eligible claimants.

The provisions of the Fuel Sales Grants Bill are to commence from Royal Assent. The Government anticipates that the Bills will be enacted well before 1 July 2000—

we are at 8 June; you have three weeks to get it before the Governor-General—

so as to avoid any undue delay in implementing the scheme.

That is the end of the second reading speech. In the second reading speech there is no policy justification anywhere. This is why I believe Treasury are running dead. They are doing everything to leave this minister to hang in the wind and slowly twist. One of the main reasons I chose to speak on this bill is that when I was Customs minister I was responsible for the administration of the Diesel Fuel Rebate Scheme.

Senator Kemp—Don't remind us of your performance.

Senator SCHACHT—I will remind you, Minister, because you are now responsible for the administration of the Diesel Fuel Rebate Scheme.

Senator McGauran—What did the Auditor's report say?

Senator SCHACHT—He has done it again. Senator McGauran cannot help himself with his assistance. That is what I was just coming to, you gold-plated dill. I was just coming to—

The ACTING DEPUTY PRESIDENT (Senator George Campbell)—Withdraw.

Senator SCHACHT—Withdraw 'gold-plated' or 'dill'?

The ACTING DEPUTY PRESIDENT—Senator Schacht, you know what is unparliamentary.

Senator SCHACHT—I withdraw, but I thank the senator for his assistance. The Diesel Fuel Rebate Scheme in its present form, subject to various amendments, was brought in by the Fraser government in the early 1980s. About every two or three years when it was reviewed by the Australian National Audit Office, irrespective of who was in government, what did the Auditor-General consistently find? He found that no minister, no government, could guarantee that the money paid out under the fuel rebate scheme was meeting the policy objectives of the scheme. It was impossible to guarantee—it was running at something like \$1.5 billion—that the money was going to be spent the way the policy intended. It was impossible to guarantee that the diesel fuel provided for non-off road use was being used for off-road use. That consistently was the Auditor-General's comment. He was saying that the government is appropriating money for the Diesel Fuel Rebate Scheme but in the administration of it, because of the nature of the scheme, you cannot guarantee that the will of the parliament in appropriating the money is being met.

I put some amendments through to tighten up some aspects of the scheme and was roundly condemned by the Liberal Party as being too tough. Within a short period of the coalition being in government you also were moving to tighten up the loopholes, as commented on by the Auditor-General. You did it to try and save money; we tried to do it to save the taxpayers money and properly administer it.

This scheme makes the diesel fuel rebate scheme seem like an absolute model of detail, an example that we should all hold up of how to do it. That is in comparison to what you are outlining in this bill, where the regulations are unknown, there is no time scale about the preparation, and the second reading

speech I have just exposed as a one-page nonsense. The second reading speech for the Product Grants and Benefits Administration Bill is six sentences long, with five dot points. For a \$125 million a year expenditure that is the best you can do? The second reading speech for the third bill, the Fuel Sales Grants (Consequential Amendments) Bill, is a classic—five sentences; six, if you include ‘I commend the bill’. You are saying to the Senate and in public administration terms that this proposal to expend an expected \$500 million over four years can be explained in those three second reading speeches. Consider all the evidence before the government, before the treasury department and before the taxation department, from the people who have administered the diesel fuel rebate, which you took from Customs into Taxation, go and speak to any of those people who have had experience with the diesel fuel rebate, and they will know that this scheme is wide open to roting.

Some of the roting will be by accident because I suspect many of the small businesses will not be able to meet the compliance arrangements or will misunderstand the compliance arrangements. The next thing is that the taxation department will be going around trying to penalise those small businesses. There will be screams all over the bush. Senator McGauran might say, ‘Blame the Democrats’ but they will have to blame the government because the government is implementing it. Then there will be moves to reduce the penalties, to loosen the compliance, to meet the political problem of the National Party and rural Liberal members. As soon as you make it any looser, more of the money will disappear and not meet the objective. You will not know where the money is going. You will not know whether the supposed policy objective, which you outlined in a couple of lines, is being met.

Then the Auditor-General will do his or her first report. It will be a classic report which we will have great fun with if we are still in opposition. If we are in government we will have to work out how to deal with the Auditor-General’s report, how to deal with this terrible, badly thought out scheme. The Auditor-General’s first report, I safely

predict now, will be an outstanding piece of criticism of this scheme. Treasury and Taxation officials will squirm at estimates as they try to explain how the scheme went wrong, how they cannot trace the money, how people got away with it and how they then chased down a few unfortunate small business people who did not know how to administer it. In the end, the Treasurer’s promise—that petrol prices in regional Australia will not be any higher than before the introduction of the GST—will still not be guaranteed. But in the meantime you may well have wasted in four years \$500 million.

So, Minister, I look forward to hearing some explanations. I would like to know how the round figure of \$500 million was reached. Will Treasury be honest and say they have no idea about it? It is such a round figure. You would have thought Treasury might have disguised it a bit and told the minister: ‘We will make it \$531 million, or \$498 million.’ This is another sign that Treasury believes this is a stupid scheme—saying to the minister: ‘It will cost about \$500 million’, a rounded out figure. Treasury has made no attempt to put to the minister and to the government any reasonable, rational reasons for this scheme. They have left the government with the most minimum explanation, which exposes the fact that this scheme will not work. It is an embarrassment to the officers concerned that they have been forced to do it. When you read the second reading speeches you know that. Anyone who has had any experience dealing with Treasury will know that they know how to skin a cat over in Treasury—to do a minister in, in their own subtle way. This ain’t very subtle, of course. They are doing the minister and the government in in a very big, unsubtle way, saying: ‘Treasurer, you are on your own about this. We don’t want much to do with it.’ So I support the amendment moved by Senator Cook. I look forward to the explanation by the government. Above all else, I look forward to the first Auditor’s report on this scheme, when he absolutely puts it to the sword.

Senator McKiernan—Repeat it.

Senator SCHACHT—I will repeat it. I want it remembered. The policy of the Na-

tional Party coming up in the next election, on the GST, is 'Blame the Democrats'.

Senator KEMP (Victoria—Assistant Treasurer) (11.52 a.m.)—The government will not be supporting the second reading amendment moved by Senator Cook.

Senator Schacht—You want to get out of this as quickly as possible.

Senator KEMP—I do not know whether people really listen very much to Senator Schacht these days. I guess a few people do, but not many. Senator Schacht, as usual, wanders in; he was not on a speaking list. The trouble is that I do not think anyone told Senator Schacht that the Labor Party are actually supporting the bills before the chamber. I would have to say that opposition members would look through your speech and say, 'Gosh, hasn't someone told Senator Schacht that we are actually supporting these bills?' I was just about to give a comment to your advisers: 'Could you give Senator Schacht a note just so that he gets back on message.' It is perfectly all right, as it often happens, that Labor senators come in and say, 'We are supporting this bill; but this bill should do this and that.'

Senator Schacht—We are quite happy for you to build your own gallows.

The ACTING DEPUTY PRESIDENT (Senator George Campbell)—Order, Senator Schacht! Senator Kemp, would you address your comments through the chair.

Senator KEMP—Thank you, Mr Acting Deputy President. I greatly appreciate your protection on these matters. It is an unusual thing that you, Senator George Campbell, would be providing protection to me in this chamber—but I note that for the historical record. I want you to know that it is appreciated. Senator Schacht, of course, was not told that the opposition was supporting this bill, and we appreciate that support. Unlike Senator Schacht, I will be charitable. We appreciate the support for these very important measures which are going through the chamber, hopefully, today. These measures are designed to give effect to the government's commitment that fuel prices need not rise as a result of the new tax system. That commitment will in part be achieved through a re-

duction in fuel excise to offset the impact of GST on fuel prices. It is perhaps worth remembering that this will be the first discretionary reduction in fuel excise by any government since metric conversion in the early 1970s.

Senator Schacht— Discretionary reductions! The prices are going up!

Senator KEMP—We remember, Senator Schacht, as you spoke and complained about fuel prices—and all of us are concerned about fuel prices—that the trouble is that you have got form. You told us that you were the minister who was responsible for excise. I remember, Senator, that you held a ministry in the Keating government. I have to say that my memory is that you were often a minister in deep trouble—and, rightly so, given the wildness with which you approach issues.

Senator Schacht interjecting—

Senator KEMP—There was, Senator Schacht, you will remember, in the light of your comments, a hike of some 5c in excise between 1993 and 1996 under the former government. I am not sure, with the complaints that you were making about this, whether you complained at the time. This was a very substantial hike and, of course, it was not mentioned in any election campaign. The government is reducing the excise to ensure that the pump price need not rise. And we need to understand that for business this represents a fuel cost reduction, which is quite contrary to the impression that some members of the Labor Party may have given in their remarks. For business this represents a fuel cost reduction, given, of course, that businesses can claim an input tax credit in respect of the GST paid on petrol and diesel used for business purposes.

The Fuel Sales Grants Scheme, established under these bills, addresses the fact that the excise reduction would need to be greater in rural and regional areas in order to offset the effect of the GST. For constitutional reasons, excise rates must be common across the Commonwealth, and for that reason additional assistance to rural and regional Australia will be provided by way of a grant. The grant will be paid at the retail stage, typically to service stations and other retail outlets. In

that sense, this scheme differs from schemes operated by various states and territories which have paid subsidies to oil companies and distributors in an attempt to reduce the pump price of petrol and diesel.

The Fuel Sales Grants Scheme will be prescribed under the Australian Competition and Consumer Commission's price exploitation legislation. The ACCC already have in place a system for monitoring fuel prices and will use this as a basis for monitoring the impact of the scheme. The amendments moved by the government today will ensure that the ACCC are empowered to receive information as to the recipients of grants under this scheme, which will assist the ACCC in their price monitoring efforts. We appreciate that the non-government parties will be supporting that amendment. The government are always proud to assist rural and regional Australia—indeed, all Australians. Quite contrary to the impression that Senator Schacht attempted to create, this is a very important bill; it is good legislation; and it shows the government's commitment to motorists and businesses in rural and remote Australia.

Senator Schacht—It is not what Treasury says.

Senator KEMP—The interjection of Senator Schacht reminded me that there was an unfortunate attack on officers of the Treasury.

Senator Schacht interjecting—

Senator KEMP—No. It was said in a rather facetious and unpleasant manner. I think the Treasury officers are always loyal to the government of the day. They carry out their duties in a conscientious manner. To suggest that Treasury is somehow setting up governments was most unfortunate. It was an unfortunate slur on the officers who are carrying out their duties.

Let me now briefly turn to some of the matters that were raised during the second reading debate. There was a very wide range of issues—of which, I might say, most have been extensively debated and dealt with elsewhere. Senators Cook and—from memory—Senator Sherry and, indeed, Senator Schacht discussed the details in the bill and

were unhappy about what they saw as a lack of detail. The Treasurer has already announced the broad framework for the grants, and more details on boundaries and rates will be announced soon. The bills provide for regulations to define boundaries and rates. These regulations cannot be made until the bills are passed. A detailed registration kit is being mailed to petrol retailers this week and has also been available—

Senator Sherry—Why can't it be available for us? We shouldn't have to go to the petrol stations. Why can't we get the details?

Senator Cook—In this week there is only tomorrow left.

Senator KEMP—The advice I have received is that a detailed registration kit is being mailed to petrol retailers this week and it has also—

Senator Cook—Tell us now, then.

Senator KEMP—Instead of interjecting, if they listened until the sentence was completed, it would satisfy their curiosity. It has also been available on the ATO web site since last week. Given the huge interest that everyone—

Senator Cook—Where is it in the second reading speech then?

Senator Schacht—None of it is in here.

The ACTING DEPUTY PRESIDENT—Order! Senator Kemp, please continue.

Senator KEMP—I am actually responding to issues which were raised by senators in the second reading debate. If they do not want me to respond to those issues I will sit down. I imagine that they raised issues and that they sought my response. I said, just to repeat it, that Senators Cook, Sherry and Schacht were worried about what they saw as a lack of detail in the bill, and that is what I am now responding to. Senator Schacht waves the second reading speech around, as though he makes some telling point. You are a very strange senator, Senator Schacht, I have to say.

Senator Schacht interjecting—

The ACTING DEPUTY PRESIDENT (Senator George Campbell)—Order! Senator Schacht! Senator Kemp, would you address your remarks to the chair? Perhaps if

you focus on your comments in relation to the bill, we may get this matter over with quickly.

Senator KEMP—Indeed. As for the grants in detail, as I said, a detailed registration kit is being mailed to petrol retailers this week. I repeat myself: it has also been available on the ATO web site since last week. These grants are an important initiative by the government, and I believe they are widely supported in rural and regional Australia—quite contrary to any impression that Senator Schacht may have raised. The issue raised by Senator Ridgeway, who is handling this bill for the Democrats, was what he saw as the difficulty in ensuring that grants are passed on to consumers.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT—Order! Please continue, Minister.

Senator KEMP—Mr Acting Deputy President, I greatly appreciate the protection you are affording the minister during his important response to the second reading debate.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT—Order! Senator Kemp, it would help if you continued with your comments rather than responding to the interjections.

Senator KEMP—I am not responding at all, actually. I am just waiting for their comments to cease. I have actually taken your ruling and am accepting it. Let me make the point that the ACCC has strong powers under the price exploitation provisions of the Trade Practices Act. The ACCC will assess whether the grant is passed on by using the net dollar margin rule. The amendment that I will be moving today clarifies that the ATO can pass relevant information on grant recipients to the ACCC so that they can actively monitor the impact of the grant. Let me say, in conclusion to Senator Ridgeway's comments, the ACCC has been monitoring fuel prices across the country and has considerable data to assist in price monitoring.

In conclusion, we welcome the support that the bill will receive in the chamber, although we do not welcome the accompanying comments that many Labor senators have

indulged themselves in—despite all the information which has already been put out on the table. The government has said that, with the introduction of the GST, the government will reduce excise on petrol and diesel so that the pump prices of these commodities need not rise. I reiterate that for businesses, fuel costs will fall substantially under tax reform, due to the availability of, among other things, the GST input tax credit and the expansion of the diesel fuel rebate scheme. In fact, under the Diesel and Alternative Fuel Grants Scheme, the cost of diesel in eligible vehicles will be reduced by some 24c per litre. I would have thought that all of us would have strongly welcomed that measure and the commitment that the government has made to attempting to cut costs to business, particularly in rural and regional Australia. This is a substantial effective reduction in excise.

I listened, as I always do, very carefully to what Labor senators said and I checked with my advisers as to whether anyone—including Senator Sherry, who often speaks for Labor on tax policy; which we appreciate—had given any assurances that the Diesel and Alternative Fuel Grants Scheme would continue under any alternative government. I was a bit surprised that that commitment was not given, because this is providing a huge effective cut in diesel fuel prices. I give some notice that I shall be pursuing that guarantee in the debates, not only today but in future debate in this chamber. I put that on notice. As I said, we will not be supporting the second reading amendment by Senator Cook.

Question put:

That the amendment (**Senator Cook's**) be agreed to.

The Senate divided.[12.11 p.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes.....	23
Noes.....	36
Majority.....	13

AYES

Bishop, T.M.	Brown, B.J.
Campbell, G.	Carr, K.J.
Conroy, S.M.	Cook, P.F.S.
Coonev, B.C.	Crowley, R.A.
Forshaw, M.G.	Gibbs, B.
Hogg, J.J.	Hutchins, S.P.
Ludwig, J.W.	Lundy, K.A.

Mackay, S.M.
McLucas, J.E.
O'Brien, K.W.K. *
Schacht, C.C.
West, S.M.

McKiernan, J.P.
Murphy, S.M.
Quirke, J.A.
Sherrv, N.J.

NOES

Abetz, E.
Alston, R.K.R.
Boswell, R.L.D.
Brandis, G.H.
Campbell, I.G.
Coonan, H.L. *
Ellison, C.M.
Gibson, B.F.
Heffernan, W.
Kemp, C.R.
Lees, M.H.
Macdonald, I.
McGauran, J.J.J.
Murray, A.J.M.
Payne, M.A.
Ridgeway, A.D.
Tierney, J.W.
Watson, J.O.W.

Allison, L.F.
Bartlett, A.J.J.
Bourne, V.W.
Calvert, P.H.
Chapman, H.G.P.
Eggleston, A.
Ferguson, A.B.
Greig, B.
Herron, J.J.
Knowles, S.C.
Lightfoot, P.R.
Mason, B.J.
Minchin, N.H.
Patterson, K.C.
Reid, M.E.
Tchen, T.
Troeth, J.M.
Woodley, J.

PAIRS

Bolkus, N.
Collins, J.M.A.
Crossin, P.M.
Denman, K.J.
Evans, C.V.
Faulkner, J.P.
Ray, R.F.

Stott Despoja, N.
Newman, J.M.
Ferris, J.M.
Crane, A.W.
Macdonald, J.A.L.
Hill, R.M.
Tambling, G.E.

* denotes teller

Question so resolved in the negative.

Original question resolved in the affirmative.

Bills read a second time.

In Committee

The bills.

Senator KEMP (Victoria—Assistant Treasurer) (12.15 p.m.)—I table a supplementary explanatory memorandum relating to the government amendments to be moved to the **Product Grants and Benefits Administration Bill 2000**. The memorandum was circulated in the chamber on 7 June. I seek leave to move government amendments Nos 1, 2 and 3 together.

Leave granted.

Senator KEMP—I move:

- (1) Clause 47, page 27 (after line 28), after subparagraph (i), insert:
 - (ia) an officer of the ACCC and is of information that is related to fuel sales grants and is to be used for

the purposes of Part V or VB of the *Trade Practices Act 1974*; or

- (2) Clause 47, page 28 (after line 6), after subparagraph (i), insert:

- (ia) an officer of the ACCC and is of information that is related to fuel sales grants and is to be used for the purposes of Part V or VB of the *Trade Practices Act 1974*; or

- (3) Clause 47, page 28 (before line 14), before the definition of *disclose*, insert:

ACCC means the Australian Competition and Consumer Commission.

The provisions of the bill provide a standardised administrative framework for grants and benefits administered by the Commissioner for Taxation. The bill applies to the fuel sales grants scheme. Clause 47 of the bill imposes an obligation of secrecy on persons who, in the course of their duties relating to the administration of product grants and benefits schemes, acquire information about the affairs of another person. A person who holds protected information of documents is prohibited from making a record of the information or disclosing it to anyone else except in specified circumstances.

Amendment of clause 47 is required to give express authority to the Commissioner for Taxation or a Deputy Commissioner for Taxation to disclose information to an officer of the Australian Competition and Consumer Commission. The amendment will permit the disclosure of that information only where the information is to be used by the ACCC for the purposes of part V or VB of the *Trade Practices Act 1974*. The amendment ensures that the ACCC will have the information it requires to carry out its functions in relation to the price exploitation legislation. In particular, it will ensure that the ACCC has sufficient information to monitor petrol and diesel prices to ensure that retailers pass on the benefits of grants received under the fuel sales grant scheme. I commend the amendments to the Senate.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (12.17 p.m.)—The opposition will support these amendments. I do not wish to add anything to what has been said about them other than to make this explanatory point. It is true that the memorandum was

that the memorandum was distributed in the chamber yesterday. My office did not sight the memorandum until late yesterday evening, but overnight we satisfied ourselves to its content, and we will not be opposing these amendments.

Senator SCHACHT (South Australia) (12.18 p.m.)—I want to ask a question, which I raised in my second reading contribution, about the **Fuel Sales Grants Bill 2000**. Fuel prices will be monitored in the lead-up to 1 July 2000. Will the minister provide details of when Taxation started monitoring fuel prices? Did they do a sample? Did they monitor by region or by state? Will they provide the details of these? Will that monitoring stop after 1 July?

Senator KEMP (Victoria—Assistant Treasurer) (12.19 p.m.)—There was quite an extensive debate on the monitoring of fuel prices in Senate estimates. Briefly, the ACCC has been monitoring prices for a considerable period of time. Treasury has been using the consultancy, Informed Sources—which has been used by various motoring bodies—to monitor prices.

Senator Schacht interjecting—

Senator KEMP—They are not too secret. I am advised that they are reasonably widely used. A monitoring process is going on. There was a very extensive debate and discussion on this issue in Senate estimates. We are always happy to respond to questions, but the expertise and the efforts which have gone into this area have impressed me.

Amendments agreed to.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (12.20 p.m.)—I have one question for the minister. During his second reading speech reply, the minister said that, this week, the department—which I take to be the Australian Taxation Office, but it may be the Department of the Treasury—will be mailing out a kit to service stations, explaining the detail of this bill. As I recall, in reply to an interjection the minister said that it has been up on the Internet for a week. As there was no reference in the minister's second reading speech to that fact—and as I have to admit that I do not cruise the Net for the tax office

every day of the week nor is there an obligation upon me to do so—would the minister give an undertaking that, before the parliament rises today, which will be the end of our sitting this week, he will table in the parliament the brochure or the pack, or however it is properly described, that will be mailed out to service stations, so that the parliament can have a copy as well as the service stations? Can we also see whatever is on the Internet, which I understand reflects what you have announced will be mailed out?

The reason I ask this question is that our substantive complaint about this legislation is that it is too little too late. It will not do the job. It is aimed at getting a headline in the press that the government is doing something about the GST effect on petrol prices, but there is no detail to explain how this will operate. It looks like legislation for headline rather than legislation for economic effect. If the government has in its possession material that was not referred to in the second reading speech and has not been made available to us but it is going to go out this week—and this week has only one more working day in it—I wonder if the minister would be kind enough to bring the Senate into the secret and table the document.

Senator KEMP (Victoria—Assistant Treasurer) (12.22 p.m.)—There is no secret, and I will seek to table it today. I would hope to do it after question time if the material is available.

Senator SHERRY (Tasmania) (12.23 p.m.)—I have two matters that I want to explore briefly, because I know time is pressing. I notice that, in Budget Paper No. 1, table 6 'Indirect tax', the revenue estimate for unleaded petrol as a result of excise duty is \$5,044 million in 1999-2000 and \$5,993 million in 2000-01—an increase of \$950-odd million or 18.8 per cent. What are the reasons for such a significant increase in the revenue from the excise on unleaded petrol products?

Senator KEMP (Victoria—Assistant Treasurer) (12.24 p.m.)—I will have to take that question on notice. I will give you a detailed response as soon as possible. The officer who actually deals with these calculations is not here. I will provide you with those figures.

Senator SHERRY (Tasmania) (12.24 p.m.)—That is very unsatisfactory. Senator Ridgeway is here from the Democrats. Here we have a set of bills that, supposedly, will lead to a situation where ‘petrol not need rise’—to use the words of Senator Kemp—and yet the revenue for government from the excise on unleaded petrol, which, as I understand it, is the major petroleum product used by motorists in Australia, is increasing by 18.8 per cent. That is a staggering increase; yet petrol prices are supposed to be held constant.

Senator Kemp, I have one other question. Table 7 ‘Excise rates’ in Budget Paper No. 1 has the rate of excise on unleaded petrol as at 1 August 1999 at 0.35254 and then the rate increases on 1 February 2000 to 0.35783. What will be the rate applying to unleaded petrol for the remainder of the year? I ask that question in the context that we have the revenue estimates for the entire 2000-01 financial year but we do not have the actual rates, which I understand will increase on 1 July this year and then again on 1 August.

Senator KEMP (Victoria—Assistant Treasurer) (12.26 p.m.)—The rates are going to be reduced, and the Treasurer will be making an announcement in the near future.

Senator SHERRY (Tasmania) (12.27 p.m.)—But the point of the question is that we have the revenue estimate for the whole year in table 6; therefore, in order to have a revenue estimate, Treasury must know—and you should know—what the actual dollar rate per litre of unleaded petrol is. I cannot understand why you do not have that information. I have one final question. You have said that petrol prices ‘need not rise’, and we have had a range of other comments about petrol prices from other government ministers; often contradictory. Can you give me a guarantee, particularly for the people I represent in Tasmania where petrol has been close to a dollar per litre—and I want to take this guarantee back to the people of Tasmania—that petrol prices in Tasmania will not increase as a result of the introduction of the GST package?

Senator KEMP (Victoria—Assistant Treasurer) (12.28 p.m.)—Our promise was very clear. A very clear commitment was given in the election which we have stuck to;

that petrol prices need not rise as a result of the GST. That is the commitment we have given, and we have further buttressed that with these very bills that are before this chamber. We have further buttressed that commitment with the various arrangements that we are making to effectively cut the costs of excise on diesel. I also draw your attention to the fact that business, of course, will be able to claim an input tax credit.

Senator SHERRY (Tasmania) (12.29 p.m.)—This will be my last question. I am going to put the same question again because it is very important. The price of petrol is a big issue in Tasmania, and I want to be able to indicate quite clearly to the people of Tasmania what the government’s position is and who is to blame for the increase in petrol prices. This is a very hot topic in Tasmania. Can you give me a guarantee that, as a result of the GST package, petrol prices will not increase in Tasmania? I have to make the people of Tasmania aware of this. It is a very important issue.

Senator KEMP (Victoria—Assistant Treasurer) (12.29 p.m.)—I have responded to that question in some detail, and I refer you to my earlier remarks.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (12.29 p.m.)—In view of that answer, I have got a question too. The question from Senator Sherry was related to Tasmania. My question is related to all of Australia. I could have been parochial and talked about Kalgoorlie, where my electorate office is, but I won’t. Minister, can you give a categorical assurance that as a result of this package petrol prices will not rise in country Australia and the urban-country divide on petrol prices will not widen?

Senator KEMP (Victoria—Assistant Treasurer) (12.30 p.m.)—Let me make it clear. The government has put in place arrangements to ensure that petrol prices need not rise as a result of the GST. In fact, for business users petrol prices will be cut because they are able to claim an input tax credit. This is a very effective benefit for business users. The purpose of this grant scheme is to prevent the differential rising, and this grant scheme will be very effective.

Senator SCHACHT (South Australia) (12.31 p.m.)—Minister, in response to my question about the monitoring in the lead-up, you said this was gone over in great detail in the estimates. I was at another estimates committee on that day. I just want you to clarify whether you provided, or took on notice at the estimates committee to provide, any information about what you called the informed sources of how you monitor the prices. If that is going to be provided as an answer to a question on notice from the estimates or is already in the estimates transcript, which I understand still may not be available, I will be happy to receive that.

Senator KEMP (Victoria—Assistant Treasurer) (12.32 p.m.)—I think in fact the *Hansard* is available. I think it has been available for a number of days, actually. I would have to recheck that, but, if there is no information there or no relevant question put on notice, I will provide you with some information.

Product Grants and Benefits Administration Bill 2000 agreed to with amendments; Fuel Sales Grants Bill 2000 and Fuel Sales Grants (Consequential Amendments) Bill 2000 agreed to without amendment.

Product Grants and Benefits Administration Bill 2000 reported with amendments; Fuel Sales Grants Bill 2000 and Fuel Sales Grants (Consequential Amendments) Bill 2000 reported without amendment; report adopted.

Third Reading

Bills (on motion by **Senator Kemp**) read a third time.

LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) AMENDMENT BILL 2000

In Committee

Consideration resumed from 7 June.

(*Quorum formed*)

Senator MACKAY (Tasmania) (12.36 p.m.)—We have got approximately seven minutes before we move on to other business. As a result of yesterday's unfortunate experience when we asked a series of questions of the minister that were germane and apposite to the bill which he refused to answer, the government had to rearrange its program in

order to ensure that the preceding piece of legislation got through. I will restate the five questions that we asked the minister yesterday. If the minister does not want to answer them, maybe he should just say, 'I refuse to answer.' That way I will be able to ask the rest of my questions. If that is the response from the minister, that he does not want to answer these questions, we can probably proceed more quickly in relation to this bill.

Those who were involved in this debate yesterday—Senators Greig and O'Brien, both of whom are here—could probably recite the questions along with me but I will restate them for the Senate: (1) will the government undertake an analysis of the impact of the GST on local government; (2) if that analysis shows that the GST is having a detrimental impact on local government, what will the government do to address it; (3) will the government address the \$15 million it took out of financial assistance grants in 1997-98 in the first Costello budget, which has not been put back because of the freezing of the escalation factor in that budget, which has now resulted in total cuts of \$61.4 million, and will the money be put back; (4) does the ACCC have jurisdiction over local government in relation to policing it on what it regards as improper rate rises or what it regards as improper rises of fees; (5) will the minister explain why the local government incentive program was underspent by \$1 million this financial year?

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (12.39 p.m.)—Again, I make my position clear. If there are questions on the bill before the Senate, I will answer them, as I did yesterday with Senator Forshaw's question. If Senator Mackay wants to waste the time of this Senate in asking estimates type questions, three of which she asked in the estimates not less than two weeks ago, then she can pursue that time wasting procedure. I will not be part of it. I invite Senator Mackay to ask me those questions either at estimates or at question time. Senator, you have not had a question at question time since 19 October last century, so you have a bit of goodwill there. You must get a turn every now and again, and that is some six months ago. Say that is 12 weeks

here, say four days a week and that is 48 questions you could perhaps do in question time.

Senator Mackay—Why don't you answer the questions?

Senator IAN MACDONALD—I will answer them. I will answer any question you want at question time, Senator Mackay, because that is where they are asked. If you have questions about this bill, as Senator Forshaw did yesterday, I will happily, with the assistance of my advisers, answer those questions on the bill, as I did with Senator Forshaw. But, if what you want to do is rerun the estimates committee and ask questions—three of which you asked two weeks ago in estimates—and waste the time of the Senate, please go ahead but do not expect me to participate. So, if there are questions on the bill, I will happily answer them. I will happily answer them as I did with Senator Forshaw who, although he is not the shadow minister, had the intelligence to work out what a question is that relates to the bill. He asked the question about the Treasurer's powers which are referred to in the bill, he was given a response and I assume he was satisfied with that. Now, Senator, if you have questions on the bill, then you ask them and you will get a response. If you do not know what the bill says, please get some advice—from your senior minister, from the clerks or from your advisers—that can explain to you what the bill means, what we are debating and what the clauses are. But, if you want to ask questions about whether the ACCC can investigate councils, that is not mentioned in this bill, Senator. That is not.

Senator Mackay—But the GST is involved.

Senator IAN MACDONALD—The answer is quite clearly yes, but it is not mentioned in the bill. It is not mentioned in the bill and I am not going to participate in pursuing estimates type questions here. There is a procedure where you can do that. I do not know how the Labor Party run their question time procedures, but I would say you have 48 opportunities to ask questions at question time.

Senator Mackay—On a point of order, Mr Temporary Chairman: the minister is clearly attempting to talk this out. This is an absolutely pathetic attempt to talk this out. He does not want his bill to go through.

The TEMPORARY CHAIRMAN (Senator Bartlett)—That is not a point of order, Senator.

Senator Mackay—Okay, on a further point of order: Mr Temporary Chairman, are the five questions I asked the minister out of order in relation to this bill?

The TEMPORARY CHAIRMAN—It is not my role to order a question in or out of order. It is for the minister to respond as he chooses.

Senator IAN MACDONALD—Thank you, Mr Temporary Chairman. I am desperate to get this bill through, so is every council in Australia. All 700-odd councils are desperate to get this bill through. The Labor Party have indicated they are in favour, the Democrats have indicated they are in favour, and the bill should pass so that those 700-plus local councils can get their financial assistance grants. Instead of that, the shadow minister persists in asking estimates type questions that have absolutely nothing to do with this bill. There is a minute to go—no party has any objection, we can finish the committee stage, get the bill passed in the next 60 seconds and get the money out to councils in Australia.

Senator MACKAY (Tasmania) (12.44 p.m.)—Minister, these are not estimates type questions. We will continue to ask these questions, the questions we have sought advice from the Clerk on. They are in order. They are related to the bill. These are questions that local government wants an answer to. You will not answer questions in estimates. You will not answer questions on your own budget bills. You will not answer questions when legislation comes before this chamber in relation to your own portfolio. Have a go at it. You have a few hours before the bill comes back on. We will be here until we get some answers on behalf of local government in Australia. So go away and have a bit of a think about it, get some advice from your public servants and your advisers in

relation to this and try to answer these questions. I have been specifically asked to ask these questions here today by a number of councils. If you are refusing your responsibility in relation to answering these questions, my belief is that you should resign your commission and get out of that portfolio. If you do want to stay in that portfolio, do your job and answer the questions.

Progress reported.

**PRIMARY INDUSTRIES (EXCISE)
LEVIES AMENDMENT BILL 2000**

Second Reading

Debate resumed from 5 June, on motion by **Senator Ellison**:

That this bill be now read a second time.

Senator FORSHAW (New South Wales) (12.45 p.m.)—I rise to indicate that the opposition supports the passage of the **Primary Industries (Excise) Levies Amendment Bill 2000**. In doing so, it is important to very briefly put on the record the history of this legislation. The impact of this bill will be to remove a two-year sunset clause, which expires at the end of June this year, from the Primary Industries (Excise) Levies Act 1999. The Primary Industries (Excise) Levies Act was a piece of legislation that replaced a number of previous acts, including the Livestock Transactions Levy Act, which was passed by this parliament back in 1997.

Honourable senators will recall—I hope they do, taking a deep interest in rural matters as we all should—that a package of some 17 bills was dealt with back in December 1997. Those bills related to the restructure and reform of the levy collection system within the meat and livestock industry. At that time, the Senate Rural and Regional Affairs and Transport Legislation Committee handed down a report on one of those bills, the Livestock Transactions Levy Bill 1997. The unanimous recommendation of the committee at that time was that that particular bill be withdrawn and that a roundtable of negotiations take place between the various interest groups within the industry—those from the Sheepmeat Council, those from the Council of Livestock Agents and a range of other groups. The reason for that was that there were various differences of opinion as to how

the levy should be structured and how it should be calculated. Some believed that it should be calculated on a per head basis, others believed that it should be an ad valorem system and others thought it should be a mixture of both.

As I said, at the time, the committee unanimously recommended that the bill be withdrawn and that industry be consulted so as to hopefully come up with an agreed position. However, despite the differences within the industry, the overwhelming view of those in the industry was that they wanted the legislation passed at that time in its then form and that they would continue to see how the system worked. Because it was a money bill, the opposition put forward the proposition that a two-year sunset clause be inserted into the legislation. That sunset clause would expire at the end of June 2000. The purpose of that was to enable the system of levy collections to operate during the intervening period. The parties would be able to monitor how it worked and whether or not it was successful, and then there would be a specific requirement upon the government to come back into the parliament with further legislation to amend the bill, to implement another system of collection if that was what the industry desired or to review the sunset clause. We are advised that the industry has monitored the system and that it has agreed that it would be appropriate to continue with the current method. Accordingly, we need to remove the sunset clause from the legislation. That is the purpose of this bill, and on that basis we are happy to support it.

In conclusion, I want to put on the record that it was an opposition initiative that this process occur. We are very pleased to be able to say that it was picked up by the government and agreed to. It has resulted in a situation where the industry has had the opportunity to assess the system of levy collections and has been able to come to a unified position. So we support the legislation that is before the chamber.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (12.50 p.m.)—The reasons for the necessity of this bill have been provided in the second reading

speech of my colleague the Minister for Agriculture, Fisheries and Forestry on 13 April. It is quite critical for the sunset clause in schedule 18 of the Primary Industries (Excise) Levies Act 1999 to be repealed so that levy arrangements can continue for the sheep, lamb and goat industries. We need to enact this bill by 30 June this year. I welcome the support of the opposition for this very important amendment, and I am very pleased that it has had unopposed progress through the House and the Senate. All the issues which were raised on the original consideration have been addressed in the Sheepmeat Council report, and the Wool Council had no objections. It must be very gratifying for members of these industries to see that they are doing reasonably well at the moment. In the case of the lamb industry, this has been in spite of a hefty US tariff rate quota regime that commenced in July last year. In the case of the sheepmeat industry, I am pleased to report that livestock exports have resumed to Saudi Arabia, which was our largest live sheep market in the 1980s.

The sheep, lamb and goat industries are very important to the economic health of many parts of rural and regional Australia. It follows that those industries should be provided with every opportunity for further improving and developing their opportunities. Promotion, research and development, and animal health are vital elements in the future for each of those industries. The enactment of this bill will ensure the orderly continuation of each of those elements, thus allowing the sheep, lamb and goat industries to attain the full extent of their potential.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

POOLED DEVELOPMENT FUNDS AMENDMENT BILL 1999

Second Reading

Debate resumed from 13 April, on motion by **Senator Ian Campbell**:

That this bill be now read a second time.

Senator O'BRIEN (Tasmania) (12.54 p.m.)—Very briefly, the opposition agrees that this bill is non-controversial legislation.

The opposition will be supporting this legislation and not seeking any amendment to it. I commend the bill to the chamber.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (12.54 p.m.)—This is a technical bill on how to tax capital provided from pooled development funds to small and medium business enterprises. I thank honourable senators for their cooperation and commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

TAXATION LAWS AMENDMENT BILL (No. 10) 1999

Second Reading

Debate resumed from 9 May, on motion by **Senator Ian Campbell**:

That this bill be now read a second time.

Senator COONEY (Victoria) (12.56 p.m.)—The opposition supports this bill, but there is a matter which I want to discuss in the context of the bill. Australia has great heroes, both in the armed forces and in civilian life, and we are entitled to be proud of them. Among those who have been at the forefront of producing heroes in civil life are the firefighters. They have fought fires, both in the cities and in the bush. What I am going to say is in the context of Victoria, but I think we pay tribute as a parliament to firefighters throughout Australia. There have been some dramatic fires that have occurred in Victoria. There was the fire known as Black Thursday, which took place in February 1851 and about which Manning Clarke wrote with great eloquence, as he was able to do generally. His prose persists forever. There was Black Friday in January 1939, which I remember. That dates me. One which I remember very well was Ash Wednesday in February 1983, which caused great damage to, amongst other places, Anglesea, a place where I go often, particularly at Christmas time. I think it produced the highest number of fatalities of any fire in Australia.

There was another fire that took place on 2 December 1998 near Linton, which is a town in Victoria near Geelong. On that occasion there were five men who went from Geelong to fight that fire at Linton, in the tradition of the firefighters who fought these other fires I have talked about. They did what many Victorians had done prior to them in Victoria and what many Australians had done in Australia prior to that. Unfortunately, those people were caught in the fire and perished most tragically near Linton. I am sure the parliamentary secretary, Senator Patterson, who is present in the chamber and is also a Victorian, will join me in saying, as will everybody here, that these were great men. The firefighters were: Gary Vredeveltdt, who was aged 47; Jason Thomas, aged 25; Stuart Davidson, aged 28; Chris Evans, aged 27; and a young man of 17, Matthew Armstrong. These were people who carried on the proud line of firefighters we have had in Victoria and elsewhere. I want to acknowledge their great deeds today and to express the great sympathy that their families and the other people associated with them are properly entitled to.

What has this to do with the bill? It has this to do with the bill—and I thank Mr Gavan O'Connor, the member for Corio, for drawing this to my attention; he has said much about this in the other place from time to time. Following that tragedy, a trust was set up and people who were sympathetic to what had happened contributed to it. The contributions that were made to the trust were substantial. At that time, this government said, 'Yes, contributions to this trust will be tax deductible.' That tax deductibility is provided for in this bill that is before the chamber now. I do not want to be partisan about this or unduly critical, because we do not use occasions such as this to be critical. I am told by Mr O'Connor that it would have helped if this provision had been brought in earlier and it may have made things a lot easier than they have been. I simply put that forward.

It may be a thing for all of us to remember, whether we are in government or in opposition—and it is something for the Labor Party to remember when it comes into government—that, although in the overall view of things a trust fund is not a great issue in

terms of the economy, or in terms of fiscal policy, this trust fund represents a proper outflow of compassion from the community to people who have been caught in tragic circumstances. We as a parliament ought to remember that those issues of the heart and the soul are issues that ought to call for a response from this parliament to accommodate them. In other words, it should be not only fiscal and monetary policy that guides us but also matters of compassion. This may well have been an example where the parliament could have passed the legislation that is contained in the Taxation Laws Amendment Bill (No. 10) 1999 earlier than, in fact, we have in this place.

No doubt the parliamentary secretary who is in this place at the moment and who is also a Victorian would agree with what I say. I am glad to have had the opportunity to have mentioned this tragic event. No doubt bushfires will occur in the magnificent state of Victoria in the future, but it is always worth while remembering the people who fight them, and fight them with such gallantry.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (1.04 p.m.)—The Taxation Laws Amendment Bill (No. 10) 1999 makes amendments to the income tax law and to other laws to give effect to a number of measures: restructuring of certain managed investment schemes, film licensed investment companies, Cyclones Elaine and Vance Trust Account, mining and quarrying balancing adjustments, and transfer of interest in petroleum products.

As Senator Cooney has pointed out, there is also provision here for the tax deductibility of the Linton Trust Fund. As Senator Cooney mentioned, it is important for my state of Victoria, particularly the people of the Geelong region, because it will allow deductions for gifts made to the Linton Trust. As Senator Cooney mentioned, it was established to provide assistance to the families of the five firefighters: Third Lieutenant Stuart Davidson; Firefighter Gary Vredeveltdt; Firefighter Jason Thomas; Firefighter Matthew Armstrong—and Senator Cooney mentioned that

he was only 17 but he was actually on his first firefighting effort; and a third generation firefighter, Chris Evans.

Just after the tragedy I actually spoke very briefly on the adjournment debate to convey condolences on behalf of the chamber to the families of those firefighters of the Geelong West Urban Fire Brigade and also to mention that Andrew Joyce, one of my staff members, who is in the chamber as my adviser today, trained with three of those young men and was a member of the Geelong West Urban Fire Brigade. We forget not only the families of those people who were so tragically taken but also those people who have worked with them, who have grown up with them, who have trained with them and also those who lose best mates as a result. It has an impact not just on family but also on friends and the whole firefighting community.

I know personally just what it meant to Andrew when those five men died. He now is an active member of the fire brigade here in the ACT. They give up enormous amounts of time. They go out in the middle of the night; they risk their lives and sometimes their lives are taken in ensuring safety for the community. We do have to respect and value what the volunteer firefighters throughout Australia have done. We have just had a minor amendment made in one of the taxation laws on the diesel fuel rebate as a result of Andrew Joyce pointing out to us some of the issues that might occur with refuelling fire tankers. So it pays to have people on one's staff who have had wide community experience because they can bring their knowledge to the policy process.

As Senator Cooney said, these men were taken from us tragically. The Linton Trust was established to provide assistance to the families of the five firefighters who died fighting bushfires in Victoria on 2 December 1998. Senator Cooney pointed out that it has taken some time. One of the problems is that, when an event such as this occurs, people are moved to be very generous. Sometimes they set up a trust and then the legislation has to follow. Of course, at the moment we are involved in some of the largest taxation changes in Australia's history. That has probably meant that this legislation has been

delayed more than it ought to have been. There is a problem when a trust is set up for a special purpose in that it has to be legislated for. Despite the very best intentions of those people, sometimes they get ahead of the process. This legislation will mean that gifts made to the trust after 2 December 1998 and before 3 December 2000 will be deductible. I would like to commend the efforts of my colleagues in the Senate. Senator Cooney has mentioned his colleague. The member for Corangamite, Stewart McArthur, in the other House also has a keen interest in seeing this aspect of the bill pass through both houses as speedily as possible.

The amendments will also be made to extend, for a period of four months, the time in which donations to the National Nurses' Memorial Trust will be tax deductible. An extension of time has been granted to the trust so that it can raise additional funds for the construction of the memorial. In addition, the amendments will give tax exempt status to non-profit organisations which promote the development of fishing and/or aquaculture resources. The income tax law grants income tax exempt status to non-profit organisations that promote the development of a number of primary and secondary industries. The government believes that fishing and/or aquaculture organisations should receive the same taxation concessions, and the exemptions will apply for 1999-2000 and later years of income. Even in what might have been a dry old tax bill, we still see a part of the social fabric of Australia in the incredible voluntary contribution that people make in Australia, particularly in emergency services. I commend the bill to the house.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

Sitting suspended from 1.11 p.m. to 2.00 p.m.

MINISTERIAL ARRANGEMENTS

Senator ALSTON (Victoria—Deputy Leader of the Government in the Senate) (2.00 p.m.)—by leave—I inform the Senate that Senator Robert Hill, the Minister for the Environment and Heritage and the Minister

representing the Prime Minister, the Minister for Trade, the Minister for Foreign Affairs and the Minister for Forestry and Conservation will be absent from the Senate today. As the minister responsible for Uluru Kata Tjuta National Park, Senator Hill has been invited by the joint board to join in the celebration of the arrival of the Olympic torch in Australia. During Senator Hill's absence, I shall be the Minister representing the Prime Minister, the Minister for Foreign Affairs and the Minister for Trade. Senator Minchin will represent the Minister for the Environment and Heritage and the Minister for Forestry and Conservation. Senator Ellison will represent the Minister for Veterans' Affairs and the Minister for Defence and Senator Vanstone will answer questions on women's policy.

MINISTERIAL STATEMENTS

Evacuation of Australian Nationals

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (2.01 p.m.)—by leave—The government announces today that it has decided to undertake the evacuation of Australian and other approved nationals from Honiara. In the light of further deterioration in the security situation in and around Honiara, the Australian High Commissioner, Dr Martin Sharp, has requested the evacuation of Australian citizens and other nationals. HMAS *Tobruk* has been tasked with carrying out this evacuation and will arrive in Honiara later today. The government had diverted HMAS *Tobruk* from its transit from Bougainville to Vanuatu two days ago to take a position off the Solomon Islands, to provide assistance in the evacuation of Australian nationals if required.

The safety of Australians is a prime concern of the government. This evacuation is intended to ensure that Australians are not caught up in the violence now occurring around Honiara. I would urge as many Australians and other nationals as possible to take this opportunity to evacuate from the Solomon Islands. HMAS *Tobruk* will only be responsible for the safe evacuation of people who are in danger and will not be involved in any other security operation. The government remains very concerned at the security deterioration in Honiara and urges all parties to

negotiate a cease-fire without delay. This would be a necessary precursor to resumption of the ongoing peace process sponsored by the Commonwealth Secretariat. Australia's objective has always been to assist the Solomon Islands to deal with its own problems by peaceful and democratic means. The government will continue to monitor developments closely and make appropriate responses as required.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (2.03 p.m.)—by leave—On behalf of the opposition, let me say that we have every sympathy for those Australians who are caught up in the violence in the Solomon Islands. We wish those who will be undertaking the evacuation exercise every success. The opposition has been calling for a speedy return to order and to democratic government in the Solomons. We hope very much that this will be the case.

Senator LEES (South Australia—Leader of the Australian Democrats) (2.03 p.m.)—by leave—The Australian Democrats commend the government on taking steps to ensure the safety of Australian nationals at this time. We hope that evacuations can be undertaken safely and that there are no casualties. We note with approval that Australia is not taking part in any other security action at this time. However, we are concerned that the situation has been allowed to deteriorate to this extent.

QUESTIONS WITHOUT NOTICE

Nursing Homes: Riverside

Senator CHRIS EVANS (2.04 p.m.)—My question is directed to Senator Herron in his capacity representing the Minister for Aged Care. Can the minister confirm that 78 of the former employees of the Riverside Nursing Home were owed \$320,000 when the facility was closed by the government on 6 March this year? Can he explain why the Minister for Aged Care has not even bothered to respond to three requests from the ANF calling on the Commonwealth to take some responsibility for those employees' entitlements? Now that media attention has shifted from Riverside, is the government hoping that the 78 employees will simply go away? Don't

the former staff of Riverside deserve much better, particularly since some of them were responsible for reporting the poor care and the kerosene bath incident to the appropriate authorities? What signal does this shabby treatment of these workers send to other health workers about reporting poor care in our nursing homes? When will the government provide some justice to those former employees?

Senator HERRON—I thank Senator Evans for the question because this is a concern of the minister in relation to both the residents of Riverside Nursing Home and the former employees. The government has done everything possible, as you know, to relocate the residents from the Riverside Nursing Home. That was initially started over a month ago. Those residents who remained had case managers assigned to them. The relocation of residents from St Vincents commenced on 4 April and 49 residents have now been moved. Suitable places are being located for the remaining two residents who had been shifted to St Vincents. There were reports, as Senator Evans would be aware, of the former residents' possessions being sold and that is being investigated by the department. Only one item belonging to a resident was in fact sold. That item had been left behind by a resident.

The problems associated with the nurses at Riverside have been referred on and the department is investigating to see how they can be ameliorated, because it is a very serious concern. Where that is at the moment I do not have in my brief. I will have to get back to Senator Evans with an updated report on that matter.

Senator CHRIS EVANS—Madam President, I ask a supplementary question. I appreciate the minister saying that he will get me an answer. I would appreciate it if he could do that as soon as possible, but he did not address the question as to why some action has not occurred and why the minister has not even bothered to respond to three letters from the Nurses Federation asking for assistance with this matter. I would appreciate it if he could find out what has occurred and whether or not the government is going to do anything to help those former employees who

lost a total of \$320,000 worth of entitlements when the government closed Riverside Nursing Home.

Senator HERRON—As Senator Evans knows, the nursing home was closed to protect the residents, and that was the primary concern. As a secondary consideration, there was a multiplier effect in relation to the employees. As I said previously, as to where that is at the moment, I do not have in the brief at present. I will get back to Senator Evans.

Unemployment: Level

Senator McGAURAN (2.07 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Will the minister inform the Senate of the details of today's employment figures and what they mean for Australian families? Will he also inform the Senate how the government's reforms to the taxation system will ensure that Australian families continue to benefit from the improved economy?

Senator KEMP—I thank my colleague Senator McGauran for that very important question. As usual, Senator McGauran focuses on the key issues. The key issue which concerns many Australians is the level of unemployment and what the government is doing to achieve its goal of bringing this level down. Nothing highlights the improved performance of the Australian economy under the Howard government than the unemployment rate that was announced today. The unemployment rate for May was 6.7 per cent, a fall of 0.1 per cent on the April figure. It is very encouraging to note that the unemployment rate is at its lowest level for almost a decade. This is a very significant reduction from the 8.5 per cent rate we inherited from the Labor government. The record for Labor was a very bad record. Unemployment reached 11.5 per cent under Labor.

Senator Abetz—Who was the minister?

Senator KEMP—Let me contrast this with the figure today of 6.7 per cent.

Senator Abetz—Who was the minister?

Senator KEMP—I will take that particular comment of Senator Abetz. I think I am correct in saying that Mr Beazley had a very important role in the Keating government when unemployment rose to 11.5 per cent. It is great news that some 600,000 new jobs

have been created under the coalition government. The employment figures rose by over 12,000 in May to be 3.4 per cent higher than a year earlier. This latest figure is in keeping with the almost four per cent increase in the ANZ job advertisements series of May, which was released on Monday. The dramatic increase in the number of Australians with jobs has been a tremendous outcome for Australian families, especially when it happened in conjunction with an increase in rural wages.

However, the government is very much aware there is still more work to be done. This is why the Howard government remains committed to major reforms of the Australian economy to create a more competitive and more prosperous economy—reforms which will provide real benefits for Australian families. On 1 July, Australians will receive the largest tax cut in Australian history. These tax cuts are worth around \$12 billion a year and will provide to many Australian families an effective tax cut of \$40 to \$50 per week. I have some more material on this and, if there was a supplementary question, I may well be able to assist.

Senator McGAURAN—Given that you have more material, Minister, will you further inform the Senate of the benefits of the government's economic reforms, in particular taxation reforms, for Australian families?

Senator KEMP—The government's tax reform is not only pro-family; it is pro-jobs and pro-investment. There is no doubt that the reforms will be an enormous boost to the economy. It is a bit surprising that the Queensland Premier, Mr Peter Beattie, has stated today that his government will not achieve its unemployment target of five per cent because of the GST. The reality is that the unemployment levels in Queensland are entirely of Mr Beattie's own making. While the national rate is now at 6.7 per cent, the Queensland unemployment rate is 7.7 per cent, well above the national average. Perhaps the Beattie government may care to rethink its pro-union industrial policies, instead of casting around for false excuses for ditching its five per cent promise.

Telstra: Public Relations Campaign

Senator FAULKNER (2.13 p.m.)—My question is directed to Senator Alston, the Minister for Communications, Information Technology and the Arts. Minister, is it true that Jonathon Gaul, election campaign adviser for the Liberal Party for nearly 30 years, and the Managing Director of Canberra Liaison, Gavin Anderson, have been engaged by Telstra to advise them on a PR campaign to soften up the bush for the full Telstra privatisation? Can the minister inform the Senate how much is being paid for this campaign, what are the precise objectives of the campaign and what is its proposed duration?

Senator ALSTON—I do not know the precise details of the basis on—

Senator Cook—You said today, 'I don't know the details.'

Senator ALSTON—I did not say that. I do know some general details. I do not know the precise details. Perhaps you could just bide your time.

Senator Robert Ray—He doesn't know much.

Senator ALSTON—I understand your frustration, Senator Ray. He has not learnt much—has he?—in a long time. I am not aware of the precise details but I am aware that Mr Gaul has been assisting Telstra on some matters. I can be absolutely certain that it is not in any shape or form an exercise in softening up the bush for privatisation. The only people who need to be softened up in this regard are the Labor Party. The Labor Party need to be exposed in rural Australia for the hypocrites that they are. We know who boasted when he was Minister for Finance that he had privatised 11 government business enterprises and left virtually nothing for us when we got here. But I can well understand the frustration of Telstra in having to deal consistently with the misinformation that is peddled out there in rural areas by the Labor Party.

I would have thought that the basis on which Telstra might have engaged Mr Gaul would be a matter of commercial-confidence. Nonetheless, we did not engage him. They have chosen to take him on board because he has very significant skills. I can

assure you that he put those skills to very good use about 18 months ago—not that we really needed a great deal of help because we got it from your side, essentially, with all those inept tax policies which you have only partially walked away from to date. I am sure Mr Gaul is very much looking forward to explaining why you are keeping the GST. I think that will be bread and butter for him. He will be delighted to render those services free of charge.

Senator Cook—We're not. You'd be lying if you said that.

Senator ALSTON—He will be lying, will he? Maybe we can have that discussion at the same time we have that amazingly interesting proposition that Senator Ray trotted out yesterday—that Mr Howard as a former Treasurer is really responsible for Mr Beazley being the reigning gold medallist in terms of unemployment. That is the sort of thing—

Senator Robert Ray—No, don't distort again—he had 11 per cent in 1983.

Senator ALSTON—If you want to give Mr Beazley the credit on his own, we are more than happy to accept it.

The PRESIDENT—Order! Senator Alston, you should not be engaging in conversation across the chamber.

Senator FAULKNER—Given that the minister has indicated that Mr Gaul is 'assisting' Telstra, and given that the minister has noted Mr Gaul's involvement in the Liberal Party's election campaigns as recently as 18 months ago, can the minister now indicate whether it is a requirement under the Howard government that large public information campaigns can only be run by trusted Liberal Party operatives? Can he indicate to the Senate what is the budget and proposed duration of Mr Gaul's campaign for 'assisting' Telstra?

Senator ALSTON—This demonstrates precisely what the Labor Party would do with Telstra if they were in government. They would be crawling all over it. They would be requiring it to disclose every commercial matter. They would be second-guessing who it chose to employ. Let us just assume for a moment that Mr Gaul was employed on merit, all right? That is our proposition. Let

us just assume it. Let us say you were in government and Telstra came to you and said: 'Jonathon Gaul has done a pretty good job over 30 years and we would like to employ him.' Labor would say no, wouldn't they? They would say: 'We don't like your antecedents because we have spent the last five years in opposition blackguarding—

Senator Faulkner interjecting—

The PRESIDENT—Senator Faulkner, order!

Senator ALSTON—Every time anyone with any connection with the Liberal Party happens to be chosen—

Senator Faulkner—How much are you going to spend?

The PRESIDENT—Senator Faulkner, stop shouting.

Senator ALSTON—on merit by government business enterprises or government agencies you denigrate them, don't you?

Senator Faulkner—Why do you refer to him in his political role?

The PRESIDENT—Senator Faulkner, Order!

Senator ALSTON—You put them down personally.

The PRESIDENT—Senator Alston!

Senator ALSTON—You suggest that they are not fit for commercial employment. That is your line.

Senator Faulkner—It's another shonk.

Senator ALSTON—Yet you do not mind employing Rod Cameron.

The PRESIDENT—Senator Alston!

Senator ALSTON—You do not mind employing Bob Hogg.

The PRESIDENT—Senator Alston—

Senator ALSTON—There is a whole raft of people whom I would regard as competent and capable, and they would be two such people, right?

The PRESIDENT—Senator Alston—

Senator ALSTON—But you do not take that view.

The PRESIDENT—Senator Alston, I have called three times to ask you to sit down so I could—

Senator ALSTON—I'm sorry, Madam President, I apologise.

The PRESIDENT—deal with matters that Senator Cook has been shouting about. There was an unparliamentary statement amongst that, Senator Faulkner, that I require you to withdraw.

Senator Faulkner—Madam President, if I made an unparliamentary statement, I withdraw.

The PRESIDENT—Thank you.

(Time expired)

Senator Vanstone—I take a point of order, Madam President. I ask if you could give consideration to some rulings you have made over the last couple of weeks asking, for example, for questions to be listened to in silence. In this instance Senator Alston was trying to answer a question. On three occasions you called Senator Faulkner to order. Because Senator Faulkner was yelling so loudly he either could not hear you or chose to ignore you. It is because of that racket that, no doubt, Senator Alston could not hear you. Where did this problem start? It started with Senator Faulkner. We will have to have a look at the *Hansard* tomorrow. It does happen, Madam President. If you do not know, this might be news to you, but it does happen that you call him to order, he responds to you and it does not appear in *Hansard*. I do not know whether he has some sort of deal not to have it reported in *Hansard* when you call him to order, but it has to stop. When you call him to order he has to come to order.

Lucas Heights Nuclear Reactor

Senator CHAPMAN (2.19 p.m.)—My question is directed to the Minister for Industry, Science and Resources. Will the minister inform the Senate of any recent announcement made by the government regarding the construction of a replacement research reactor at Lucas Heights? What benefits will this provide to Australian medicine, industry and research? Is the minister aware of any reaction to this announcement?

Senator MINCHIN—I thank Senator Chapman for his question. Australia does need a new research reactor. Our existing reactor continues to be safe, but it is 42 years old and it is technologically obsolete. Having a new reactor will benefit Australia in many ways. This reactor produces radioisotopes which are used for medical diagnosis and treatment for 320,000 Australians every year. Radioisotopes are used by industry for safety monitoring and environmental management. The reactor is also a very significant piece of scientific infrastructure. That is why there are over 200 research reactors in dozens of countries around the world.

Our government decided in 1997 that we would replace the Lucas Heights reactor and after a very rigorous tender process I announced on Tuesday that the government had selected the Argentinian company Invap in a joint venture alliance with Australian firms John Holland Constructions and Evans Deakin Industries to design and construct the new reactor at Lucas Heights. The negative reaction of the ALP and, in particular, Senator Bolkus to this announcement has been absolutely hypocritical. The ALP clearly supports having a new reactor. The Public Works Committee in its report last year unanimously supported having a new reactor. There were four Labor signatories to that report: Janice Crosio, Collin Hollis, Bernie Ripoll and, of course, Senator Shayne Murphy. That Public Works Committee report concluded:

A need exists to replace the HIFAR reactor with a modern research reactor. The need for a replacement reactor arises as a consequence of national interest considerations, R&D requirements and the need to sustain the local production of radio-pharmaceuticals.

Of course, the ALP has also opportunistically criticised the location of the reactor at Lucas Heights. But the Labor members of the committee, as well as the whole committee, said:

On financial grounds there is merit in locating the replacement reactor at Lucas Heights, subject to the suitability of the site on operational and public safety grounds.

Of course, the ALP in the House of Representatives voted to adopt this Public Works

Committee report. The ALP knows, as we do, that the cost of replacing the reactor would probably double to some \$600 million if it was moved out of Lucas Heights to some remote location. Of course, there are no safety concerns with keeping the reactor at Lucas Heights, as Gareth Evans infamously admitted in that extraordinary letter of May 1998 to Helen Garnett at ANSTO, in which he said on the new reactor:

I am afraid that the realities of politics in an election year, and, in particular, our need to win Hughes—

which they failed miserably to do—

have led us to a position of opposing a new reactor at the Lucas Heights site, as difficult as that may be to justify in objective, safety-focussed terms.

That is the most honest thing Gareth Evans ever said in his political life. The duplicity of the ALP on this issue is an absolute disgrace. The ALP know we have to have a new reactor; they know it should be at Lucas Heights and that we need this for our scientific infrastructure. All the rhetoric on the new economy or the knowledge based economy is all hollow, it means nothing, if they do not support this reactor.

Goods and Services Tax: Information Mail-out

Senator ROBERT RAY (2.24 p.m.)—My question is directed to Senator Ellison. Did Senator Ellison become aware today that solicitors for both Senator Faulkner and myself had issued letters of demand to the Australian Electoral Commission and the Australian Taxation Office asking them to desist with the direct mail-out? Will the minister stand by his press release of 25 May in which he asserted that the mail-out was legal and criticised Senator Faulkner and myself for, as he put it, 'wasting the committee's time by raising such issues'? Can the minister now table in this place the advice of the Solicitor-General that, in fact, every point of law backs up the viewpoints put by Senator Faulkner and me on this particular subject? Will he confirm that the government will now have to retrospectively legislate or regulate to resolve some of the anomalies that have come out of this case?

Senator ELLISON—I will deal with the latter half of Senator Ray's question first, because the latter half is totally wrong. Where it is wrong is that the Solicitor-General's advice upholds what he and Senator Faulkner previously said and what the opposition has been trying to beat up, and that was that the Australian Electoral Commission was not entitled to pass over that electronic information to the ATO. It says here—and I quote from a basis of the Solicitor-General's advice which was just released by the Attorney-General:

While there is an authorisation in paragraph 91(4A)(e) for the Electoral Commission to supply a copy of the Roll on tape or disk, the Solicitor General points to the need for separate authority dealing with the use of the Roll by the Commissioner of Taxation...

Senator Robert Ray—You claimed 91(10) in your press release.

The PRESIDENT—Order! Senator Ray, you have asked the question. You can pursue it.

Senator ELLISON—What the Solicitor-General has said in his opinion, and the Attorney-General has just announced, is that the Australian Electoral Commission was within its entitlement, and I would refer Senator Ray to the statement just made by the Attorney-General in the other place—that the Australian Electoral Commission was entitled to pass on the information in the form that it did. This is the advice obtained by the Solicitor-General. What the opposition is relying on is both its letter of demand, which is based on the premise that the AEC was not able to pass on such information, and the advice of the Victorian government that the AEC was not able to pass on this information.

What the government has obtained is advice from the Solicitor-General which points to what can be done with the information once it is received. I can advise the Senate that the Australian Electoral Commission is now looking at this because it has implications for prescribed authorities under the act—and by 'prescribed authorities' I mean government departments or agencies. In the last nine years, there have been a number of agencies that have been provided electronic

information from the AEC. I cite them: Social Security, Centrelink, Defence, Australian Customs Service, NCA, Australian Taxation Office, DETYA, ComSuper, Passports, ASIC and DEWRSB. That was provided to those agencies on the basis of legal advice that was obtained back when Labor was in power and when Senator Bolkus was minister for the AEC and when Mr McMullan in the other place, the member for Canberra, was the minister who had responsibility. This has been a view held over the last nine years, substantiated by a consistent line of advice, and the AEC has acted on that legal advice.

What I have said is that the AEC has acted in accordance with the legal advice and had done nothing otherwise than in accordance with that legal advice. What the opposition is trying to say is that its complaint is the one that has been upheld. Well, it has not, because what the Solicitor-General has said is that the AEC was entitled to pass on that information to the ATO. What we now have is a situation which the Attorney-General has pointed to; that is, the necessity of making a regulation so that government agencies can receive electronic information so that they can get on and do the business that they have to do in serving the Australian community.

Senator ROBERT RAY—I ask a supplementary question. I am asking the minister now to confirm that in his own press release he refers to the right of these agencies to get this in electronic form from section 91(10) of the act, not 91(4A)(e) of the act. In fact, the tax commissioner, the electoral commissioner—I will ask you to confirm, Minister—and you all relied on 91(10) of the act because there was no restriction on the end use. Why has the minister now switched to (4A)(e) of the act for provision of the electronic roll, which does not include date of birth and gender and which has massively restricted use as in 91(A)? Why are you shifting the ground now, Minister? Why have you changed the basis on which the AEC passed over the material to the tax office?

Senator ELLISON—The fact remains that the advice that we received from the Solicitor-General was that the AEC was entitled to pass on the information that it did. That is the sum total of it. Whether it is under section

91(10) or 91(4A)(e) or whether it is 91B or 91C, the fact is that the Solicitor-General has said that this can be done; and the opposition is maintaining that it could not be done. Senator Ray is trying to twist facts and say that we are shifting ground. This government has been totally responsible in the way that it has looked at this issue. Over the last nine years, the AEC has received consistent advice on how to deal with this matter—

Opposition senators interjecting—

The PRESIDENT—Order! Far too many senators on my left are shouting.

Senator ELLISON—and it has followed that advice.

Privatisation: Costs

Senator ALLISON (2.30 p.m.)—My question is to the Minister representing the Minister for Finance and Administration. Minister, yesterday a professor and an economist gave the wooden spoon award to Minister Fahey for privatisation. Does the government agree that asset sales in Australia have cost the public purse \$48 billion? Is the minister aware that Professor Walker describes the State Bank privatisation as inept and naïve, costing the state of New South Wales millions? Is he also aware that the first tranche of Telstra got the wooden spoon because of a loss of value to the public sector—pointed out at the time, I might say, by the Democrats—and an undervaluation at about \$16 billion? Minister, shouldn't Minister Fahey step down for such incompetence? Or is it the fault of the government, which does not seem to understand that selling Telstra does not, and will not ever, make sense?

Senator ELLISON—I can tell the Senate that I am advised by the minister for finance that this is standard operating procedure for Mr Bob Walker. In fact, when Mr Fahey was Premier of New South Wales, it seems that Mr Walker disagreed with everything that the government did at the time—and was funded by the labour movement to do so. Nothing that Mr Walker writes is a surprise to the minister for finance. In relation to the State Bank sale which was referred to, the fact is that the sale of the State Bank of New South Wales for \$576 million represented a good outcome for the taxpayers of New South

Wales. In fact, this was acknowledged by the New South Wales Auditor-General at that time, in his report to parliament prior to the sale, where he concluded that the sale proceeds were 'fair and reasonable and entirely acceptable'. The Auditor-General also found that the consideration to be received by the state 'clearly exceeds the financial and economic return that the state would obtain if it remained the owner of the State Bank'. I am advised by the minister for finance that he has only one regret in relation to the sale of the State Bank of New South Wales: that it did not happen five years earlier, when the Greiner government tried to sell it but the sale was stopped in the Legislative Council in New South Wales.

There have been other comments made which are worth while to note, in relation to the sale of Telstra 1. This issue has been dealt with ad nauseam in both the Senate and the other place. The government remains totally satisfied that it obtained a fair and reasonable price for Telstra shares when the Telstra 1 offer was completed in November 1997. The issue price for Telstra 1 was determined on the basis of advice received from the joint global coordinators to the sale and confirmed by the government's independent business adviser, BZW. The issue price was also consistent with the bids lodged in the book build by the upper end of the range of the majority of market valuations of Telstra undertaken by the world's leading analysts—not only those employed by the selling syndicate. The federal government achieved an optimal return to taxpayers at the particular time for the sale of Telstra 1.

Senator Murray—It was a fire sale.

Senator Alston—You should have got on board, then.

Senator ELLISON—As Senator Alston says, they should have got on board; it was cheap. This government raised \$14.3 billion from the sale of Telstra 1. We used that money to retire part of the \$98 billion debt in the public sector which we inherited from Labor when it was in power. The Labor opposition has to ask itself: does it feel good about leaving the next generation of Australians a public sector debt of \$98 billion? We

have behaved responsibly in working to retire that debt for future Australians.

There is also some question as to the commercial and social value resulting from the sale of Telstra. Governments around the world have privatised their telecommunications carriers: the United Kingdom, New Zealand, Italy, Spain, France and Belgium. It has been competition in the private sector, enabled by responsible government regulation of the day, that has driven the level of technological growth and innovation in the information economy. This is evidenced by the US, which has never had a major government owned telco but which yet leads the world in information technology. There are absolutely no grounds for any wooden spoon in relation to the minister for finance. He has done an excellent job, both with the New South Wales State Bank and the sale of Telstra. (*Time expired*)

Senator ALLISON—Madam President, I ask a supplementary question. I must say it is a pity that the Minister chose to discredit Professor Walker instead of answering the question properly. Will the minister also admit that Australia does have a debt problem and that, in terms of public sector debt, we are in the bottom three of OECD countries? I go on to what Professor Walker said:

It is an extraordinary strategy to sell off Australia's key communications carrier at time when the rest of the world seems to be saying that we are all poised on the verge of an 'information revolution' which is likely to have a greater impact on society and world economies than the nineteenth century's Industrial Revolution

Minister, leaving aside the ineptness of Minister Fahey and the huge cost to the Australian public of sales that went wrong, why won't your government understand that Telstra provides an increasingly essential public service and that it returns huge profits to the public purse year after year?

Senator ELLISON—What we have seen since 1997 is the number of licensed telecommunications carriers increase from three to 39. That spells only good news for information technology. It provides competition, and competition is going to produce better service to Australian consumers and more efficiency. I have already pointed to the

United States of America, which leads the world in information technology, where you have a system of competition. What we are doing as a government is enhancing information technology in this country, but we are also using the sale proceeds—

Senator Allison—Madam President, I raise a point of order. The minister is debating a matter that is not even part of my question. My question was about privatisation, not about competition.

The PRESIDENT—It was quite a long question, and I cannot direct the minister as to which parts of it he chooses to deal with.

Senator ELLISON—It was quite obvious that Senator Allison was referring to the question of privatisation and how it related to the information technology sector, which is growing at a rapid pace. I was merely pointing out that privatisation added to competition and better service, pointing to the world's leader, the United States, and the practices they have. I believe that is entirely relevant.

Goods and Services Tax: Information Mail-Out

Senator FAULKNER (2.38 p.m.)—My question is directed to the Special Minister of State and it relates to the government's humiliating backdown on the Prime Minister's illegal GST mail-out to voters. Minister, can you confirm that, on 25 May this year, you issued a press release headed 'Labor abuses AEC for doing its job', and that that press release contained a paragraph which said:

Special Minister of State, Senator Chris Ellison, today condemned ALP Senators for their outrageous attack upon the integrity of the Australian Electoral Commission (AEC) and its senior officers last night.

Can you also confirm that the press release contained these words:

Government agencies and Departments, including the ATO, are specifically authorised by section 91(10) of the Electoral Act to receive Electoral Roll information.

Minister, will you now take the opportunity to retract those incorrect and misleading statements in your press release, and will you now take the opportunity to explain to the Senate how you got this so wrong?

Senator ELLISON—I was not going to comment on this, but I will now. The behaviour of Senator Faulkner and Senator Ray was not up to their usual standard when they questioned Mr Becker, the Australian Electoral Commissioner. I was not there, but I saw the tape. I have to tell you it was a deplorable case of badgering and abusing officials. In this chamber Senator Ray accused officials of covering up, and at best I think he said—or at worst—'misleading'. The point I made—if the opposition will listen—was that these agencies were entitled to receive the information in the format they did. The Solicitor-General has said that that is right; they were able to receive it. In fact, I will refer again to the Attorney-General's statement. He said:

The Government has received formal advice today from the Solicitor-General that while the Australian Electoral Commission was entitled—

'Entitled': that normally means allowed to—

to supply the Commissioner of Taxation with a tape or disk of the Electoral Roll, such tape or disk could be used only for a purpose prescribed under Section 91A of the Commonwealth Electoral Act.

What we are saying is that those agencies were entitled to receive it, and the ATO was one of them. I point again to those agencies in the past that have been doing a good job for Australians out there—passports, NCA, law enforcement agencies, and social security—who have relied on the provision of information in this format in order to go about their business of serving the community. I ask the opposition: are you going to join the government in remedying the flaw, which we have to address and the Attorney-General says we have to address, that existed when you were in government? When Senator Bolkus was the minister administering the AEC, the same flaw existed. He had the same legal advice. He has gone very quiet. We now want to fix this flaw so that we can serve Australians and so that these agencies can go about doing their jobs. Call the opposition to join in with us to fix it.

Senator Knowles—Madam President, I take a point of order in relation to standing order 203 (b), (d) and (e), about the conduct of Senator Faulkner. He does nothing but

scream and yell, once he has asked a question, or someone else has asked a question, during the answer being given. I ask you, Madam President: what is going to be done about controlling the conduct of this bully and the way in which he treats this Senate with absolute and utter contempt?

The PRESIDENT—I shall note his conduct, Senator. Have you finished your answer, Senator Ellison?

Senator ELLISON—I am glad Senator Knowles brought me back to one aspect of the question, which dealt with the behaviour of Senator Faulkner and Senator Ray. It is a shame Senator Hill is not here today because, as I recall, he had to call them to order at one stage for the way that they were questioning the officials. We have here a situation where the government took advice, is acting on that advice and is acting in a responsible fashion. What we have is advice that says the AEC was entitled to provide the information it did. That is the end of the story. Now we have another aspect of that advice, which is the use to which that information is put. That is something we are going to have to address, and the opposition is going to have to tell the community what it is going to do about it. That information is essential to government agencies such as Centrelink, law enforcement agencies, foreign affairs, passports—this information is vital to them in the carrying out of their jobs. We need to amend the legislation or look at regulations to amend the flaw so that they can get on and do the job they are meant to do.

Senator FAULKNER—Madam President, I ask a supplementary question. Minister, will the government now be pulping the Prime Minister's illegal letter to voters? If so, what will the cost of the pulping be? What were the costs of the printing of the Prime Minister's illegal letter to voters? And finally, Minister, will the Liberal party, not Australian taxpayers, bear the cost of the Prime Minister's illegal letter to voters?

Senator Lightfoot—Madam President, I raise a point of order. The Leader of the Opposition in the Senate knows very well that his question should be directed to you. Every question time he has failed to obey that par-

ticular rule, and I would ask you direct him to the relevant section.

The PRESIDENT—Unfortunately, that is a fairly common problem in the chamber. Questions and answers to questions are not always directed through the chair. It happens on occasions.

Senator ELLISON—I advise the Senate that the booklets will still be used, and just under eight million of those will go out. They are valuable booklets with a lot of information in them in relation to tax reform. I advise the Senate that, because of the privacy details, the names and addresses, the letters will have to be pulped. I can tell the Senate that this booklet will be sent out, and that the cost of the revised mail-out will be around or below the previous cost of sending it out.

Opposition senators interjecting—

The PRESIDENT—We are waiting to proceed with question time. Senators on my left should abide by the standing orders.

Goods and Services Tax: Local Government

Senator MASON (2.45 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Is the minister aware of reports that the Lord Mayor of Brisbane blames the GST for his council's decision to raise rates and charges? What will be the impact of the new tax system on local government?

Senator IAN MACDONALD—I thank Senator Mason for that question and for drawing my attention to the report in the *Courier-Mail*. Senator Mason very carefully looks after the interests of his constituents in Brisbane. The GST and the new tax system will be excellent for local government, and that has been shown in any number of reports that have been done—for example, the Arthur Andersen report that was done for the Victorian government about Victorian councils. The ACCC itself indicated that rates and charges could well fall. Councils across the state—and I only quote Senator Greig, Democrats senator and a former councillor from Perth—

Senator Forshaw—Madam President, I rise on a point of order. There is currently legislation before this Senate which is at the

committee stage and to which this question specifically relates. On that basis, I ask that you rule the question out of order.

The PRESIDENT—There is no point of order. There is legislation before the chamber; the minister is not discussing the bill.

Senator IAN MACDONALD—Even Senator Greig, a former councillor, has indicated that this is good for local government. You have to go no further than the Labor Treasurer for New South Wales, who said that this is a great package for local government.

I refer to Senator Mason's question in relation to the Brisbane City Council. If Councillor Soorley has been properly quoted, this seems to be yet another outrageous and misleading campaign by the Labor Party, following upon the South Sydney campaign that I spoke about yesterday. The ongoing rate of inflation is 2½ per cent. There is no GST on rates, no GST on water charges and no GST on sewerage charges; yet Councillor Soorley has increased the general rates in Brisbane by six per cent, water charges by 2.7 per cent and sewerage charges by 12 per cent. He then has the hide to blame the GST, when the GST does not apply to those.

If Councillor Soorley has been accurately quoted, this is really another matter for the ACCC to investigate. As the ACCC will be looking at the South Sydney Council—another Labor council—it should look at the Brisbane City Council. Substantial fines of up to \$10 million in penalties can be imposed on councils if they are involved in price exploitation or if they mislead their constituents. The Arthur Andersen independent report about Victorian councils indicated that an inner-city Melbourne council would save something like \$1.9 million annually from the GST. If that applies in Melbourne, it should apply to Councillor Soorley.

There are big savings for councils. It seems to me to be part of an ongoing pattern of behaviour by the Labor Party and their Labor Party councils in South Sydney and in Brisbane, which are so inefficient that they have to increase their rates—so inefficient that they cannot make ends meet without ripping off their ratepayers—and then have the

hide to misleadingly blame the GST for it. That sort of misleading and deceptive conduct deserves to be investigated.

It may be—and I know what reporters are sometimes like—that Councillor Soorley has been misreported. If he has, I invite him to publicly state that the increases in rates and charges in his council have nothing to do with the GST but are a monument to his inefficient running of the Brisbane City Council.

Goods and Services Tax: Caravan Parks

Senator McLUCAS (2.50 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Can the minister explain why, until yesterday, the operators of a caravan park in Mourilyan in Far North Queensland had been unable to obtain any information about the GST other than the booklet *Retailing and wholesaling: the new tax*? Having ordered the accommodation industry booklet on 23 February this year, having ordered the restaurant and café industry CD on the same date, having ordered relevant educational videos on 15 May and having been told they would be sent straightaway, and having made five separate follow-up inquiries since the original order on 23 February, how many more hundreds of millions of taxpayers' dollars will it take to actually get information to those who request it?

Senator KEMP—Let me address the issues that have been raised by Senator McLucas. Firstly, this is a very big change in the tax system. A great deal of information has been printed which is available to people through a whole range of areas: through pamphlets, through the Internet, through visits from field officers which can be requested, and through a variety of info lines. There is a wide variety of information available which is very accessible to the public.

Senator McLucas has raised a particular question about one particular agency or organisation. Senator, I will make inquiries to see what happened in that particular case. I think the Australian Taxation Office is doing an absolutely fantastic job in bringing in this new tax system. It is subjected, I might say, to constant attacks by the Labor Party, as are its leaders. The tax office has undertaken a massive change, and we believe that in virtu-

ally in every case—or certainly in most cases—it is providing the information that people want. Senator McLucas, as I said, you have raised requests for particular information and have raised concerns that this organisation has not received the information that it wants. If you can provide me with the details of this after question time, I will make sure that they are followed through. We will make every endeavour to make sure that the information is obtained by the organisation.

Senator McLUCAS—Madam President, I ask a supplementary question. My constituent might disagree that the ATO is, in your words, ‘doing a great job’. Why is the government more concerned with pushing messages into viewers’ heads during prime time television than answering their queries with accurate and timely information about the precise impact the GST will have on their particular circumstances?

Senator KEMP—Madam President, the supplementary question was a complete nonsense. We are providing a wide variety of information which is available to the public through various forms. I think what the public would like, Senator McLucas—and I would ask the organisation that contacted you—is for you to make it very clear to them what the ALP policy is on the GST. If you can give me their number we will make sure that they get not only the information on what the government’s policy is but they may wish to inquire, Senator McLucas—

Senator KEMP—When you post this transcript to them, I would ask them to ask you precisely what your policy is. Furthermore, I would ask them to ask you what your policy is in relation to the major income tax cuts which the government will be delivering on 1 July. I think the answers to those questions would be absolutely fascinating.

Foreign Policy: Asia

Senator BOURNE (2.54 p.m.)—My question is addressed to the Minister currently representing the Minister for Foreign Affairs, Senator Alston. Is the government concerned about Australia’s reputation and about perceptions of some of Australia’s recent actions in some parts of Asia?

Senator ALSTON—We are always concerned about our reputation in the region. We think that it is actually strong and growing. Indeed, I think it is quite clear, particularly from the Asian economic crisis when we provided stand-by facilities for Thailand, Indonesia and Korea, that it was greatly appreciated that we were prepared to come to the assistance of those countries who found themselves in temporary financial difficulty. Certainly, the contacts that we have across a wide range of areas stand us in very good stead, and they look to us as a model economy.

The Prime Minister is currently in Japan, where one expects that he will be meeting with President Wahid. I think that is a very positive step forward. The Indonesian government clearly is anxious to ensure that those points of commonality are pursued. I think those other countries in the region would respect us for the strong stance we took in coming to the assistance of East Timor, in standing up for democratic rights and in providing a model of a strong and robust economy. Only a week or so back when I was at an APEC telecommunications ministerial conference, where we managed to achieve a very positive outcome in terms of international Internet charging, two of our strongest supporters were the telecommunications minister from Malaysia, Leo Moggie, and Mr Yeo from Singapore. It was quite clear that they saw Australia as a country that had a great deal to offer in providing the appropriate economic model. Indeed, the Deputy Prime Minister of Singapore, who was down here only a week or so back, is on the record as welcoming Australia’s involvement in the region and saying that he thinks that we have an important role to play. He said that it made eminent sense for Australia to strengthen its relations with Asia and noted that the present government was actively focused on Asia.

So I think it is fair to say that our defence and security arrangements with the region have never been stronger. Our exports are booming in the region. We are a strong supporter of the transition to democracy in Indonesia. I think we have a reputation that stands us in very good stead. We have positioned

Australia as a more realistic and practical contributor to the region. We have overseen a very significant and positive shift in our regional relationships.

Senator BOURNE—Madam President, I ask a supplementary question. I thank Senator Alston for his answer. I too have read the stuff from Singapore's Deputy Prime Minister, Mr Lee. I ask the minister whether he has seen the quote where Mr Lee says that there is now a gulf to be bridged between the two nations of Australia and Indonesia. So all is not completely well. I ask the minister whether he believes that the ordinary people of Asia are perhaps not as sanguine as some of the people he speaks to when they are talking about our reputation. If that is the case, when is the minister going to provide funding to get Radio Australia on short wave into Asia?

Senator ALSTON—It took a long while to get to the punch line, but I am glad Senator Bourne did not disappoint us all. It is always very difficult, of course, to know what the average villager does think. But to the extent that they ever watch question time I think they would be absolutely appalled at the performance of this lot. Indeed, one of my staff members who was travelling overseas last year said to me that wherever he went people were asking, 'When is that Senator Faulkner going to apologise to the Baillieu family?'

Senator Faulkner—Did he?

Senator ALSTON—He did say that. I think they would be appalled—and understandably so. I have to tell them when they do raise these matters with me that this mob simply cannot be reformed, that they should not be in any shape or form—

Senator Lees—Madam President, I rise on a point of order. There was nothing at all about the Baillieu family in any part of Senator Bourne's question. Could the minister please answer the question?

The PRESIDENT—Senator Alston, I would draw your attention to the question.

Senator ALSTON—Madam President, I did not mention the Baillieu family either. As far as Radio Australia is concerned, I am sure Senator Bourne is aware, as I said yesterday, that the ABC does have a capacity from its

\$600-odd million budget to pay for what they themselves regard as a very modest amount in relation to renewing transmission arrangements out of Taiwan. They, of course, are currently engaged in negotiations with Christian Vision, and I am sure that, to the extent that it is a priority for the ABC, they will pursue it. (*Time expired*)

Goods and Services Tax: Rural and Regional Australia

Senator MACKAY (2.59 p.m.)—My question is to Senator Ian Macdonald, the Minister for Regional Services, Territories and Local Government. Given that this minister has point-blank refused to answer any questions on the detail of the GST at estimates, in budget bills or even as late as one hour ago in the debate on the local government bill, except when he uses question time to persecute individual councils, can he finally do the people of regional Australia the courtesy of answering this question? Is the minister aware that six regional supermarkets in my home state of Tasmania, at Ross, Stanley, Queenstown, Ringarooma, Derby and Paper Beach, are closing before 1 July, citing the GST as the final straw in their demise? Does this minister or this government have the slightest idea of, or sympathy for, the devastating impact these closures are going to have on regional Australia?

Senator IAN MACDONALD—I have to confess that I really had not heard of that, but I might say that Senator Mackay has never bothered to make one representation to the Minister for Regional Services, Territories and Local Government of this government in any way to help those constituents to whom she refers. I do not want to be uncharitable to Senator Mackay. In fact, I congratulate you, Senator Mackay, for asking me the first question in some eight months—the first question since last century—so I do want to try and give your question a little more attention. Some of my Tasmanian Liberal colleagues have suggested to me that perhaps the difficulty in those towns Senator Mackay mentioned is not because of the GST but because there is a road bypass going on, done by the Tasmanian government, I assume. The Tasmanian government is led by a Labor

Party Premier, and I assume that the minister for transport is a Labor Party man as well.

Honourable senators interjecting—

The PRESIDENT—Order! The level of noise is absolutely unacceptable.

Senator IAN MACDONALD—If there are difficulties there that have been caused by actions of the Tasmanian government, then Senator Mackay and her colleagues should use their influence with the members of the Tasmanian government to fix those. But this government, the federal government, provides millions and millions of dollars for regional services, particularly in Tasmania. In the short time available to me, can I just mention the Tasmanian Freight Equalisation Scheme, an initiative of a Liberal government—

Senator Mackay—Madam President, I raise a point of order. This minister is again dodging questions on the GST. My question is related to the GST and the closure of supermarkets in Tasmania. The operators themselves have said it is the GST. I ask you to direct the minister to answer the question.

The PRESIDENT—There is no point of order.

Senator IAN MACDONALD—Much as Senator Mackay has an honest face, I would never accept her representation of what the owners might say. If the GST is so bad, why aren't grocery shops all over Australia shutting down? Of course they are not. They understand, like most small businesses in Australia, that the new tax system is of great value to small business. There are across-the-board substantial savings for small business. I suspect that the real problem that Senator Mackay talks about is an issue that should be addressed by the Tasmanian government, and I suggest that Senator Mackay use her influence with the Tasmanian government to fix up the road system.

Senator MACKAY—Madam President, I have a supplementary question. Yet again this minister refuses to answer questions on the GST. Can the minister confirm the statements made by him and his department at estimates on 23 May that no analysis has been done of the impact of the GST on regional Australia by anyone in this government? With only 22

days to go until the GST hits, can the minister confirm statements made by him and his department in estimates that the government has no intention of doing any research whatsoever on the GST and regional Australia? Minister, isn't it a fact that you and your government do not give a damn about the impact of the GST on Tasmania or in fact on anywhere in regional Australia?

Senator IAN MACDONALD—If I leave aside the intemperate language and the throwing down of the papers, I am asked whether I can confirm that. Senator, read the *Hansard*, please, and, if it is in there, yes, I confirm it. We were talking about local government, and I was pointing out that there are any number of reports that have been done by respected authorities that show that the GST is great for local government, including the state Labor Treasurer—

Senator Mackay—I raise a point of order, Madam President. My question is in relation to reports by the minister and his department in relation to the GST and regional Australia, not the GST and local government. Minister, regional services is your portfolio.

The PRESIDENT—There is no point of order.

Senator IAN MACDONALD—As the shadow minister for local government, the senator should be aware that two-thirds of local governments are in rural and regional Australia. The goods and services tax and the new tax system are tremendous for rural and regional Australia. You see, Madam President, it gets the costs off business, including agricultural industries, including all those export industries that are the lifeblood of rural and regional Australia. It is a great package for those industries, and because of that it is great for rural and regional Australia.

Drugs: Ecstasy

Senator TCHEN (3.07 p.m.)—My question is to the Minister for Justice and Customs, Senator Vanstone.

Opposition senators interjecting—

Senator TCHEN—Unlike the questions from across the chamber, my question is a serious one seeking real information. Will the minister inform the Senate of the Australian Customs Service's recent successful border

seizures of the drug ecstasy? Will the minister inform the Senate of the dangers of ecstasy use for young Australians who might be considering experimenting with this drug?

Senator VANSTONE—I thank Senator Tchen for the question. It is a most appropriate question. I can understand why the Labor Party does not want to listen to the answer. In the first 10 months of this financial year, Customs, at the border, have seized 126 kilos of ecstasy, including, I might say, the largest seizure we have ever had—76 kilos in Brisbane. You might ask, Madam President: how does that compare with past years? It is about 40 per cent up on last year. You might ask: how has the government as a whole gone? What has happened since you guys came to office? Are you—the Liberal and National government—doing better than the Labor Party? So I thought I had better make some inquiries. We have added up the ecstasy seizures in the first five years of this government—well, the first four years and 10 months—and the figure comes to 348.4 kilos. I thought that sounded pretty good, so let us have a look at what happened in the last five years under Labor, when Senator Bolkus and others had some responsibility for this. In our first five years, remember, it was 348 kilos; in the last five years of Labor, 28.2 kilos. So if that does not tell the whole world that the Labor Party was and still is soft on drugs! It did not give a damn about drugs coming over the border, did not care what the drugs did to young Australians—28.2 kilos in five years at the border.

Opposition senators interjecting—

Senator VANSTONE—So 28.2 was all you could do.

Senator Lees—The drug wasn't an issue then.

The PRESIDENT—Order! There are senators on my left literally shouting and behaving totally contrary to the standing orders—and they know it.

Senator VANSTONE—I noticed Senator Lees's interjection that MDMA was not an issue. It might not have been for people who were not interested, but it was for others. For the benefit of those parties who say we should understand—as Natasha says—that

young people think it is fun to use ecstasy, there are a few other things young people ought to know. You should be telling them it is dangerous, because the research published in the *British Journal of Psychiatry* last year has said that:

MDMA may lead to long-term alterations of neuronal function in the human nervous system. Data suggests that even recreational doses can cause brain damage. MDMA causes abnormal regrowth of pathways in the brain involving the transportation of serotonin—

that is a neurotransmitter that is believed to regulate mood and other physiological functions—

and the brain damage may be irreversible. Deaths have occurred as a consequence of single doses of MDMA.

For those who do not believe me, they can go to the *Annals of Emergency Medicine*, look at the journal for September 1998 and see the warnings about serotonin syndrome. Other studies have clearly demonstrated that ecstasy use impairs memory attention span and learning ability—and that might tell us something if we look around very carefully. This government has put an enormous effort into the war on drugs. We have been extremely successful in ecstasy seizures at the border—28.2 kilos in the last five years of the last government, over 300 with us. We have increased the penalties. And my last point is a plea to the Democrats and Senator Brown to understand that this is a dirty industry. The by-product from ecstasy production is dangerous. Not only is it carcinogenic—

Senator Forshaw interjecting—

The PRESIDENT—Senator Forshaw, you are shouting.

Senator VANSTONE—but it is also environmentally hazardous. I look forward to you all supporting the government in its efforts to stamp this industry out.

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

FUEL SALES GRANTS SCHEME

Senator KEMP (Victoria—Assistant Treasurer) (3.12 p.m.)—Madam President, following a request from Senator Cook, I

table a photocopy of a document which is being posted out to fuel retailers and distributors to register for the Fuel Sales Grants Scheme.

**ARCAS (AIR FACILITIES):
DOCUMENTS**

Senator IAN MACDONALD (*Queensland—Minister for Regional Services, Territories and Local Government*) (3.12 p.m.)—Madam President, I seek leave to make a short statement relating to a return to order agreed to by the Senate yesterday relating to the Albury based airline, ARCAS, which trades as Air Facilities.

Senator Faulkner—Madam President, normally a minister would seek leave to make a statement on a return to order after taking note of answers to questions without notice. There is no objection to Senator Macdonald seeking leave; it is just a question of when it is done. I think you would appreciate, Madam President, that consistently we have tried to ensure this occurs at the end of taking note of answers to questions. So I would prefer that Senator Macdonald do it at the appropriate time. Obviously, we will not be refusing leave at that time; that is when it ought to be done.

The PRESIDENT—Leave is refused at the moment, Senator, but will be approved later.

Senator IAN MACDONALD—Unfortunately, Madam President, I will not be around later.

Opposition senators interjecting—

The PRESIDENT—Order! Senator Cook and Senator Carr, to shout in that fashion is disorderly.

Senator IAN MACDONALD—Perhaps I will just table it.

The PRESIDENT—As a minister, you have leave to table. You do not need leave; you may table.

Senator IAN MACDONALD—Yes, that is what I am doing.

PERSONAL EXPLANATIONS

Senator GEORGE CAMPBELL (*New South Wales*) (3.14 p.m.)—Madam President, I seek leave to make a personal explanation as I claim to have been misrepresented.

The PRESIDENT—Is leave granted? Leave is granted, Senator George Macdonald, if you wish to proceed. No-one has opposed it.

Honourable senators interjecting—

The PRESIDENT—I am sorry: Senator George Campbell.

Senator Robert Ray—Things are very sensitive at the moment.

Senator Ian Macdonald—It is a plot by the Campbells against the Macdonalds.

The PRESIDENT—I fear I may have insulted the Macdonalds. Senator George Campbell has sought leave to make a personal explanation and there has been no objection to it.

Senator GEORGE CAMPBELL—Thank you, Madam President. I do not think the Campbells and the Macdonalds mix very well. I want to outline the events that took place yesterday in respect of an email. The ACTU President, Sharan Burrow, spoke to me by phone yesterday morning and advised me that she had forwarded to me an email at 6.36 p.m. on Tuesday, 6 June, which I did not receive. Subsequent to the discussion over the telephone, she sent me a repeat of that email at 10.07 a.m. on Wednesday, 7 June, which I did receive. During question time yesterday, Senator Alston quoted from that email in response to a question without notice from a government senator. It would appear that the original email intended for me was misdirected. To my knowledge, no attempt was made to redirect the original email to me, and I make the point that no attempt was made by Senator Ian Campbell from that time up until 2.32 p.m. today to forward that email on. I have subsequently found that the email was originally sent at 6.36 p.m. on Tuesday. It was addressed to senator.campbell@aph.gov.au, which I understand to be Senator Ian Campbell's email address.

I would also like to point out that from time to time I have received by mistake physical mail addressed to Senator Ian Campbell. I always have forwarded, and will continue to forward, that mail to Senator Ian Campbell and would not intentionally read it or disclose its contents to others. I think that

is a responsible, commonsense approach to misdirected mail. I wonder, however, what Senator Ian Campbell's response would be if I retained that mail, opened it and used it in the way in which my email was used for political purposes. The event raises a number of questions. For example, what is the difference between physical mail and email? I believe that there is no difference, that they are exactly the same and that they should be treated the same. Senator Ian Campbell, I would remind the parliament, is Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts, Senator Alston, and is Manager of Government Business in the Senate. Senator Ian Campbell has direct responsibility for government electronic service delivery—

The PRESIDENT—Senator, you have strayed a little from a personal explanation into debating certain other issues.

Senator GEORGE CAMPBELL—I am setting out the facts that occurred yesterday.

The PRESIDENT—You have leave to make a personal explanation.

Senator GEORGE CAMPBELL—The point I am making is that Senator Ian Campbell should know how to appropriately deal with misdirected email. This event raises the question as to what protocol should be adopted to protect the privacy of email messages and to guard against their unintended use. This is an important matter that will be of great interest to the Senate as it could raise a matter of privilege. The Clerk has given me advice to that effect, and I seek leave to have the Clerk's response to my inquiry incorporated into *Hansard*.

Leave granted.

The document read as follows—

hc/let/12883

7 June 2000

Senator George Campbell

The Senate

Parliament House

CANBERRA ACT 2600

Dear Senator Campbell

DISCLOSURE OF MISDIRECTED E-MAIL MESSAGE

Thank you for your letter of today's date which seeks advice on the disclosure in the Senate at question time today of an e-mail message which

was intended for you but which was mistakenly sent to Senator Ian Campbell.

So far as I know there is no law about unauthorised disclosure of misdirected e-mail messages, but even if there were such a law it could not provide a remedy in this case, because the unauthorised disclosure took place in the course of proceedings in Parliament, which are protected by the law of parliamentary privilege against action in any forum other than the Senate itself.

There are also no relevant parliamentary rules applying specifically to e-mail messages.

Persons who receive e-mail messages, or, for that matter, telephone or fax messages, which are intended for others but which have been misdirected, are generally regarded as being under a moral obligation not to disclose such messages to persons other than the intended recipients, and to redirect such messages to the intended recipients. That this is a moral principle only is reflected in requests to that effect which are included, for example, on fax cover sheets.

The only possible remedy, therefore, is through the Senate itself, under the *Parliamentary Privileges Act 1987*.

You could make out a case that the unauthorised disclosure of a misdirected e-mail message intended for a senator constitutes a contempt of the Senate, falling under the general category of contempts relating to interference with a senator in the performance of a senator's duties. This general category of contempts is referred to in paragraph (1) of the Senate's Privilege Resolution No. 6, relating to matters constituting contempts, in the following terms:

A person shall not improperly interfere with the free exercise by the Senate or a committee of its authority, or with the free performance by a senator of the senator's duties as a senator.

Your case would be greatly strengthened if it is a fact that the misdirected message was not redirected to you. In that circumstance, there has been not only an unauthorised disclosure of the message but an interception and suppression of the message, so that the intended recipient has been deprived of it.

If you wish to raise the matter as a possible matter of contempt of the Senate, that is, as a matter of privilege under standing order 81, I could provide further advice to assist you to do so.

Yours sincerely

(signed)

(Harry Evans)

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (3.18 p.m.)—by leave—I accept what Senator Faulkner said in relation to making personal explanations. But since Senator George Campbell has made a statement, now is the appropriate time to for me to speak about this.

Senator Faulkner—No-one has stopped you having leave.

Senator IAN CAMPBELL—Senator Conroy, in jest, tried to. If Senator George Campbell wants to set all the facts out, he will make it clear that every single piece of physical mail of his that I have ever received has been returned to him unopened on all occasions except for one when I got a bill from Hyatt catering. That was opened; it was actually my wife who picked up the fact that it was not my bill. It was for room service provisions of alcohol at prices that I prefer not to pay. If I buy alcohol, I usually buy it down at Woolworths in Manuka because I think the prices are a lot more reasonable there.

As I am sure Senator George Campbell will attest, I received another email long after the one I received earlier in the day. I do not think that Senator George Campbell would say that the email that was received from Sharan Burrow contained anything personal or confidential. I am happy to apologise to him if he regards that as the case, but anyone who read that document would know that it was not highly confidential. The email system in my Perth office received the email at a time when I was not even in the building. Quite honestly, the first time I knew that the email had been received was when I arrived in question time about half an hour late because of the fog that enshrouded our capital yesterday. Senator George Campbell raised the issue with me in a heated way—a way I would expect—and quite rightly so. He had a reason to be angry about it. I made inquiries as to why it was not forwarded on, and I have now forwarded all emails on. I received another email from Sharan Burrow for Senator George Campbell late last night, I think it was.

Senator Cook—Are you pleading guilty to the crime or not?

The PRESIDENT—Do not interject, Senator Cook.

Senator IAN CAMPBELL—No. I am just putting my credentials on the record. No-one in this place will accuse me of not having forwarded mail on—

Senator Mackay—You used it for political purposes.

Senator IAN CAMPBELL—Actually, I did not. But it has been used for political purposes, and I apologise to Senator George Campbell for that occurring. I am quite happy to make that apology, and I do so on the record. Senator George Campbell will attest to the fact that an email that was received last night was forwarded to him. In fact, I gave instructions to my Perth office last night to make sure that all emails were forwarded on, including the one that was received last night. That did not occur until 2.30 p.m. because my office staff in Perth were delayed in getting into the office this morning and did so at the earliest occasion on my specific instruction. I want to make that clear.

The other point that needs to be made—because there is a serious issue here—is that one of the messages I received for Senator George Campbell was a message that had an email cover and an attached document, which is the way that you can effectively protect documents, but the email that was received yesterday in my absence was an email that had the message on the cover note. There is no way that you can avoid seeing the message, especially if it is addressed to Senator Campbell. Clearly, if you go to the end of the email and see that the sender is Sharan Burrow, then you might presume that it was not meant to be sent to me. But one of the messages that Sharan Burrow sent out was addressed to a whole range of senators—I think it was a lobbying effort. I do not claim that in relation to yesterday's email. But when there are messages from the ACTU President directed to a whole range of senators, it is quite possible for you to be confused as to whether you are the genuine recipient. One of the suggestions I might make, which I have

thought about overnight on this issue, is that since there is now a Senator George Campbell and a Senator Ian Campbell, rather than my address being 'senator.campbell' it should be changed to 'senator.ian.campbell', which would make it a lot easier. I intend making that suggestion to whoever in this place creates those email addresses.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Information Mail-Out

Senator ROBERT RAY (Victoria) (3.23 p.m.)—I move:

That the Senate take note of the answer given by the Special Minister of State (Senator Ellison) to a question without notice asked by Senator Ray today, relating to the provision of electoral roll details to the Australian tax Office.

This morning at 9 o'clock, Slater and Gordon, Sydney, delivered on behalf of Senator Faulkner and me letters of demand on both the Australian Commissioner of Taxation and the Australian Electoral Commissioner demanding that they desist from their planned mail-out using the electronic mail list supplied by the AEC to all Australian electors. I am very gratified that, 23 hours before the deadline we set had run out, the government has caved in after a week of obstructionism and abuse directed at Senator Faulkner and me for raising this particular issue. I well recall the estimates committee that Senator Ellison mentioned today. I well remember the Electoral Commissioner shouting at Senator Faulkner and me, 'Show me the law where it says I am wrong. You show me in legislation where I am wrong.' The Solicitor-General, in this very well-written piece of advice, has shown the Electoral Commissioner where he is wrong—game, set and match against the Electoral Commissioner.

It is not just the Electoral Commissioner who entered the lists here; the tax commissioner said that it was legal. The tax commissioner offered up to the estimates committee his legal advice. Twenty minutes later, after cross-examination, he withdrew that offer. To his credit, he said he would seek some further advice. But of course in his media release of 25 May, Senator Ellison enters the lists, criti-

cising us for raising these issues in the estimates committee. The most significant thing of course—

Senator Ellison—It was the way you did it.

Senator ROBERT RAY—What rubbish, Senator. We were misled on these committees. We were not told the truth. There was no public announcement. It was only our cross-examination that brought these facts to light. The government was never going to fess up—but you did. You fessed up and said:

Government agencies and Departments, including the ATO, are specifically authorised by section 91(10) ... to receive Electoral Roll information.

What a duplicitous statement. They are entitled to receive that information on microfiche alone, not the electronic version. We read the act. We legally interpreted it; we eventually went for legal advice—it all confirmed that. Why in heaven's name has it taken a week for the government to understand that this was an untenable project? It could never stand up.

In issuing those letters of demand this morning, we threatened to go to the Federal Court on Friday. We do not have to—we appreciate that fact. But Senator Ellison wants to intervene today. Listen to what he said yesterday, not even in answer to the question I asked him:

... the Electoral Commission has received legal advice today confirming the lawfulness of the supply of information.

That information, Senator Ellison, was supplied under 91(10). The reason why you always stuck to that story was that there was no end use attached to 91(10). Now you are shifting your ground. Now you are saying it can be supplied under (4A)(e)—but that is discretionary. Read the act. It was not asked for in a discretionary way. Eventually, again as a new process, the tax office can get that particular information under (4A)(e), but the problem is that the whole of 91A comes in, which restricts its use. It does not mention 91(10). You are shifting your ground from time to time, but you are not going to get away with it. You applied for it under 91(10); you did not apply for it under 91(4A)(e). For that reason, a whole series of illegal acts has

occurred. If we had not raised these issues at estimates, this process would never have been turned up and previous flaws would not have been exposed. I reckon, Senator Ellison, you should cough up for the amount of money we have had to pay for legal advice—it is not much—because we have saved you a massive amount of money by raising these issues and helping you to avoid having to go to the Federal Court and lose.

Senator ELLISON (Western Australia—Special Minister of State) (3.28 p.m.)—Since as early as 1991, the Australian Electoral Commission has acted on consistent advice that it was able to provide information in electronic form. That advice was not just sought on section 91(10), it was given pursuant to a request as to whether we were able to do this under the Commonwealth Electoral Act 1918. That advice was recently confirmed by the Australian Government Solicitor and was obtained after the recent estimates. The Electoral Commissioner was doing his duty in checking on the allegations that had been raised. He was doing his job in checking that and the advice was confirmed. At that point there had been a long line of advice which had said that, under the Commonwealth Electoral Act 1918, they were able to do this.

Senator Bolkus, who as a previous minister presided over the AEC, was of the same understanding. Mr McMullan, the member for Fraser, presided over the AEC and was of exactly the same understanding. There are even examples of a number of agencies receiving electronic information from the AEC: Social Security, Centrelink, Defence, Australian Customs Service, NCA, ATO, DETYA, ComSuper, the passport section of DFAT, ASIC and DEWRSB. The government took the responsible action of taking advice from the Solicitor-General. That was done yesterday, before any letter from Slater and Gordon. When you look at the letter from Slater and Gordon and the advice from the Victorian government, they said that the AEC could not provide this electronic information to a prescribed authority under the act. When you look at the Solicitor-General's advice, he says that the AEC can. What he points to is a flaw in what you can do with the information

once you have received it. What we are going to have to look at, and what the AEC has said it will look at, is a regulation or amendment of the legislation so that the agencies concerned can then do what they are supposed to do for the Australian people; that is, provide services and use this information to that end. But at the moment, because of the advice we have had from the Solicitor-General, that will have to be remedied. I ask the opposition whether they are willing to remedy this long-standing flaw which existed when they were in government. It existed from about 1991. Since then, advice consistently has said that information could be provided in the electronic format.

Senator Robert Ray—Why don't you just apologise.

The DEPUTY PRESIDENT—Order!

Senator ELLISON—We have to remedy this defect. In relation to the question of the last estimates, what Senator Ray needs to look at is the absolutely outrageous attack on the officials. He said, 'Show me in the law where it says that?'

Senator Robert Ray—It is his job to look at the law, not to ask us to do so.

Senator ELLISON—The advice was that he could do it.

Opposition senators interjecting—

The DEPUTY PRESIDENT—Order!

Senator Ian Campbell—On a point of order, Madam Deputy President: I am trying to listen to what my colleague Senator Ellison is saying and Senator Ray, Senator Schacht, Senator Conroy and others are constantly interjecting and totally ignoring your calls for order. Would you please advise them that it is entirely disorderly and, if they are going to interject, could they keep the volume down a little so that those of us who want to listen to Senator Ellison can actually hear him.

Senator Schacht—They are not here. They are all gone.

The DEPUTY PRESIDENT—Order, Senator Schacht! Can I have some order, please. I would also ask Senator Ellison to address the chair and not answer interjections.

Senator ELLISON—Once again, the opposition has it wrong, just like yesterday in relation to the purchase of advertising. Channel 9 has written a letter confirming my position, and Senator Faulkner might like to listen to this. The letter confirmed that exclusivity was not sought by the government. It is further confirmed that neither the government nor its agents were aware of any possible conflict with other clients of Channel 9. I also have a letter from our agents, Mitchell Media, saying that they did not ask Channel 9 for exclusivity in relation to the time bought.

Senator Faulkner—Tell us about sponsorship.

Senator ELLISON—The opposition do not want to hear this. They have that wrong and they have this wrong because they have said that the AEC could not provide the information that it did to the ATO. We have a long line of advice which has said that it could and that it acted in accordance with that advice. We have the Solicitor-General's advice saying that it can do that. The Solicitor-General has said that we have to look at the end usage and that we need to amend the legislation or bring in a regulation so that these agencies can go about their business. *(Time expired)*

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.34 p.m.)—Today we have a humiliating back-down from the government, a humiliating back-down from Minister Ellison, who is responsible for the Australian Electoral Commission, and a humiliating admission that the Australian Electoral Commissioner was wrong. There is now an acknowledgment that the Prime Minister's GST mail-out to Australian voters was illegal. That is the point. Today the government has acknowledged that what Labor senators—Senator Ray and I—have been saying now for a couple of weeks is correct. The Prime Minister's GST mail-out to voters was illegal, as we have said since 24 May. It puts paid to what Minister Ellison said in his press statement of 25 May, and I quote him:

The release of electoral roll information is authorised.

Minister Ellison, that is just plain wrong. The Prime Minister asserted in the House of Representatives on 30 May:

All I say is that the correct procedures have been followed.

That is just plain wrong. What we did was broach this unlawful use of the Australian electoral roll in the Senate estimates committees in May. This morning, after substantial political debate on this issue, we sought written undertakings from the ATO and the AEC in relation to the use of that material. The government have folded on this matter. They stand humiliated. The Prime Minister has been humiliated. The Special Minister of State has been humiliated. The Australian Electoral Commissioner has been humiliated. And luckily we have been able to stop the Australian Taxation Commissioner being humiliated because the letter is not going out. That begs a few questions in itself. Minister Ellison said in Senate question time today that the Prime Minister's letter is going to be pulped. The opposition wants to know: how much did it cost to print the Prime Minister's illegal letter? How much has it cost to pulp the Prime Minister's illegal letter? The good news for Australians is that the Prime Minister's illegal letter is being pulped. The bad news for Australians is that they are paying for the pulping of the Prime Minister's illegal letter.

Alarm bells should have been ringing in government about this exercise from the very time that Senator Ray and I raised it in the Senate estimates committee. You would think that the Australian Electoral Commissioner and the Commissioner of Taxation would act on the information that was provided to them. The Electoral Commissioner should have told the Prime Minister of this country that this mail-out was illegal. The taxation commissioner should have told the Prime Minister of this country that this mail-out was illegal and the Prime Minister of this country should not have been associated in using the electoral rolls in such a partisan way for promoting political propaganda on behalf of the government. It is unprecedented in the history of the Commonwealth of Australia and now the Prime Minister finds himself, his

government and his Special Minister of State utterly humiliated in relation to this matter.

What did they do? They proceeded with an unprecedented, poorly planned, unlawful attempt to convince Australian voters of the benefits of the GST and to improperly and illegally use the electoral rolls of this country to do so. Finally, the bureaucracy has come to its senses. Finally they have been convinced of the merit of the arguments that the opposition has mounted and finally the Prime Minister's illegal letter has been exposed for what it is—an unlawful rort. (*Time expired*)

Senator IAN CAMPBELL (*Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts*) (3.39 p.m.)—Senator Faulkner has just added to his record of aiming a shot, firing it and missing the mark. Senator Faulkner and Senator Ray would like the people of Australia, and their colleagues in particular, to believe that they have been the cause of the advice. They would like to feel vindicated that their campaign has come off. I suspect that in a minute Senator Nick Sherry is going to seek leave to table a couple of letters from Slater and Gordon Solicitors. I will save my friend and colleague Senator Sherry the trouble of tabling the first letter to the Electoral Commissioner dated 8 June, as I will seek leave to table it myself. In fact, I seek leave to incorporate the Andy Becker letter of 8 June provided to me by Senator Sherry.

Leave granted.

The letter read as follows—

8 June 2000
Mr Andy Becker
Electoral Commissioner
Australian Electoral Commission
West Block
Queen Victoria Terrace
Canberra ACT 2600
By facsimile: (02) 6271 4556
and by hand
Dear Mr Becker,
Our reference: MS2:
Solicitor: Ken Fowlie
Direct line: (02) 8267 0603
**CLAIM AGAINST THE AUSTRALIAN
ELECTORAL COMMISSION (AEC) AND
THE AUSTRALIAN TAXATION OFFICE
(ATO)**

Senator John Faulkner and Senator Robert Ray have instructed my firm to act for them in an application against the AEC and the ATO.

The application relates to the alleged provision by the AEC to the ATO of the electoral roll in electronic form for the purpose of mailing to electors a personal letter from the Prime Minister John Howard and ATO material.

My clients believe that this action by the AEC is in breach of the Commonwealth Electoral Act 1918, in particular, sections 91 and 91A. Further, that this action by AEC may cause disclosure of information that is unlawful pursuant to section 91B.

My clients seek a written undertaking from the AEC that it will not provide the ATO with the electoral roll in electronic form relying on section 91(10). Further, if it has already done so, the AEC will first, immediately demand that the ATO not use this material and, secondly, immediately retrieve this material from the ATO and any other organisation involved in the mail-out.

In the event that the ATO does not provide a written undertaking by noon, Friday 9 June 2000, my clients have instructed me to commence proceedings without further notice. My clients would seek a declaration that the AEC has acted unlawfully by providing the electoral roll in electronic form to ATO as well as injunctive relief.

As a matter of courtesy, please advise who is able to accept service on behalf of the AEC if you are not prepared to provide the undertaking sought.

Yours faithfully

Ken Fowlie

SLATER & GORDON

Senator IAN CAMPBELL—I draw people's attention to the specific injunctive relief that is sought by Slater and Gordon on behalf of Senators Faulkner and Ray. I invite all Labor Party colleagues to read closely the letter, because what Senator Faulkner and Senator Ray are trying to do is to gloss over—

Senator Carr—If it's in the *Hansard* a lot more will read it, won't they?

Senator IAN CAMPBELL—I want them to read it. I invite Labor Party colleagues. I invite the press gallery—the packed press gallery that is showing so much interest in this issue!—to compare the track that Senators Faulkner and Ray were going down, which is to seek injunctive relief. I quote the letter again:

to seek a declaration that the AEC has acted unlawfully by providing the electoral roll in electronic form to the ATO as well as appropriate injunctive relief.

That is what they have sought this very day, 8 June, in this letter. The press gallery then should go to the Attorney-General's news release released today some hours after the letter from Slater and Gordon—I refer particularly to the attachment which talks about the basis of the Solicitor-General's advice—and look at what it says. It makes quite clear that the advice that the government is acting upon has absolutely nothing to do with what Senators Faulkner and Ray would have you believe. They would have you believe that they have pulled off some marvellous political legal achievement. They want Senator Sherry to believe it. He is going to have to get up now and make a speech saying the Labor Party was right and we are wrong.

The fact of the matter, if you look at the behaviour of the Labor Party in government over all of the years since 1993, is that they actually broke the law. Their government did in the examples of the Australian Taxation Office, the Customs Office and the National Crime Authority, which have all been using electronic copies of the electoral roll since 1993 without the authority of prescribing regulations. Madam Deputy President, sitting up as you do just behind Senator Bolkus, you would have noticed that Senator Bolkus was quieter during this question time than he has ever been in my 10 years in the Senate. He sat there like a dog that had had his bone taken away from him. I have never seen Senator Bolkus so quiet. He was not called to order once, because Senator Bolkus has realised that due to his activities as the responsible minister under the Hawke and Keating governments he will be the first person to support legislation to overcome a deficit in the law—retrospective legislation that may be required, as referred to by the Attorney-General in the other place during question time. The embarrassment for Senator Faulkner, once his colleagues read the Attorney-General's release and then read the letter from Slater and Gordon, is that one more time Senator Faulkner has misfired. He has had the tax advertising misfire, where the Auditor-General has totally vindicated the

government's expenditure of money on taxpayers. He has had the Natural Heritage Trust, where once again he accused the government of robbing and the Auditor-General fully supported the government's action. It was the same in relation to the Federation Fund. It was the same in relation to the Baillieu family, where he accused two members of the Baillieu family who had since deceased.

Now Senator Ellison has reminded us that he has accused us of some exclusive deal with Channel 9. Senator Ellison produced documentation only a few minutes ago to say that one more time Senator Faulkner has not only misled this chamber and made an absolute fool of himself but also misled his colleagues. Senator Cook, who should know better as he has been around here longer than Senator Faulkner, should look very carefully at what Senator Faulkner is doing, because he will cause you great embarrassment. (*Time expired*)

Senator SHERRY (Tasmania) (3.44 p.m.)—I seek leave to table two letters—the letter to Mr Andy Becker, the Electoral Commissioner, which has been incorporated, and the letter to the Commissioner of Taxation, Mr Michael Carmody.

The DEPUTY PRESIDENT—Are you seeking leave to incorporate the one to the taxation commissioner?

Senator SHERRY—Yes.

Leave granted.

The letter read as follows—

8 June 2000

Mr Michael Carmody
Commissioner of Taxation
Australian Taxation Office
2 Constitution Avenue
Canberra ACT 2600
By facsimile: (02) 6216 2538
and by hand

Our reference: MS2:
Solicitor: Ken Fowlie
Direct line: (02) 8267 0603

Dear Mr Carmody,

**CLAIM AGAINST THE AUSTRALIAN
ELECTORAL COMMISSION (AEC) AND
THE AUSTRALIAN TAXATION OFFICE
(ATO)**

Senator John Faulkner and Senator Robert Ray have instructed my firm to act for them in an application against the AEC and the ATO.

The application relates to the alleged provision by the AEC to the ATO of the electoral roll in electronic form for the purpose of mailing to electors a personal letter from the Prime Minister John Howard and ATO material.

My clients believe that this action by the AEC is in breach of the Commonwealth Electoral Act 1918, in particular, sections 91 and 91A. Further, that this action by AEC may cause disclosure of information that is unlawful pursuant to section 91B.

My clients seek a written undertaking from the ATO that:

(a) it will not obtain from the AEC the electoral roll in electronic form relying on s91(10);

(b) if it has obtained from the AEC the electoral roll in electronic form, it will, first, immediately cease using this material in any way and, secondly, immediately return to the AEC this material; and

(c) will not disclose to parties other than the AEC the information contained in the electoral roll.

In the event that the ATO does not provide a written undertaking by noon, Friday 9 June 2000, my clients have instructed me to commence proceedings without further notice. My clients would seek a declaration that the AEC has acted unlawfully by providing the electoral roll in electronic form to the ATO, as well as appropriate injunctive relief.

As a matter of courtesy, please advise who is able to accept service on behalf of the ATO if you are not prepared to provide the requested undertaking.

Yours faithfully,

Ken Fowlie

SLATER & GORDON

Senator SHERRY—Thank you. I will come to those letters in a moment. I think it is important to go back to when this issue began, at the estimates hearings of the Finance and Public Administration Committee on Wednesday, 24 May. I would ask anyone observing this debate, particularly the media, to have a look at the *Hansard*, particularly page 363 onwards. What occurred here was a professional questioning by Senators Ray and Faulkner about the activities of the Electoral Office, particularly their discovery that the Electoral Office had forwarded materials—the database in electronic form—to the tax of-

fice and then their discovery that the tax office was to send a letter out to all persons enrolled about the GST.

It was very difficult for Senators Robert Ray and Faulkner to find out who was going to sign this letter. That occurred the next day. There was an element of obfuscation and, I think, misleading information was given on that matter. Senators Ray and Faulkner went to two issues with the Electoral Office. Firstly, and I think importantly, they went to the moral issue of this information being made available for a GST propaganda campaign, being made available for a purpose for which it was never intended it would be made available. Secondly, Senators Faulkner and Ray went to the legality of this matter. It is interesting to note the transcript on page 365, when Senator Faulkner said to Mr Becker from the Electoral Office:

Why didn't you seek legal advice, then, Mr Becker? You just signed it off. Did you seek even internal advice on this?

Mr Becker—Yes, I did. Of course I did.

Senator FAULKNER—Let me know what you did.

Mr Becker—We consulted each other about the issue and then felt that it fell within the privacy principles and we supplied the information.

Senator FAULKNER—Who did you consult?

Mr Becker—I spoke with Mr Dacey and our government and legal section.

That was the start of this sorry tale. Clearly, the Electoral Office—even though they sought legal advice—were wrong. They were absolutely wrong. The next day it was discovered that the Prime Minister, at public expense, was going to send out a letter to every person in Australia—some eight million letters at public expense—as part of the \$400-odd million propaganda campaign being conducted by this government in respect of the GST, which has never been done before to this extent in Australian history.

The bottom line in this debate is that both morally and legally this government got it wrong. The Prime Minister got it wrong. Minister Ellison got it wrong. This letter is not going to be sent out because it is illegal. It is based on the provision of information given to the tax office—illegally, as it turns

out. That was the assertion, the discovery, of Senators Faulkner and Ray at the estimates committee on Wednesday, 24 May—that it was legally wrong and morally wrong to do so. The bottom line is that eight million letters were to be signed by the Prime Minister. They have been printed and now no longer are going to be sent out. These eight million letters—goodness knows what it has cost—are going to be pulped or burnt. It is a pity the GST is not being burnt along with the letters. These letters are going to be burnt, a massive waste of taxpayers' money. Senator Ellison has been in denial for the last two weeks. He said on Tuesday of this week:

The Electoral Commission has received legal advice today confirming the lawfulness of the supply of that information that confirmed prior legal advice that the Australian Electoral Commissioner had on this point.

Senator Ellison was wrong. The legal advice that Senator Ellison received was wrong. So Senator Ellison has been maintaining for two weeks, along with the rest of the government, that the provision of this information was legal when now, apparently, according to advice through Mr Daryl Williams from the Solicitor-General, the information could not be provided.

Senator Ian Campbell—That is not true.

Senator SHERRY—It cannot be provided to the Australian people in the form you proposed and the methods that you proposed. It was Senators Ray and Faulkner who asserted this at the estimates and who sought this at the estimates and have sought—(*Time expired*)

Question resolved in the affirmative.

AIR FACILITIES: DOCUMENTS

Senator O'BRIEN (Tasmania) (3.45 p.m.)—I seek leave to make a statement in relation to the statement tabled by Senator Macdonald.

Leave granted.

Senator O'BRIEN—I thank the Senate. In response to that statement I would like to point out that the return to order which was carried yesterday, we would concede, places an onerous responsibility upon the minister to provide information. I need to background the reason for that. At the estimates hearings

on 2 May I asked Mr Toller, the CASA director, about a letter he had written to AOC holders dated 12 August. The letter said:

For too long some CASA staff have believed that they had an obligation to assist marginal operators rather than those operators accountable for the operations they run.

Mr Toller confirmed that this was still a strong view within the authority. I asked that question in the context of the investigation of an Albury based operator, Air Facilities, that occurred in February last year. I asked questions about the relationship between the Civil Aviation Safety Authority and this company at those hearings. Most of those questions were taken on notice. I was provided with answers, some just prior to this issue being again considered on 24 May.

But again, when I went to the detail of this matter on the 24 May hearing Mr Laurie Foley sought to take questions on notice. So, despite this matter being considered on 2 May—and CASA was advised by my office that I would be asking questions about this operator prior to both of those hearings—despite a number of questions being taken on notice from that first hearing, and despite CASA being well aware that I wished to pursue this matter further on 24 May, Mr Foley, the officer, told me that he had not even bothered to review the files.

The estimates process requires that CASA be accountable to the parliament for the administration of air safety. I acknowledge that the authority comes under considerable scrutiny through this process and generally meets its obligations in this regard. However, in relation to this matter it appears not to have properly met its obligations to this Senate.

There is a level of confusion over the accuracy of some of the answers Mr Foley provided to the committee in relation to this company and there is a lot of confusion over the accuracy of some of the answers provided on notice. And there is considerable doubt as to whether the terms of Mr Toller's August 1998 letter, which I referred to earlier, are being applied in relation to this operator. We have not been able to get a clear picture of exactly why this operator was formally investigated and its office searched by CASA investigators using a search warrant and its

licence suspended as a result or, indeed, why that suspension was revoked within, it appears, a matter of hours prior to its coming into effect. This is all despite CASA having two opportunities to deal properly with the matter. While I acknowledge, as I said earlier, that the workload involved in providing the information contained in the terms of the return to order is considerable, I felt I had no choice, and that decision has been backed by the decision of the Senate. If the Assistant Director, Aviation Safety Compliance is not—as he was not—prepared to review the files on this matter, then the Senate will and must.

Prior to this matter being dealt with by the Senate, there were conversations between my office and the minister's office about this matter. It was indicated that the government would need some additional time to provide information. However, no amendment to the resolution was sought. I expected that there would be a statement at the time the resolution was carried, but I anticipated in the absence of that that a statement would be made some time today, as it now has. Essentially, the minister is advising that the order will be complied with, but that the material will be reviewed to enable those matters which are, in the terms of the statement by the minister, 'not in the public interest to be provided'. I am happy—assuming, of course, the Senate is so happy—that this material be provided, I would think no later than 5 p.m. on Monday, 19 June, the next day the Senate will sit. That should be sufficient time.

I note that the government plans to have all the files reviewed. I would have understood that they would be reviewed by legal people, given what has been said, but the statement says that they will be reviewed by the Department of Transport and Regional Services and the Civil Aviation Safety Authority. Nevertheless, I would remind the minister that, if any material in those files is not provided to the Senate, each document that is not provided must be identified; and, in addition to that, a justification for the exclusion of each document must also be provided. If it is the view of the Senate that it requires any of these excluded documents to be considered or the reason for their exclu-

sion reviewed, then a third party may be engaged by the Senate to undertake a review of that material. So by 5 p.m. on 19 June, I would expect to have all this material tabled, including the schedule of all the excluded material and a justification for the exclusion of each of those so excluded documents. Having said that, may I say it is unfortunate, and an unusual process, for Senate to have required the production of these files, but the approach to the estimates, particularly by Mr Foley, has left the Senate with no choice in the matter.

COMMITTEES

Economics Legislation Committee

Meeting

Motion (by **Senator Calvert**, at the request of **Senator Gibson**)—by leave—agreed to:

That the Economics Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Monday, 19 June 2000, from 8.00 pm to take evidence for the committee's inquiry into the provisions of the A New Tax System (Tax Administration) Bill (No. 2) 2000, and its inquiry into the Sales Tax (Customs) (Industrial Safety Equipment) Bill 2000 and related bills.

Environment, Communications, Information Technology and the Arts References Committee

Report: Government Response

Senator IAN CAMPBELL (*Western Australia—Manager of Government Business in the Senate*) (3.57 p.m.)—I present the government's response to the report of the Environment, Recreation, Communications and the Arts References Committee entitled *Access to heritage: User charges in museums, art galleries and national parks*, and I seek leave to incorporate the document in *Hansard*.

Leave granted.

The response read as follows—

GOVERNMENT RESPONSE TO THE REPORT, ACCESS TO HERITAGE: USER CHARGES IN MUSEUMS, ART GALLERIES AND NATIONAL PARKS BY THE SENATE ENVIRONMENT, RECREATION, COMMUNICATIONS AND ARTS REFERENCES COMMITTEE

1. Introduction

The Senate Environment, Recreation, Communications and the Arts References Committee issued in July 1998 the report of an Inquiry titled Access to heritage: user charges in museums, art galleries and national parks. The terms of reference for the Inquiry by the Committee were:

The question of balancing public access with the principle of "user pays" in order to defray the public costs of maintaining natural and cultural heritage assets such as national parks and museums with particular consideration to issues of fairness and equity.

The Inquiry made five Recommendations in its Report. These Recommendations basically proposed that further research be undertaken in relation to aspects of user charges in cultural institutions and National Parks.

2. Government Response

The Government broadly agrees in principle with the findings of the Inquiry as reflected in the Recommendations. The Government concurs that for cultural institutions and National Parks there is insufficient data on the incidence and impact of user charges as it affects accessibility. Similarly, it is unclear how charges on users and related actions may affect the aims, processes, and management of heritage institutions.

Implementation of the Recommendations would require much research of a specialised nature. As the Report points out, implementation of proposals would necessarily involve the State and Territory governments as they are responsible for the majority of Australian cultural institutions and heritage related activities. Consequently, an effective research program would require a co-ordinated approach involving the Commonwealth, State and Territory governments, and local government. However, the Government is mindful of the potential cost for such a research program and which would necessarily involve resource commitments by all governments.

As a result of these considerations, the Government believes the first step for any implementation of the Recommendations is a consultation process involving the various levels of government, the affected industry sectors, and other relevant bodies such as the Statistics Working Group of the Cultural Ministers Council. This consultation process will have the aim of developing options on how best to further implementation generally of the Recommendations.

The Government's responses are as follows for the individual recommendations of the Inquiry.

RECOMMENDATION 1

The Committee recommends that the Department of Communications and the Arts, in consultation with State/Territory authorities, local government and relevant peak bodies, should sponsor research into the effect of user charges on access and equity in libraries and archives.

Response

The Department of Communications, Information Technology and the Arts (the Department) will undertake consultations with the peak bodies in the library and archival fields. To this end, it will convene a meeting to consult on the general research needs in the sector and how best such needs may be addressed within the sector. The Department's role primarily would be a facilitative one for any proposals that might arise from the meeting. Organisations proposed to be invited to the consultative meeting include the:

Australian Library and Information Association,
Council of Australian University Librarians,
Council of Australian State Libraries,
Australian Council on Archives, and
Australian Society of Archivists.

Invitations would also be issued to key Commonwealth agencies such as the National Library of Australia and National Archives of Australia.

RECOMMENDATION 2

The Committee recommends that the Department of Communications and the Arts, in consultation with State/Territory authorities, local government and relevant peak bodies, should sponsor research into the influence of 'user pays' on access and equity in the regional, local and volunteer-operated museum and gallery sector.

Response

The small museum and gallery sector is very reliant on the assistance of volunteers for their day-to-day operations. In addition, few institutions in the sector have guaranteed access to resources, or regular funding, in comparison with the arrangements in place for the larger national or state sponsored institutions. The main body providing funding for research and developmental activities in the small museums and gallery sector is the Heritage Collections Council (HCC) established under the Cultural Ministers Council. The HCC is chaired by the Commonwealth through the Department and its membership includes representatives of the Commonwealth, the States and Territories, local government, museum organisations, and heritage institutions.

The Department will refer the recommendation to the HCC in the first instance with a view that it

develop or sponsor a research strategy on the impact of user-pays issues for the small museum and gallery sector. Any research would be conducted by professional organisations in the field such as Museums Australia or by means of commissioned activities or commercial consultancies.

RECOMMENDATION 3

The Committee recommends that the Department of Communications and the Arts, in consultation with State/Territory authorities and relevant peak bodies, should sponsor research on the relationship between user charges and visitation in cultural institutions.

The Committee recommends that Environment Australia, in consultation with State/Territory authorities and relevant peak bodies, should sponsor research into the relationship between user charges and visitation in national parks.

Response

The Department of Communications, Information Technology and the Arts through the Statistics Working Group collects on a continuing basis visitor data and associated information about activities of cultural institutions generally. In particular, data is collected on the operation of museums and galleries and the cultural impact on the community of their activities. This analytical work is undertaken by the Department in conjunction with regular surveys of cultural activities that are conducted by the Australian Bureau of Statistics.

The Department will place the relationship between charges and visitor numbers on the work program for further consideration by the Statistics Working Group.

Environment Australia has as a general principle for National Parks a policy of user pays in situations where it is economically viable to do so. The economic viability for charging depends upon factors such as the size of the Park; impact of the charges generally on the community; and the number of entry points and levels of staffing and resources in the Park. Generally, fees are charged for the larger Parks such as Uluru and Kakadu but not for smaller Parks. Further research, along the lines recommended, would be both useful and relevant for data on the cost of collecting fees and the start-up and maintenance costs for the necessary associated infrastructure. Also, it would be particularly useful to have comparative studies between institutions that in recent years have decided to remove entry fees and similar charges and those institutions which have introduced user charges for the first time.

Environment Australia supports in principle research in the areas nominated by the Recommen-

dation and will raise the issues in appropriate forums with the States and Territories.

RECOMMENDATION 4

The Committee recommends that the Department of Communications and the Arts, in consultation with State/Territory authorities and relevant peak bodies, should sponsor research into the trend of user charges and similar revenue versus budget funding among cultural institutions.

The Committee recommends that Environment Australia, in consultation with State/Territory authorities and relevant peak bodies, should sponsor research into the trend of user charges and similar revenues versus budget funding among nature conservation agencies.

Response

The Department of Communications, Information Technology and the Arts supports in principle research along the lines proposed by the Recommendation. However, such activities would involve the undertaking of specialised investigative activities including assessing management attitudes and intentions within institutions. Any such investigations by their nature would involve commercial-in-confidence arrangements and other sensitive issues. It is believed that research in these areas is best conducted by independent experts in consultation with the Department. The Department will place the issues nominated in the Recommendation on its program for further research, initially by the Communications Research Unit.

Environment Australia supports in principle research into the issues relating to user charges as opposed to budget funding among nature conservation agencies. It will raise the nominated issues in appropriate forums with the States and Territories.

RECOMMENDATION 5

The Committee recommends that the Department of Communications and the Arts, in consultation with State/Territory authorities and relevant peak bodies, should sponsor research on the relationship between user pays policies and management emphases in cultural institutions.

The Committee recommends that Environment Australia, in consultation with State/Territory authorities and relevant peak bodies, should sponsor research on the relationship between user pays policies and management emphases in national parks.

Response

The Department of Communications, Information Technology and the Arts supports in principle research into the connection between user pays

policies and management emphases in cultural institutions. However, for reasons outlined under Recommendation 4, it is believed that any research in these areas should be conducted by independent experts in consultation with the Department. The Department will place the nominated issues on its program for further research, initially by the Communications Research Unit.

Environment Australia supports in principle research into the issues relating to user charges as opposed to budget funding among nature conservation agencies. It will raise the nominated issues in appropriate forums with the States and Territories.

Retailing Sector Committee

Report: Government Response

Senator IAN CAMPBELL (*Western Australia—Manager of Government Business in the Senate*) (3.57 p.m.)—I present the government's response to the report of the Joint Select Committee on the Retailing Sector entitled *Fair market or market failure? A review of Australia's retailing sector*, and I seek leave to incorporate the document in *Hansard*.

Leave granted.

The response read as follows—

GOVERNMENT RESPONSE TO THE REPORT OF THE JOINT SELECT COMMITTEE ON THE RETAILING SECTOR

FAIR MARKET OR MARKET FAILURE

December 1999

INTRODUCTION

The Government set up the Joint Select Committee on the Retailing Sector on 10 December 1998. It was given a reference to inquire into and report on the impact of market concentration in the retail sector and recommend possible revenue neutral courses of action for the Government to take.

The Committee presented its report, *Fair Market or Market Failure*, on 30 August 1999 which contained 10 recommendations. The report also contained a supplementary recommendation from Senator Ron Boswell and six supplementary recommendations from Senator Andrew Murray.

On consideration of the focus of the report, its recommendations and the overwhelming weight of submissions to the Committee, the Government has concentrated on and directed its response to that part of the retail industry associated with the retail grocery sector. It is within the retail grocery sector that the concerns emerged which have driven the recommendations of the Committee.

The following are the Government's official responses to the Committee's recommendations.

RECOMMENDATIONS

Recommendation 1

The Committee recommends that the Trade Practices Act be amended to give the ACCC the power to undertake representative actions and to seek damages on behalf of third parties under Part IV of the Act.

The Committee believes that, due to this measure, the ACCC may be burdened by an increased caseload. The Committee therefore recommends that the Government give consideration to providing extra funding for this purpose to the ACCC in future Budget Appropriations.

Response

The Government will proceed to implement this recommendation which is consistent with Government policy. The Government previously brought this measure forward in the context of the New Deal: Fair Deal package of fair trading measures in 1998. At that time, the measure was blocked in the Senate. However, the Government remains convinced that this initiative will be of significant advantage to small business, which will now be able to have action taken on its behalf by the ACCC.

Small businesses may not have the time, resources or legal expertise to engage in lengthy legal proceedings under Part IV of the Trade Practices Act. The ACCC is better placed to initiate legal proceedings on behalf of small business for significant and broad-ranging breaches of the competition provisions in the Act.

Given that this measure will impact on the operation of Part IV of the Trade Practices Act, the Government will need to consult with the States and Territories and seek their agreement, as per the requirements of the 1995 Intergovernmental Conduct Code Agreement. The Treasurer will write to the Premiers and Chief Ministers to seek their agreement, as per the requirements of the 1995 Intergovernmental Conduct Code Agreement.

The Government will monitor the effect of this measure on the ACCC's resources.

Recommendation 2

The Committee is of the view that the ACCC should consider heavily concentrated regional markets, such as that which exists in South East Queensland, when assessing acquisitions or mergers under the provisions of section 50 of the Trade Practices Act.

The Committee therefore recommends that section 50(6) of the Trade Practices Act be amended

to provide for the definition of 'market' to include a 'regional market'. Thus, subsection 6 should provide that:

In this section: 'market' means a substantial market for goods or services in Australia, in a State or a Territory, or in a region of Australia.

Response

The Government supports this measure as a means of ensuring that the impact on competition in a significant regional market is considered by the ACCC when assessing proposed mergers and acquisitions. The Government notes that whilst the ACCC's Merger Guidelines explicitly state that the relevant substantial market can be a regional market, amending section 50(6) as per the Report's recommendation will clarify the Government's policy intent and confirm current practice.

Given that this measure will require an amendment to Part IV of the Trade Practices Act, the Government will also consult with the States and Territories and seek their agreement on this measure, as per the requirements of the 1995 Intergovernmental Conduct Code Agreement.

Recommendation 3

The Committee recommends the establishment of an independent Retail Industry Ombudsman through which small business can bring complaints or queries relating to the retailing sector for speedy resolution. The Committee believes that the Retail Industry Ombudsman should consider, among other things, the application of the Retail Industry Code of Conduct (Recommendation 5) in his or her deliberations.

Where complaints received by the Ombudsman raise issues that fall within the jurisdiction of another established body, such as the ACCC, those complaints should be referred to such bodies for further investigation.

The Committee recommends that the Retail Industry Ombudsman be appointed and funded by the Government.

The Committee recommends that the Retail Industry Ombudsman be required to produce a bi-annual report to the Parliament in order to increase transparency in the retailing industry.

Response

The Government supports an Ombudsman scheme as a desirable alternative to costly and lengthy litigation for small and large businesses.

The Government will provide advice to the retail sector to assist it to establish a Retail Grocery Industry Ombudsman Scheme. The Government has already published guidelines on industry-based dispute resolution. In August 1997, the

Government released Benchmarks for Industry-Based Customer Dispute Resolution to provide some guidance to industry on the desirable characteristics to be built into such schemes (namely: accessibility, independence, fairness, accountability, efficiency and effectiveness). The Government has also sponsored the production of a kit, Resolving Small Business Disputes: Six steps to successful dispute resolution, which provides advice to small business operators.

The Government believes that the best way to ensure the success of industry dispute resolution in the retailing sector is to place the responsibility in the hands of the retail industry. Clearly, industry players are best placed to know what kinds of disputes are likely to arise and how such disputes may most effectively be resolved.

Government policy is to support the establishment and development of industry self regulation. To this end, a committee is to be tasked to develop a Retail Grocery Industry Code of Conduct with the terms of reference as outlined in the response to Recommendation 5 below. These terms of reference advocate that the Committee constituted to develop the Code will also address the issue of an ombudsman scheme which will form part of the code and how it will be structured with its jurisdiction, powers, review and reporting requirements defined and delineated.

To demonstrate its commitment to the success of the Retail Grocery Industry Ombudsman Scheme, the Government will fully fund the operation of the Scheme. The Ombudsman will be required to report on his or her activities and financial performance on a regular basis.

Recommendation 4

The Committee recommends that mandatory notification of retail grocery store acquisitions by publicly listed corporations be prescribed within the mandatory Code of Conduct (Recommendation 5), and approved by the ACCC, with a requirement that the ACCC consult with local authorities and other relevant parties in order to make an informed assessment of the likely impact on local businesses of such acquisitions. The Committee recommends that the ACCC also be required to assess and approve new store development applications on a similar basis, and to provide a detailed response to these notifications within 30 days.

The Committee appreciates that the drafting of a mandatory Code of Conduct may take some time to complete. The Committee therefore recommends that, as an interim measure, the Minister make a direction that mandatory notification be required to take effect immediately.

Response

The Government supports the idea of a code of conduct for the retail grocery industry (see response to Recommendation 5 below). However, the Government does not consider there is a need for mandatory pre-notification of retail grocery store acquisitions by publicly listed companies to be prescribed within a code of conduct. Mandatory pre-notification systems can be complex and difficult to administer. A pre-notification requirement would increase costs for businesses, and – most importantly – be unnecessary because the Trade Practices Act already prohibits acquisitions or mergers which would have the effect or likely effect of substantially lessening competition in a substantial market. However the issue of notification can be considered by the Retail Grocery Code of Conduct Committee in its discussions for possible inclusion in the Code of Conduct. This issue has been included in the Committee's terms of reference outlined in the response to Recommendation 5 below.

There is a commercial incentive for such parties in the retail industry to seek the views of the ACCC prior to embarking upon an acquisition that may involve very significant financial outlays and attract adverse publicity.

As development and town planning issues are the responsibility of State, Territory and local governments, the Government considers it is not appropriate for the ACCC to assess new store development proposals.

Recommendation 5

The Committee recommends the drafting of a Retail Industry Code of Conduct by the ACCC in consultation with retail industry groups and other relevant parties for the purpose of regulating the conduct associated with vertical relationships throughout the supply chain.

The Committee recommends that the Code of Conduct be a mandatory code, and should contain a precise form of dispute resolution, with the process of resolution clearly spelled out.

The Committee recommends that the Code of Conduct be drafted to include specific provisions that address:

- (a) The general principle of 'like terms for like customers' – where the ACCC may seek information from corporations, on a confidential basis, revealing key terms and conditions of contracts of supply.
- (b) Transparency in 'vulnerable' supply markets – where growers have to deal with a range of market characteristics, including perish-

ability, market volatility and a high degree of risk exposure.

(c) Product labelling and packaging requirements – with a view to implementing a more equitable system than that which currently exists.

(d) Contractual uncertainty – in particular, the passing of ownership of produce and the circumstances under which produce can be returned.

(e) Truth in branding – so that businesses, which are subsidiaries of, or are substantially owned by, a listed public company or major retailer, note that association on shop front signage, in advertising, on stationery, and so on.

The Committee recommends that disputes falling under the Code of Conduct should not be limited to resolution by the Retail Industry Ombudsman. For example, disputes raising issues relevant to National Competition Policy or the Trade Practices Act would be more appropriately dealt with by the ACCC.

Response

The Government believes that properly formulated codes of conduct that enjoy the support of an industry can be of benefit to all industry participants. A Code of Conduct for the Retail Grocery Industry may help to resolve some of the difficulties that were raised in the context of this Inquiry.

The Government's preference is for industry to take ownership of self-regulatory schemes with minimal government involvement. The Government is committed to industry self-regulation to address marketplace problems as an alternative to onerous regulation. The regulatory option of mandatory codes will only be exercised where voluntary self-regulation has failed and where the market failure or social policy objectives addressed in a code are serious enough to warrant enforcement of the code at law.

The Government's policy with regard to the appropriate use of voluntary and mandatory industry codes of conduct is set out in the Codes of Conduct Policy Framework booklet (released by the then Minister for Customs and Consumer Affairs, the Hon Warren Truss MP, in March 1998) and the Prescribed Codes of Conduct policy guideline released by the Minister for Financial Services and Regulation, the Hon Joe Hockey MP, in May 1999.

The Prescribed Codes of Conduct guideline identifies a number of criteria which should be met in order for the Government to pursue a prescribed (mandatory) code. Among these are that there must be significant and irremediable deficiencies in any existing self-regulatory regime – for example, the existing voluntary code fails to address

industry problems. A further criterion is that a range of self-regulatory options and 'light-handed' quasi-regulatory options have been examined and demonstrated to be ineffective.

Such pre-conditions for a mandatory code have not been demonstrated in relation to the retail sector and it is clear that industry should be given a chance to design a self-regulatory mechanism before the Government considers intervening.

The Government is confident that the retail grocery industry is capable of resolving the kind of difficulties raised by the Committee in a voluntary code. Clearly, businesses within the retail sector are best placed to assess the nature of the difficulties being experienced, and therefore the best ways of resolving such difficulties. The Government is prepared, therefore, to give the industry itself the first opportunity to rectify its own problems, as identified in the Committee's report.

However, to ensure the success of a voluntary code, careful consideration needs to be given to the specific provisions and to the industry participants invited to subscribe. Codes may establish some ground-rules for commercial negotiations but should not inhibit competition and bargaining. Care would need to be taken that a retail code did not have the effect of inhibiting retail chains from driving hard bargains with suppliers that enable retail chains to offer consumers the best quality at the lowest prices.

A retail grocery code developed by the retail industry should not seek to bind manufacturers in their dealings with retailers. Accordingly, the 'like terms for like customers' proposal may not belong in a retail code. In this regard, it is worth noting that the former price discrimination prohibition in the Trade Practices Act, section 49, was repealed in 1995 after the Hilmer Inquiry found the provision to be contrary to the objective of economic efficiency and of no assistance to small business.

In addition, the proposal for the ACCC to be able to obtain information about supply terms raises a number of issues. First, there is the question of whether it is the role of the ACCC to monitor price discrimination per se. Second, there is the question of whether the ACCC should have a right of access to information about supply terms. The Government believes that these would be inappropriate. Other suggestions made by the Committee for inclusion in a Code may also need careful consideration, particularly where regulations already exist (eg, labelling).

Finally, the Committee has proposed that the ACCC should be responsible for the drafting of the retail grocery industry code. The Government

believes this proposal is inappropriate and would create a conflict of interest for the ACCC. However, it may be appropriate for the ACCC to be consulted during preparation of the Retail Grocery Industry Code.

To assist the process of developing the code, the Government proposes the establishment of an industry funded code committee to be tasked with developing a voluntary Code of Conduct for the retail grocery industry. It is intended that the Committee would start its deliberations in February 2000 and that the Code would be finalised and operating by 1 July 2000. In order to ensure that the views of the various interested parties are adequately accounted for, the committee will comprise:

- an independent chair appointed by the Government and with appropriate legal background;
- two representatives nominated by the Australian Retailers Association;
- two representatives of large retailers;
- one consumer representative;
- two representatives nominated by the National Association of Retail Grocers of Australia;
- one representative nominated by the National Farmers' Federation;
- one representative of small retail suppliers;
- one general representative of small retail business;
- and
- one specialist legal appointment by the Minister for Employment, Workplace Relations and Small Business.

To support this Committee, a secretariat will be established which will include two Government representatives (one from the Office of Small Business and one from the Australian Competition and Consumer Commission).

The Government will task the Code Committee with the following draft terms of reference in developing a code:

- address the issue of an ombudsman scheme as part of the code and how it will be structured with its jurisdiction, powers, review and reporting requirements defined and delineated;
- improving transparency in 'vulnerable' supply markets – where growers have to deal with a range of market characteristics, including perishability, market volatility and a high degree of risk exposure;
- raising product labelling and packaging standards;
- reducing contractual uncertainty, in particular, the passing of ownership of produce and the circumstances under which produce can be returned;

branding, particularly whether businesses, which are subsidiaries of, or are substantially owned by, a listed public company or major retailer, note that association on shop front signage, in advertising, on stationery etc;

consideration of notification issues of retail grocery store acquisitions and of the acquisitions of grocery wholesalers by retailers and vice-versa.

The terms of reference deal exclusively with the retail grocery industry sector and do not apply to other areas of the retail sector.

The operation and effectiveness of the Code would be independently reviewed after three years of operation, or sooner if the Government believes circumstances warrant an earlier review. Should a review or developments indicate an unsatisfactory participation level, the Government could then pursue the option of a mandatory Code.

Recommendation 6

The Committee considers that the \$1 million transactional limitation of section 51AC of the Trade Practices Act hinders access by some small businesses to the unconscionable conduct provisions of the Act. The Committee therefore recommends that this limit be increased to \$3 million.

Response

The Government is committed to ensuring that the unconscionable conduct provisions are accessible to small business. The Government therefore acknowledges the views of the Committee and will seek to increase the \$1 million transactional limitation of section 51AC of the Trade Practices Act to \$3 million.

Recommendation 7

The Committee is concerned that Recommendation 2.1 of the Reid Report, which deals with the Uniform Retail Tenancy Code, has not been implemented. In particular, the Committee is concerned that, in major shopping centres, there is a lack of transparency with regard to the cost of floor space rent. That is, the seller (landlord) has knowledge – the buyer (prospective tenant) has none. Prospective tenants are therefore prevented from making informed decisions in assessing the 'market rent' as it applies to particular areas of retail space.

The Committee therefore recommends that the Government re-visit this recommendation, with a view to implementing a Uniform Retail Tenancy Code through the operations of the Council of Australian Governments.

Response

Retail tenancy issues are the responsibility of State and Territory governments. The Common-

wealth Government did consider these issues in the context of the Reid Report, but decided then not to proceed with the proposal. In addition, since that time, other changes have been implemented to deal with retail tenancy issues and the Government does not accept that it should re-visit this matter.

The Government gained a commitment from all State and Territory jurisdictions in December 1997 to introduce key minimum standards into their retail tenancy legislation or regulation. These standards covered issues such as disclosure, rent reviews, ratchet clauses, relocation expenses, outgoings and assignment. All jurisdictions (with the exception of the Northern Territory, which is currently developing its own retail tenancy regulation or legislation) have now substantially implemented these minimum standards. As a result retail tenants across Australia now enjoy considerably greater protection against unfair trading, and have also been spared the additional burden of compliance that would have been delivered by an additional layer of regulation.

Recommendation 8

The Committee recommends that major supermarket chains take note of widespread community and pharmaceutical industry concerns that the nature of the role played by pharmacists is unique, as it relates to matters of public health. The Committee is therefore of the view that expansion by the major chains into the dispensing of pharmaceutical products should be discouraged.

Response

Commonwealth, State and Territory Governments are currently conducting a National Competition Policy review of the legislation that regulates the ownership, location and registration of pharmacies. This Review is being chaired by Mr Warwick Wilkinson AM, and has presented its Preliminary Report to the Prime Minister. The Committee's views will be taken into account when the Government is considering its response to the Pharmacy Review's final report.

Recommendation 9

The Committee believes that there may be anti-competitive impacts where retailers and wholesalers are operated by the same, or related, entity. For example, where a major retailer enters the independent wholesaling sector, intimate commercial details could be gained from that wholesaler's dealings with its independent retail customers. The Committee therefore recommends that future acquisitions of wholesalers by retailers, and vice versa, be subject to mandatory notification and approval by the ACCC in order to assess the likely competitive impacts of such acquisitions.

Response

Further to the Government's policy discussed in the response to Recommendation 4, and noting again that the Trade Practices Act already prohibits acquisitions or mergers which would have the effect or likely effect of substantially lessening competition, the Government does not consider there is a need for mandatory notification of retailer-wholesaler acquisitions or vice versa.

However the issue of notification can be considered by the Retail Grocery Code of Conduct Committee in its discussions for possible inclusion in the Code of Conduct. This issue has been included in the Committee's terms of reference outlined in the response to Recommendation 5 above.

Recommendation 10

The Committee recommends that the Parliament reconstitute the Committee three years from the date of tabling this Report in order to review the progress of the recommendations, in particular the operation of the Code of Conduct, and to determine whether further legislative changes are required. Such changes may include:

(a) An amendment to section 46 of the Trade Practices Act 1974 to provide that:

Once it has been established that a corporation with a substantial degree of market power has used that market power, the onus of proof shifts to that corporation to prove it did not use that power for a prohibited purpose (as prescribed).

(b) An amendment to section 80 of the Trade Practices Act 1974 to include divestiture of assets as an additional remedy for contravention of Part IV, IVA, IVB or V.

Response

The Government shares the Committee's concern in seeing that measures arising from the Inquiry are successfully implemented and that identified problems in the industry are resolved. As already noted, the Government will be initiating an independent review of the voluntary nature of the proposed Retail Grocery Code of Conduct and the operation of the proposed Retail Grocery Industry Ombudsman after three years of operation, or earlier if required. Therefore at this stage, the Government will not be committing the Parliament to a further inquiry in three years time.

SUPPLEMENTARY RECOMMENDATION - Senator the Hon Ron Boswell

It is recommended that restricted licensing arrangements in certain retail areas including trading hours are maintained at the discretion of the State or Federal Governments without any im-

sition of penalty from the National Competition Council.

Response

Under National Competition Policy (NCP), all legislation regulating shop trading (including trading hours) will need to be reviewed, and where appropriate, reformed, by end-2000. These reviews seek to establish whether there is a net benefit to the whole of the community from retaining the restrictions. When weighing up the costs and benefits of restrictions, jurisdictions may consider a range of non-economic factors in decision making, such as those associated with regional development, welfare and equity. This is the 'public interest test'.

Jurisdictions are free to decide the elements to be considered in any public interest test, but must demonstrate, among other things, that a comprehensive and complete evaluation of the relevant costs and benefits has been undertaken.

SUPPLEMENTARY RECOMMENDATIONS - Senator Andrew Murray

In responding to Senator Murray's supplementary recommendations, the Government considers that the general thrust of his views have been adequately addressed in the Government's responses to the recommendations of the Joint Select Committee on the Retailing Sector.

DOCUMENTS**Parliamentarians' Travelling Allowance**

The DEPUTY PRESIDENT—I table a document providing details of travelling allowance payments made by the Department of the Senate for senators and members during the period July to December 1999.

Senator IAN CAMPBELL (*Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts*) (3.58 p.m.)—I table a document providing details of travelling allowance payments made by the Department of Finance and Administration to senators during the period July to December 1999.

COMMITTEES**Membership**

The DEPUTY PRESIDENT—The President has received a letter from a party leader seeking variations to the membership of certain committees.

Motion (by **Senator Ian Campbell**)—by leave—agreed to:

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

Community Affairs Legislation Committee—

Appointed: Senator Brandis

Discharged: Senator Mason

Employment, Workplace Relations, Small Business and Education Legislation Committee—

Appointed: Senator Brandis

Discharged: Senator Tchen

Employment, Workplace Relations, Small Business and Education References Committee—

Appointed: Senator Brandis

Discharged: Senator Tchen

Finance and Public Administration Legislation Committee

Appointed: Senator Brandis

Discharged: Senator Calvert

Regulations and Ordinances—Standing Committee—

Appointed: Senator Brandis

Discharged: Senator Payne

House—Standing Committee—

Appointed: Senator Brandis

Senators' Interests—Standing Committee—

Appointed: Senator Brandis

COX PENINSULA TRANSMITTER: SALE

Senator MARK BISHOP (*Western Australia*) (3.59 p.m.)—I move:

That the Senate—

- (a) deplores the loss of the Cox Peninsula transmitter in 1997 and the more recent sale of the transmitter to a foreign interest group;
- (b) notes that the sale of the transmitter:
 - (i) betrays Australia's national interest in Asia,
 - (ii) confirms to listeners the lack of interest of the Australian Government in the Asia region, and
 - (iii) conveys an intent by the Australian Government to nullify an Australian voice to the region;
- (c) urges the Australian Government to take all necessary steps to ensure that Radio

Australia regains immediate access to the transmitter; and

- (d) calls on the Australian Government to make sufficient funds available immediately so that Radio Australia can access the transmitter.

In summary, the motion deplores the sale of the Cox Peninsula transmitter, condemns the consequential lack of interest or influence in the Asian region by the Australian government, urges access to the Cox Peninsula facility by Radio Australia and calls upon the government to provide appropriate funding to achieve same. In debate, I wish to touch upon the nature of the transmission facilities, the present coverage of Radio Australia, the consequences of the inability to use the Cox Peninsula transmitter, the value of Radio Australia broadcasting from the Cox Peninsula, some implications for Australia's foreign policy, the possible consequences of the sale and, if time, the continuing apparent vendetta by this government against the ABC.

We are fortunate to have a recent report to the Senate on this issue. In May 1997 there was a report of the Senate Foreign Affairs, Defence and Trade References Committee. At pages 81 and 82, it outlines the detail of those transmission facilities. The report identified that Radio Australia currently transmits from 14 short-wave transmitters—three at Brandon and six at Shepparton, while Darwin has five operational transmitters, with four currently being scheduled. The significant upgrading of Australia's short-wave transmitters, amounting to \$23 million, had taken place between 1991 and the time of writing of the report in 1997. The Darwin Cox Peninsula station was the largest broadcasting station in Australia for radio or TV. It was originally built to serve South-East Asia following Sukarno's confrontation campaign. It was damaged by Cyclone Tracy in 1974 and rebuilt in 1981-82 at a cost of \$12 million. As part of an extensive upgrade in 1994-95, two new state-of-the-art transmitters were installed, following the Tiananmen Square incident. These transmitters are extremely power-efficient, can be modified for digital operation and are capable of broadcasting in single band mode, which may be required for international broadcasts after 2000. The

transmitter computer systems have been upgraded at a cost of several million dollars. The Cox Peninsula station is the most sophisticated of Radio Australia's short-wave transmission facilities, and has a power output only exceeded by the low frequency H.E. Holt North West Cape naval communications station. In summary, it is an expensive, well maintained, regularly upgraded, power efficient, sophisticated short-wave transmission facility at Cox Peninsula, with a price of many tens of millions of dollars in establishment, maintenance and upgrading over the years.

In terms of coverage for Radio Australia out of that area and out of other transmitter facilities, Radio Australia broadcasts programs in three ways: through short-wave transmissions from Shepparton in Victoria, since 1997 and the Cox Peninsula closure, and from Brandon in Queensland into the Pacific, Papua New Guinea, the Solomon Islands, and Coral Sea—a very limited range. Radio Australia also broadcasts through satellite to Indonesia, Singapore, Malaysia, PNG, Tonga, Fiji and the Solomon Islands. There is also the rebroadcasting of packaged programs and some limited news and current affairs into Manila, Singapore, Taiwan, China, Vietnam, Cambodia and Indonesia.

The consequences of the inability to use Cox Peninsula are many and quite far reaching. Radio Australia's coverage has been reduced by 80 to 90 per cent. The strength of transmission is considerably weaker: the power comes from Shepparton at 100 kilowatts, whereas at Cox Peninsula it was 250 kilowatts, and it is much further away from those northern parts of our immediate region. The transmissions no longer reach parts of South-East Asia, all of Vietnam, all of Cambodia and, perhaps most interestingly, much of China. In case of transmission failures or faults at Shepparton—and we are advised by the ABC that they have been quite common in recent times—transmissions are reduced to Brandon's limited coverage for short wave and to other means: that is, by satellite or rebroadcast. The Cox Peninsula facilities, as I said, were capable of digital transmissions, whereas Shepparton's are not. The final point to make is that Cox Peninsula, Shepparton

and, of course, Carnarvon in Western Australia were designed to be complementary: that is, to collectively transmit broadcasts to a maximum coverage area.

In summary, the sale—and, as yet, no access by Radio Australia to similar transmission facilities—has a number of important consequences for the national interest of Australia. The coverage has been considerably reduced, the strength of transmission has been made significantly weaker, and the transmission no longer reaches parts of Asia—including much of China. Faults in part of the system at Shepparton, with the closure of Cox, mean that we can rely only on the Brandon facility or other means of transmission. In the digital world, as we move to digital transmission as the norm out of analog, the government is selling to a foreign group the facility at Cox Peninsula, which is capable of digital transmission, and is retaining the Shepparton facility, which is not.

Let us at this stage examine in detail some of the consequences of not transmitting into China, for example. Consider for a moment the significance of China on the world stage. The government in 1996-97, shortly after it was elected, did a review of defence and foreign policy matters. After that review, it significantly upgraded the relationship between the government of Australia and the government of China. It said for the first time that China was one of four countries critical to the future of Australia, the others being Japan, the United States and Indonesia. But China was put into that list for the first time; it had never been done before. That government review was occasioned by the threat of a ban on visits to and from Australia by Chinese government officials arising from some actions—and, it must be said, some misunderstandings of actions—on the part of the Howard government by the Chinese government.

As part of the resolution of those differences, it was made clear to the Australian government that the authorities in China regard Australia as being within their sphere of interest and that they had a right to be making points of some significance to the government of this country. But turning to more

recent times, consider the developments in China that directly impact on Australia. Hong Kong, which is a major trading port in the world and where there are something in the order of 40,000 Australians resident, was returned to the administration of the Chinese government. There are significant—at the moment, quiet—undercurrents on cross-straits issues with Taiwan. We will soon have the admittance of China to the World Trade Organisation, following a recent vote by the US House of Representatives. It is the clear desire of China to be the dominant regional power and to reduce US influences in this part of the world.

All of those issues directly impact on the critical, ongoing interests of Australia. It does not matter from what perspective you do the analysis—whether from a defence perspective, a human rights perspective or the even more narrow free trade perspective—all of the developments in recent times in China impact upon the future of this country. Yet the one vehicle we had for putting our message into southern China, into regional China and into the coastal, rich developing areas of China has been sold to a British based organisation. The one vehicle through which we could regularly put out our message directly or indirectly, through a variety of means and programs, has been sold off to an organisation that, as I understand it, is wholly owned in Britain and has a purpose that we do not need to discuss. The point is that the ability of the Australian government, through its various agencies and arms, to put messages into significant parts of China and areas immediately south of China has been eliminated, if not reduced, by the action of this government in selling the Cox Peninsula transmitter.

It was the one vehicle we had for imparting values, perspectives, different interpretations and alternative analysis of current events or topical matters to the towns, cities, regions, citizens and officials of China. It was the one vehicle we had for imparting information to the various interest groups in China—such as the free and active democratic trade unionists that still exist in part of China, the active human rights groups and campaigns working right throughout many

cities of China, the prisoners of conscience in various parts of China—and, indeed, at another level, to the various competing business groups and organisations seeking to develop products and markets that exist in various cities. The final group that, I suppose, we would be interested in sending a message to are the various elites in China, who run the administration and the government of that country, whether they be senior officials of the Communist Party, the military or other government officials at various levels.

Our ability to send a message, on an ongoing basis, to the regions, the various interest groups and the various elites in China who administer that country, which may be of value to this country, and our ability to inform and to be part of the process of education and information dissemination in that country and in other parts of Asia and the Pacific has been considerably reduced, if not completely cut out, by the decision of this government to sell the Cox Peninsula transmission facility to a British based organisation. We view that—as we have been saying since 1997; it was part and parcel of that Senate reference committee report and it has been the subject of debate here in more recent times—as being a major retrograde step. So those comments in respect of imparting views or perhaps of having some influence in China and in other parts of Asia are surrendered, given away forever, for a lousy price. I have made my comments pertinent to China as the dominant power in this part of the world but, undoubtedly, the same arguments, comments and views could be expressed for parts of Vietnam, where we are no longer able to send our message, parts of Indonesia and the eastern parts of the Pacific as well, because the government has sold the Cox Peninsula transmission facility.

So that leads us, necessarily, to consider a number of consequential issues: the nature of the transmission facilities; the value, not price, of radio Australia; the implications, as I said, for Australian foreign policy; and, the important consequences that we now have to address because of the sale of the Cox Peninsula transmission facilities. We are advised by the relevant government department that the recent contract for the 10-year licence of

the Cox Peninsula transmitter site was for the purchase of all movable plant and equipment located at the facility by the organisation known as Christian Vision. This was described by Senator Ellison as being the 'best value to the Commonwealth.' The price received for the physical sale of all facilities of the transmission network was the 'best value to the Commonwealth'. And while he did not say it, having said that it was the best value to the Commonwealth, not the best price received, it is a fair indication that he meant that all of the other considerations that I have put in this debate are of lesser value or of no value to the current government.

The value of Radio Australia can be described quite simply. It has many important functions in broadcasting from the Cox Peninsula transmitter. It improves Australia's position and reputation in the region as a consequence of the recognised relationship between Australia's overseas information and cultural activities—specifically, I mean foreign broadcast services—and foreign and trade policy interests. Secondly, it promotes stability in the region—a region which appears to be erupting at a rate of knots—through the provision of extensive and reliable news services and information into the region, which fosters cultural understanding. It provides cost-effective promotion of Australia's many national interests. It is fair to say that Radio Australia's broadcasts to our region communicate with integrity, independence and quality programming the views that are held in this country.

The implications for our foreign policy are many. We say at the outset that our foreign policy cannot be valued in dollars and cents. Radio Australia's programming advances Australia's trade and diplomatic objectives by specifically relating to and drawing attention to trade, business, education, tourism and diplomacy, and by conveying subtle messages to the region about life in Australia, the nature of our country, the hopes and disappointments of the Australian people, our achievements as a nation, our democratic principles and our perception of issues and events which affect Australia, the region and the world.

The sale of the Cox Peninsula site, which in the past has facilitated the achievement of these important foreign policy objectives, suggests that the government has no interest in the region, as it does not care as much as it should about Australia's reputation in the region. One asks the rhetorical question: what kind of foreign policy is this? The reduction in broadcast conveys the Australian government's disinterest in South-East Asia, resulting obviously in a loss of face and respect for Australia in the region, particularly when that job is now being taken over—or that market is being entered into—by Radio Netherlands, Voice of Britain and similar radio outlets arising out of the United States.

The sale of Cox Peninsula contradicts, in our view, the stated policy of the government—to have close relations with Asia and to increase trade with regional countries—by reducing Radio Australia's means of achieving these goals. Arrangements are necessary to allow Radio Australia to broadcast into Asia. Any opportunity for access to the Cox Peninsula transmitter should be used for the benefit of Radio Australia to mitigate the impact of the loss of the Australian voice to the world, which has been occasioned by the sale of the Cox Peninsula transmitter.

What are the important consequences of the sale of the transmission facility? A valuable and vital Australian asset has been sold to an overseas company which has no concern for Australia's national interests. It is not in their mission statement to have concern for Australia's national interests. From the published press reports, it is quite clear that they have a particular purpose and mission which they give great value to. The point is: it could preclude Radio Australia from accessing the site and thereby from achieving important functions by broadcasting from Cox Peninsula. An adverse impact on Australia's national interests is the inevitable result of Radio Australia's diminished capacity to broadcast into the South Asian and South-East Asian regions.

This diminished impact of broadcasting into this area comes at a time when there is significant upheaval in the region. Many listeners would be looking to Radio Australia for accurate and unbiased news and informa-

tion about the developments in their own countries or adjoining and nearby areas. Radio Australia's broadcasts should be restored, particularly in light of the regional turmoil, including recent troubles in Fiji, the Solomon Islands and Indonesia, and the consequent need for safety guidelines for expatriates and for reliable and unbiased information and news. The problem we have is that we cannot get the information out. The information is not being transmitted, because the scope of coverage and the power that is necessary to transmit the information are no longer available to the people who administer the Cox Peninsula facility. (*Time expired*)

Senator ABETZ (Tasmania—Parliamentary Secretary to the Minister for Defence) (4.19 p.m.)—It would be fair to say that we on this side are sadly disappointed by Senator Bishop's performance. Some of us on this side actually had high hopes that Senator Bishop would engage in a rigorous way in some of the issues that face this nation and that he would present some fresh ideas on burning issues such as tax reform, industrial reform, low inflation and growing employment, with unemployment now down to 6.7 per cent. We have positive environmental outcomes, but all those good news stories are not the subject of today's debate. Labor has had to fossick around to try to find something negative to pin on this government but, as I will point out later, this is something that is not as negative as Senator Bishop has sought to paint it. Indeed, today they might have come up with some announcements on how, if they were ever to win government again, they would not go back to the Commonwealth Employment Service, which proved such a disaster, or how they would ensure that, if ever they embarked on major acquisitions again, they would not allow people like Mr Beazley and Senator Ray to be in control of acquisitions such as the Collins class.

We have before us this afternoon this four-part motion. It is appropriate to go through some of the detail—some of the history—and put it into context so that people who are genuinely interested in this matter will not be misled in the event that they were to read the *Hansard*. Undoubtedly, reading the speeches of Senator Bishop—and, without pre-

empting too much, but from having been in this place for some time, especially those of Senator Carr—will be misleading.

Senator Carr—My reputation precedes me now! You're terrified, aren't you!

Senator ABETZ—Yes, it does precede you, Senator Carr, and I am glad that you admit it. Cox Peninsula is near Darwin. It is a short-wave transmission facility previously operated by the National Transmission Agency. In 1996 the Mansfield review of the ABC recommended that the requirement for the ABC to broadcast programs to audiences outside Australia should cease. That was the recommendation of the Mansfield review. Of course, once you come up with the meaty substance of reviews such as this, all of a sudden the opposition go quiet, as they should. At the time of the review, the ABC acknowledged that Radio Australia was not a top priority issue. The chairman of the ABC on 7 June this year admitted that in late 1996-early 1997 Radio Australia did not have too many influential friends either inside the ABC or outside it. Of course, lacking influential friends, one wonders whether the Labor Party would be described as being one of those friends. I assume not.

In the 1997-98 budget the government announced that the Cox facility would close. In the next financial year that will provide a saving of about \$4 million. However, the important thing that completely undercuts the assertions of Senator Bishop is that in our budget of 1997-98 specific allocations of funding from the foreign affairs portfolio in the sum of \$4 million and from the communications portfolio in the sum of \$3.2 million were made to maintain—and I would ask any person reading this *Hansard* to consider this carefully—Radio Australia's English and Tok Pisin broadcasts to Papua New Guinea and the Pacific. The board of the ABC then allocated internal funding—

Opposition senators interjecting—

Senator ABETZ—My good friends opposite start interjecting before I have even finished. They ask: 'What about China? What about Indonesia?' Allow me to continue. The board of the ABC then allocated internal

funding to continue Radio Australia's mandarin—

Senator Carr interjecting—

Senator ABETZ—Senator McGauran, might that have something to do with China, do you think—mandarin?

Senator McGauran—Yes.

Senator ABETZ—And to continue bahasa Indonesian—there we have Indonesia—kahmer and Vietnamese language broadcasts: that is, exactly those areas that were mentioned by Senator Bishop. ABC chair, Donald McDonald, while regretting the reduction in funding, stated in response to the budget:

Nevertheless, this decision will ensure that the ABC maintains a significant broadcasting presence in the Asia-Pacific region. It is important to note that Radio Australia has continued to transmit short-wave signals to parts of Indonesia and to Papua New Guinea and the Pacific from transmitters at Shepparton and Brandon, which is near Townsville. Radio Australia has also made its service available through a variety of alternate transmissions mechanisms, including satellite, the Internet and terrestrial rebroadcasts from in-country transmitters. The Cox site was excluded from the 1998 sale of the National Transmission Network and was instead subject to an international tender process.

Then, on 22 May this year, the Minister for Finance and Administration determined that Christian Vision Ltd—a name, for some reason, that Senator Bishop just did not seem to want to mention—would be granted a 10-year, non-exclusive licence to operate the Cox facility. Some people have been making assertions about Christian Vision. It is a UK-based registered charitable company which transmits to Africa from a UK transmitter and to Latin America from a Miami transmitter. There have been no problems, as we understand it, with Christian Vision broadcasting into Africa or Latin America.

Senator Carr—No problems with the Pentecostals?

Senator ABETZ—Mr Acting Deputy President, is it not just objectionable that we can have somebody saying in this parliament: 'No problems with the Pentecostals?' There are thousands of good, decent Australians who believe, Senator Carr, in the Christian version of Pentecostalism. Whilst I person-

ally do not share that particular brand of Christianity, I find it abhorrent that you should seek in this chamber to belittle, demean and vilify those thousands of Australians who do adhere to that faith. I just find it astounding that, in the year 2000, we can have people in the Senate who can be so objectionable and seek to vilify elements of the Christian religion. As part of the tender process for Cox, Christian Vision and other short-listed tenderers were subject to a national interest assessment process. We believe that, given that process, it was appropriate to allow Christian Vision that 10-year licence. The Labor Party—and, in fact, I think Senator Carr has confirmed that this happens to be the Labor view—and, unfortunately, some in the Democrats as well are critical of the decision to award the tender to a Christian group.

Senator Carr—To undermine the national interest.

Senator ABETZ—Senator Carr says that by giving this licence to a Christian group we are somehow undermining the national interest. Can I just remind honourable senators in this chamber that rightly or wrongly the ABS tells us that between 70 per cent and 80 per cent of Australians—indeed, even our own indigenous community have figures of this rate—identify with a Christian religion. So something that we as Australians—70 per cent to 80 per cent—embrace and identify with is now supposedly, in their perverted sense of being Australian, against the national interest. I just find that an astounding assertion to make.

Indeed, Senator Bourne is on record on 4 June as saying that broadcasting evangelical Christian messages into countries such as Indonesia will do little to ease tensions between Christian and Islamic communities. In other words, let us shut out the Christian message completely for the Christians in Indonesia. Is that what you are saying, Senator Bourne? You will need to explain yourself. Senator Bourne went on:

I am particularly concerned that we risk Australia being seen as responsible for inflaming such tensions if they result from signals originating from radio bands once occupied by Radio Australia.

All I need to do is to remind the people of Australia of the disgraceful speech that

Senator Bourne's colleague Senator Allison gave whilst we were talking about private education and the way she sought to vilify the Christian parent controlled schools, the Jewish day schools of this country and the Anglican schools because they happened to have a particular faith. This view that Senator Allison expressed seems to have been given new life through the words of Senator Bourne.

Senator Bishop in his contribution told us that Radio Australia was going to support our democratic principles. It was going to broadcast values and perspectives and alternative views as well. One of the great things about Australia is that we are a free society and we believe in freedom of speech. One thing that anybody who will listen to the broadcasts will know is that Australians abide by the rule of law. There are fair and open tender processes in place in this country and if a Christian organisation happens to win it fairly and squarely on that basis then it will not be denied access simply because it has a particular religious point of view. The interjections of Senator Carr and the comments by Senator Bourne suggest that, as a result of the religious beliefs of this particular charitable company, they should have been disqualified. I find that assertion objectionable. I find it a terrible reflection on the 70 to 80 per cent of Australians who happen to identify with the Christian faith.

The motion then goes on to say that the sale of the transmitter betrays Australia's national interest in Asia. There is no way that anybody in Asia would make such a stupid assertion. It would only come from the discredited opposition. Everybody in Asia knows the huge commitment we make to Asia, through supporting the International Monetary Fund, for the economies of Indonesia, Thailand and South Korea. Out of the whole region, we were one of two countries to make that sort of contribution to stabilise their economies. They know the commitment we make. In the Pacific Islands, they know that we fund one-third of the moneys required to run the South Pacific Commission. They know Australia's contribution. To cap it all off, something that the opposition will not mention at all is our great success as a nation,

the political leadership and also the wonderful service of our men and women in the defence forces in East Timor. That shows our commitment to the Asian community.

The government have taken a different approach to Asia. The previous approach by the Labor Party's Mr Keating was to tug your forelock to people like the discredited President Suharto, do terrible sleazy money deals with them, engage in piggery purchases and sales, and get sleazy money from Indonesia—getting it backwards and forwards. They are the sorts of deals the Labor Party believes mean engaging in Asia. We say that is not the sort of reputation that we want to gain for ourselves; we want integrity. In comparison, the Prime Minister, John Howard, has shown integrity and led this nation with integrity. The INTERFET involvement with Indonesia and East Timor has been an outstanding success. Because of our success, we were able to gain the support of other countries in the region. If we had been so distant from all the other countries in Asia, do you honestly believe that all these other countries would have come to support the leadership that we showed? Of course they would not have. But they did. Why? Because our Prime Minister is respected in the Asian community as a man of integrity who will not go sleazing around to some of these countries for funny business deals like the former Labor leader, former Prime Minister Paul Keating, did. They know that with John Howard and with Alexander Downer as foreign minister what you see is what you get. You will get the rule of law and there will be integrity in our dealings.

There is another matter that needs to be considered, and that is that the licence was a 10-year non-exclusive licence to operate the Cox Peninsula facility and it is now open for the ABC to negotiate a commercial agreement for access to the transmitters.

Senator Carr—It is open for the Islamic organisations as well?

Senator ABETZ—Senator Carr asks whether it is open for the Muslim societies as well. That is the wonderful thing in Australia that Senator Carr from his Stalinist background just cannot comprehend: we believe in freedom of speech and therefore we do not differentiate between a Christian community

and a Muslim community. If a Muslim community want to make broadcasts, they ought to be entitled—

Senator Carr—You speak for this organisation, do you?

Senator ABETZ—I know I speak for the Australian people, unlike you, Senator Carr. The ABC is now in a position where it can liaise and negotiate with Christian Vision and come to an arrangement. Indeed, a company spokesman told ABC Radio exactly that on 6 June. I look forward to those negotiations hopefully providing some sort of benefit to Christian Vision, Radio Australia and, more importantly, the wonderful people of the region that this transmitter broadcasts into so that they can get the benefits of the wonderful programs that we in Australia can produce. The vilification of this company and the sorts of interjections made by Senator Carr really are quite distasteful. I hope *Hansard* got most of Senator Carr's distasteful interjections, because people will see that this is, in fact, not really anything to do with the national interest but everything to do with his dislike for any organisation that seems to have the word 'Christian' in it. There has been, within this parliament in recent times, vilification and interjections from those opposite to colleagues of mine who are members of the Christian fellowship—and they are the most distasteful sorts of interjections. Whilst I do not really mind them that much—it is a bit like water off a duck's back to me, I must admit—they show quite clearly that there are elements or people within the Labor Party, and I would not put Senator Bishop into that category necessarily, who are more motivated by the fact that the word 'Christian' appears in the title of the company concerned than anything else. The national interest of this country has been well served ever since 1996. It will continue to be well served by this government. Our international relations with Asia have never been higher, have never been better and will continue to expand as our economic relations with Asia expand, the interaction with our defence forces expands and, indeed, the tourism flow between our countries expands. All those are indicators that we have an excellent relationship with Asia. (*Time expired*)

Senator BOURNE (*New South Wales*) (4.39 p.m.)—What an offence to the memory of Sir Robert Menzies. It is absolutely appalling what members of this government, who say that they honour the memory of Sir Robert Menzies, have done to one of his most lasting legacies. What is that lasting legacy? Of course, it is Radio Australia. Who started Radio Australia? Yes, it was Sir Robert Menzies. When did he do it? He did it in 1950. This is the 50th anniversary of Sir Robert Menzies starting one of the greatest broadcasting institutions of this country. On this 50th anniversary, what have the government done? They are trying to destroy it. They are trying to dishonour the memory of Sir Robert Menzies—and I find that absolutely offensive. I find that offensive as an Australian, I find that offensive to the great institution of Radio Australia and I find that offensive to the memory of Sir Robert Menzies.

Senator McGauran—Did you like him?

Senator BOURNE—Dear old Senator McGauran interjects. I think that Sir Robert Menzies, in starting Radio Australia, did one of the greatest things that any Australian Prime Minister has done for this country. What a legacy—a brilliant legacy being destroyed on its 50th anniversary by this government. In 1950 Sir Robert Menzies established Radio Australia as part of the ABC in order to 'ensure the broadcasting of a reliable source of news and current affairs to our neighbours in this region'. That is what he was trying to do, and that is obviously what this government—and Senator Abetz in particular—is keen to make sure does not happen. Let me go through a few of the things that Senator Abetz said—some of the less offensive ones; I will get to the more offensive ones a bit later.

First of all, he mentioned the Mansfield review. As we all know, the Mansfield review—I have a copy of it here—is something that the Minister for Communications, Information Technology and the Arts, Senator Alston, loves quoting when he is talking about Radio Australia. But, if you have a look at the terms of reference in the back of the Mansfield review, which anyone can read if they like, guess what: Radio Australia and

its future is not included. Mr Mansfield was not asked to look into the future of Radio Australia and, as a result, Mr Mansfield had no submissions on the future of Radio Australia. Mr Mansfield, off his own bat, came up with a recommendation on something that he was not asked to come up with a recommendation on. Then the minister—and Senator Abetz, who has obviously got his notes from the minister; he must have done, because it is the minister's favourite topic—says, 'Oh, well, Mr Mansfield said we have to get rid of Radio Australia so we had better get rid of it.' That was not a particularly open, transparent or interesting part of this review. Mr Mansfield came and saw me as he was conducting this review. He talked to me about a lot of things in relation to the ABC; he did not talk to me about Radio Australia. That is because it is not part of the terms of reference. I have no idea where Mr Mansfield got that recommendation from; it just came out of the air. So there you go: let us not use the Mansfield review.

Then Senator Abetz told us that it is a miracle—and it probably is a miracle—that Radio Australia is still broadcasting in English and in Tok Pisin and that it goes out to the Pacific. Yes, it does go out to the Pacific. He told us that Radio Australia is broadcasting in short wave to parts of Indonesia, to PNG and to the Pacific. Yes, it is. Yes, it is doing it from Shepparton and, yes, it is doing it from Brandon. Who has questioned that? Nobody has questioned that. That is not the problem. The problem is Radio Australia is going out in short wave only to small parts of Indonesia. It is going out to other parts of Indonesia via a transmitter in Taiwan which is about to be turned off, because this government will not give it the money to keep that turned on. So there you go: it is not going out in short wave to most of Indonesia.

It is certainly not going out in short wave to anywhere else in Asia. Yes, they are putting out a small signal in Mandarin, but guess how that is going out: it is going out by satellite and it is being rebroadcast. It is probably being rebroadcast without the news and without the current affairs, and it is being rebroadcast to people who have a satellite dish. There is not an awful lot of ordinary

Chinese people who have satellite dishes—they are a bit expensive. There is an awful lot of them with short-wave radios, but they cannot pick the signal up. I have a short-wave radio—it cost me about \$42. I also have a computer at home—that cost me about \$2,000. There is a vast difference there. I can pick up Radio National on my computer and I can pick it up on my short wave; for \$2,000 I can hear the news, or for \$42 I can hear the news—but not if I am in Asia, so let us forget that one.

The government is also saying that the signal is going out to India. Yes, it is. It is going out to India by satellite. You say that it is going to Laos, to Cambodia, to Vietnam, to all these places in Asia—yes, via satellite. I do not know why you cannot understand. Actually, maybe I do know why you cannot understand—I should not say that. The government is saying that a voice into Asia is being maintained. Yes, but it is without the news and without the current affairs, unless you have a satellite dish to pick it up. And, of course, satellite signals can be turned off. There is in-country rebroadcasting, and it is absolutely ridiculous for anybody to think that that was a reasonable way to send out Radio Australia news and current affairs into this region—absolutely ridiculous.

Senator Abetz went on to say that it would be anti-Christian to keep broadcasting Radio Australia from Cox. Actually, I expected him to react to that because that was a misrepresentation of his views, but he is trying to pretend that he is not listening to me. They are talking amongst themselves over there, but Senator Abetz should be paying attention. The point is that I have misrepresented your views, Senator Abetz, and I have done so because you misrepresented mine—and probably the views of an awful lot of people. You said that my views were offensive to those 70 to 80 per cent of Australians who identify themselves with the Christian faith. Speaking as one of those 70 to 80 per cent of Australians who identify themselves with the Christian faith, I can tell you that my views are not offensive to myself. And my views are not offensive to Senator Woodley, who was a minister of religion in the Christian faith, or to a lot of other people who identify

themselves with the Christian faith. So I think you are wrong there, and I think it was a huge misrepresentation of my views. You really should apologise, but I am sure you are not going to.

You said that you believed in freedom of speech. Good, I am glad to hear that. I do too. I believe that freedom of speech means that people who want to hear news and current affairs about their own countries and who want to hear it on short wave, as they have done for the last 50 years, should be able to do it. That should be something which they have as a right and which we should provide for them. I remember that when we had the first debate about Radio Australia there was a plan A. Plan A was that the government wanted it turned off altogether—I am sure we all remember plan A. And I remember plan B—no more short wave; we will just have satellite. That, of course, meant that you would not get a signal to a small, easily bought and easily transported receiver. Then there was plan C, which is where we are at the moment, and now we are waiting for plan D. Senator Abetz is leaving—I am not really surprised at all. We were sitting here, waiting in hope for plan D, and many of us, including people on the government's own side, honestly believed that this government could not possibly be so stupid as to turn off short-wave Radio Australia into Asia, which has done so much good. But guess what—even those people on the government's side were wrong. This government could be that stupid. This government has been that stupid. This government has done it.

Let us go back to Senator Bishop's motion, which is an excellent motion. Senator Bishop starts off by deploring the loss of the Cox Peninsula transmitter in 1997 when it was turned off and the more recent sale of the transmitter to a foreign interest group. I deplore that as well. I think he is absolutely right in deploring that loss, and I am not alone. Several committees of this parliament have also deplored the loss of the transmitter, committees such as the Joint Foreign Affairs, Defence and Trade Committee and Senate committees like the communications committee. We deplore the loss of that transmitter—and that is not just members of the

Democrats or members of the Labor Party. Members of the Liberal Party and the National Party also deplore the loss of that transmitter. Over the several years since 1997, there have been many letters to the government and many recommendations from committees of this parliament to this government, requesting that Cox Peninsula be given back to Radio Australia and that Radio Australia be able to send out news, current affairs and all its other programs into Asia and the Pacific. So I am not alone there.

When it was turned off in 1997, there were also letters from about six heads of state. They sent letters to the Prime Minister and the Minister for Foreign Affairs saying, 'Please don't turn off the Cox Peninsula Radio Australia transmitter that broadcasts into Asia. This is a service which is very valuable. This is a service that we want in our countries.' Six heads of state made that plea. Did we do anything about it? No, we ignored them, which just goes to show what the Prime Minister and the Minister for Foreign Affairs think about our region and the heads of state in the region. But it was not just heads of state who complained; it was ordinary people from around the region. Thousands of people from China, Vietnam, Indonesia and other countries wrote to this government saying, 'Please do not turn off the short-wave service of Radio Australia into Asia.' So what did the government do? Did it listen to them? Did it respond to them? Did it do anything at all? Yes, it did something—it made sure that the short-wave service did not go back into Asia. And now it is assiduously trying to make sure that it never goes back into Asia. I have asked several questions this week about this sale. One question that I have asked twice of Senator Alston is: are you going to fund Radio Australia to continue to broadcast in short wave into Asia? And I have received no answer at all. I therefore assume that the answer is no, they are not going to fund it.

It does not take much. Radio Australia costs \$1.4 million a year to run by short wave into Asia. I imagine it costs more to hire transmitters from elsewhere to do it. They are not our own transmitters, so we are having to pay a higher premium. However, it would not

cost that much more because \$1.4 million got us a huge range and five stations. We are not looking for anything like that anymore. Unfortunately, our expectations have now been diminished drastically and very unsatisfactorily—tragically is probably the correct term. Therefore, it is not going to cost us very much more than \$1.4 million, which it cost us before 1997, to keep that transmitter open and to keep five channels open broadcasting in different languages throughout Asia. It would not cost us that much more. Are the government going to give us the \$1.4 million? Are they going to give Radio Australia or the ABC that \$1.4 million? Relatively speaking it is not an awful lot of money—\$1.4 million for all that good. Are they going to give it to them? No. They are telling us that, no, they cannot find \$1.4 million for that. They can find other money for other things.

Senator Carr—They found \$431 million for GST ads.

Senator BOURNE—The GST ads are another question, aren't they, Senator Carr? I would probably agree with you on many of those, and I think several of my colleagues would agree with me. They can find that sort of money. They can find a lot of money for a lot of things, but can they find \$1.4 million to put back Australia's reputation in Asia? No, they cannot, and they do not intend to look for it. That is the message I am getting. I hope that is wrong. I look forward to the minister ringing me up and saying, 'Vicki, you are wrong. Of course we can find this \$1.4 million. Of course we are going to go out and make sure Radio Australia is in short wave. Of course we are going to do that.' I am looking forward to the day that happens.

Senator McGauran interjecting—

Senator Carr—Senator McGauran says they've saved a bit on the mail-out.

Senator BOURNE—Senator McGauran might pay for it himself. That would be excellent. I look forward to that, too.

I will go on to part 2 of Senator Bishop's very excellent motion, that the Senate notes the sale of the Cox Peninsula:

(i) betrays Australia's national interest in Asia ...

Yes, it certainly does. There is an awful lot of anecdotal evidence that came to the Senate standing committee when we were looking into the future of Radio Australia, which looked pretty bleak at the time, in 1997. It looks an awful lot more bleak now. There was an awful lot of anecdotal evidence and an awful lot of evidence that came from letters from people in Asia, mostly in South-East Asia and southern China, about how their view of Australia was coloured by them listening to Radio Australia. These are people who learned English by listening to Radio Australia. These are people who learned about what was going on in their own country and believed it because they knew Radio Australia was a reliable source of news and current affairs. These are people who knew they were not going to get that information anymore. They were not going to get it from BBC World Service, they were not going to get it from Deutsche Welle, they were not going to get it from Voice of America and they were not going to get it from Voice of Malaysia or Singapore. They do not get this information. Guess who they trusted? Guess who had the highest listening audience? Yes, it was Radio Australia.

Very recently the BBC did a survey of how many people listen to short wave and what short wave they listen to in Indonesia. This was in Indonesia alone. Pre-1997, when the Cox Peninsula transmitter was turned off to Radio Australia, Radio Australia had by far the highest listening audience. Two years ago it went down to its lowest: it was a quarter of what it was when Radio Australia was turned on. It has gone up a little bit but it is still not up to half, and they are wondering whether it will ever go up any further until short wave is turned back on. It is demonstrably obvious that short wave is the way that Asian people listen to their news and the way they listened to Radio Australia. They liked doing it. They enjoyed listening to Radio Australia. It was part of their day. It taught them English. It gave them a view of Australia that was posi-

tive. It gave them a view of their own region of the world that they relied on and that they knew was right. It told them things that their own governments did not want them to know, and they liked that.

We have been given several reasons by this government for why Radio Australia has been turned off into Asia. The first one, from Senator Alston, was, 'Short wave is a dead technology. Nobody listens to short wave anymore.' Of course, it is booming. It is booming all over this region because you can buy cheap receivers and then you can go out into the field or go to your place of work and you can turn it on and you can listen to it. It is very difficult for governments that do not like what is being said to block short wave. It is very difficult indeed. So people would listen to it at home and they would listen to it in the workplace. Short wave is a really good technology for this region. We were told by Senator Alston that short wave was a dead technology. Guess what? He was wrong. We were told that satellite was taking over. It is not. We were told that people would rather listen to it via satellite because it was a better signal. Yes, it is a better signal, but most people do not have the reception equipment for that, particularly the ordinary people of Asia. My absolute favourite reason that was given to us for why Radio Australia should be turned off—the most brilliant one that the government has ever come up with—was: we should not be telling people in Asia what their own governments do not want them to know. Excuse me.

Senator McGauran—Who said that?

Senator BOURNE—That was Senator Alston and it was Senator Newman. Senator McGauran, I will find those quotes for you and I will send them to you. You can go and talk to these people because obviously you are a bit worried about this. I was a bit worried about it myself at the time. It is something one should be worried about. That was a beauty.

What has come of all this? I do not know whether it was because of malice or if it was because of stupidity or if it was a combination of both, but what has come of it is that Australia no longer has a voice in the Asian region. We are whispering, and we are barely

doing that. We will not even be doing that after August. This is not just a disaster, this is a tragedy. This is a Shakespearian, King Lear proportion tragedy. This is one of the most appalling decisions, probably the most appalling decision—and they have made some pretty appalling decisions. I believe this is the most appalling decision ever made by this government. Sir Robert Menzies would be ashamed of you.

Senator CARR (Victoria) (4.59 p.m.)—The issues before us today, in deploring the loss of the Cox Peninsula transmitter, go to our concern about the effect that such a policy decision made by our government will have on our national interest. There can be no better explanation of our concern than the simple fact that our signal cannot be heard in Timor. During the terrible crisis in August and September last year, Radio Australia could not be heard in Timor. There were some 800,000 East Timorese and hundreds of Australians in East Timor at the time who could not listen to our signal. They could not rely upon the voice of Australia. It strikes me that this government should be deplored for that action.

Senator McGauran—If that's true.

Senator CARR—If that's true, Senator McGauran, as you say, they should be deplored. I think you will find when you check, as you have just done, that that is the case.

Senator McGauran—On a point of order, Mr Acting Deputy Chairman: Senator Carr is putting words into my mouth. Whatever I said was not directed at Senator Carr. It was never taken as an interjection. I believe that should be struck out of *Hansard*. I was not directing any comment to Senator Carr. He would basically have no idea what I said.

Senator Boswell—It was a private conversation.

Senator McGauran—I feel offended by him thinking he can put that into *Hansard* and then attribute it to me.

Senator Carr—Mr Acting Deputy President, those were the words uttered by Senator McGauran. His voice carries extremely well in this chamber. The acoustics are quite clear. My hearing is excellent. Senator McGauran,

you would be unwise to deny that those were the words you actually said.

Senator McGauran—It was not an interjection.

The ACTING DEPUTY PRESIDENT (Senator Bartlett)—There is no need to rule on the point of order, as Senator McGauran has made his statement. Senator Carr might like to get on with debating the motion.

Senator McGauran—On another point of order, Mr Acting Deputy President: therefore, if I may indulge you via the clerks, will that go into *Hansard*? That is the important point. It is a misrepresentation of any comment I would make to Senator Carr.

The ACTING DEPUTY PRESIDENT—I do not think Senator Carr's comments can be removed from the *Hansard*. If *Hansard* thought they heard an interjection you made and may have misheard it, depending on the ability of their hearing, then you might like to take it up with them in terms of any listing they may have. Certainly, your clarification of any potential mishearing they may have had of any comment you may or may not have made is already on the record as part of your point of order. So I am sure it will be fine.

Senator CARR—Having sufficiently drawn everyone's attention to your remarks, Senator McGauran, I feel vindicated. The facilities at Cox Peninsula were closed amid a huge outcry both here and abroad. Cox Peninsula transmitter was closed against the advice of all the experts on Asian affairs and international relations within this country. It was closed against the wishes of a huge, loyal and longstanding audience of Radio Australia in Indonesia, in China and in other countries, as well as in East Timor. I repeat, Senator McGauran: our signal cannot be heard in Timor, and that is a disgrace. It cannot be heard in East Timor as a direct result of the action taken by this government. The government has effectively silenced this country in many homes throughout Asia. Radio Australia was once a crucial medium for communication in Asia, where millions of people simply cannot afford a television set, cannot provide Internet connections and cannot af-

ford the satellite communication which the government claims is now the replacement.

In remote regions, short-wave radio is the only means of communications. Before the closure of Cox Peninsula, Radio Australia afforded this country a listening audience in Asia and the opportunity to have a reliable, unbiased, secular, uncensored radio service. It was often broadcast in the languages of the people the signal was sent to. It covered news and current affairs of relevance to their countries. It may not have been popular with all governments in the region. It may not always have been popular with various governments within this country. It may not have met the requirements of various officials in Foreign Affairs and Trade, but it was acknowledged by the people throughout the region to be a reliable, unbiased, uncensored radio service which was able to provide accurate information about what was actually going on. While it may not have been liked by governments, it certainly was regarded fondly by the peoples of the region.

Radio Australia reached out to millions of people who were hungry for information and entertainment. It taught English to countless people through its famous language courses. One person who has been drawn to my attention on the issue of communicating and educating people is Mau Huno, a great leader of the independence struggle in East Timor. He took up the reins after the imprisonment of Xanana Gusmao by the Indonesians in 1991. Before his death, he was able to speak English fluently. As the leader of Falantil, you might ask how it was that he was able to develop that skill. It was through Radio Australia. The leader of the Timorese resistance may well have felt isolated during many dark hours of that struggle, but through Radio Australia he could reach out to his friends in other parts of the world.

Radio Australia had a broadcast capacity which reached an estimated 18.4 million people in Asia and the Pacific. In Indonesia, Radio Australia's audience was over 8½ million, with more than two million regular listeners. That in itself represents a major advantage to this country and a great opportunity for this country to communicate with the people of our nearest neighbour. Through this

reach of the station we have seen capacity to express a view about what this country stands for. It represents all of us in that capacity. In recent times, we have seen that reach decimated. Throughout most of Indonesia and, as I say, Timor you cannot receive Radio Australia today. I have some information here that goes particularly to this issue of the capacity of Radio Australia to be heard. The minister says, 'Well, we have a series of rebroadcast stations operating throughout the region.' I am told that there are some 51 stations that take Radio Australia in Asia. But, Senator McGauran, you ought to be aware of this: only three of those 51 stations, which of course broadcast in local languages, take Radio Australia news. Even where our signal is being rebroadcast, it is minus all the bits that actually make it important and very worth while. In terms of the minister's claim that there are increasing rates of people taking up Internet connections, the fact remains that that does not have a significant impact in terms of the availability of that technology within the countries in our region.

In Cambodia, we see a similar pattern being exhibited. On this issue of rebroadcast, we notice from a recent survey—Radio Australia did not actually have the money to undertake it themselves and they bought it off someone else, so it may not be strictly speaking comparable to the figures published in the Senate report in May 1997—that in Cambodia at the time of the survey no Khmer language news and current affairs was being rebroadcast by local stations because of the political pressures that have been brought to bear. We can see the same pattern being exhibited throughout the region. That ought to be understood by government senators if they have any real interest in what the political impact of this decision has been.

Radio Australia provides a news service which, on balance, concentrates on events in the Asia-Pacific region, unlike the BBC or the American short-wave services which have a much broader interest and do not necessarily reflect the interests of our region explicitly. Another reason we ought to be concerned about this issue which has been demonstrated in recent days is our capacity to communicate not just with the peoples of the

region but with Australians in the region. We have seen the situation in Fiji and in the Solomons in recent times. I acknowledge that our Pacific reach is quite good, and that point has been made in the contributions here this afternoon. The government has spent money on Shepparton facilities to make sure that the Pacific region is well catered for. This highlights the need that exists. Many parts of the region are in constant turmoil. There is a particular political need for us to ensure that we have the capacity in times of unrest to make sure that we can communicate with our citizens. We have the unfortunate circumstances, for instance in Indonesia, where there is a need for us to be able to express the views of the government. Where evacuation issues come about, it is critical for us to have the capacity to provide advice to citizens concerning evacuation plans and the like. It goes beyond the cultural issues. It goes beyond the issues we have talked about this afternoon in terms of trade. It goes beyond presenting a positive image of this country to our neighbours. It goes to very practical concerns about the safety of Australians.

All of this is old ground. A new group of people is taking over the facility on Cox Peninsula. It has been leased out to a foreign private organisation. I might say that the discussion I have heard this afternoon quite disturbs me. The government emphasises what it believes to be the value for money that it has received in terms of the assets of Radio Australia—as if we can reduce the reputation of this country to a mere commodity exchange. This government takes a fundamentally different view to the issue of our reputation and our strategic interest from the view of many other governments in the world. I notice, for instance, the British government has recently restated the simple proposition that the BBC World Service is an institution of enormous strategic importance to the British government. However, in Australia the government is quite easily able to sell the equipment of Radio Australia to a foreign private organisation.

It is not just any foreign private organisation, for that matter. The transmitter is being rented out to a religious organisation based in the United Kingdom known as Christian Vi-

sion. Senator Abetz is concerned to defend evangelical groups and it is his right to do that. However, I think it is important to emphasise that there would be very few senators in this place who would not acknowledge the right of persons to believe any religious philosophy they want to follow, and their freedom to express that. But there are other issues that need to be considered when it comes to the question of whether or not this particular group is able to represent effectively Australia's voice within the region. That is what this is all about—the implications of this government's sale of the facilities at Cox Point to this particular group of people. It is important that we understand that no foreign organisation, religious or otherwise, automatically has the capacity to impose a view which can be represented as the views of the people of this country.

I see, for instance, that today the Prime Minister is likely to meet the President of Indonesia, President Wahid. This is long overdue. For many months there has been a tremendous chill in the relationship between this country and Indonesia, a chill which should not have been allowed to go on for as long as it has. There will be a falling out with Indonesia from time to time. I recall that in the early 1990s Australian journalists were banned from Indonesia. And, of course, there have been problems with Malaysia at various times throughout the last decade. I think it is important that we mend our bridges with Asia. It is important that we maintain our ties and strengthen our channels of communication wherever we possibly can without denying fundamental human rights or the differences that exist between our cultures and societies.

The broadcasts in English by and large have to be of a quality that ensures that the sorts of values this society represents are communicated effectively throughout the region. I am, however, concerned about any prospect of provocation in regard to conflicts that occur within the region. For those purposes we must understand that, whatever one's religious views, there has to be some acknowledgment that there are responsibilities that go beyond the mere expression of a sense of one's place in the world. Equally, for

Muslim groups there exist the same sorts of obligations in terms of working within the region.

The government has been speaking recently on a bill before the parliament, the [Broadcasting Services Amendment Bill \(No. 4\) 1999](#). This bill was introduced on 9 December last year. It is intended to establish a new licensing regime to govern foreign broadcasters transmitting from Australia, such foreign broadcasters as Christian Vision. I am sure that there are many problems which will have to be dealt with when the bill finally gets to the Senate. The bill is clearly intended to ensure that foreign broadcasters operating out of Australia do no harm to our national interests. Mr McGauran, the minister for the arts, said in his second reading speech:

This new regulatory regime will provide a licensing framework for international broadcasting services transmitting from Australia whilst safeguarding Australia's interest.

If the government were serious in its intentions as expressed in this bill, it would have ensured that the bill was in law at the moment. I would have thought it would not have leased the Cox Peninsula facility to the Christian Vision organisation without the bill being in place. Senator Abetz has particular religious views. He has an ill-informed, ignorant, authoritarian attitude towards those who do not share his particular sense of morality and his particular notion of what is Christian and what is not. I might say that it is an offensive view to many more than the 20 per cent of Australians who do not necessarily directly share a Christian view—highly offensive, I would have thought, to the Islamic and Jewish communities in this country and to those who do not share his particular notions of worship.

Christian Vision says in its statement of its core beliefs and tenets that people who are not Christians will suffer 'everlasting conscious punishment'. Perhaps it is a view that Senator Abetz would agree with. This is an organisation which is particularly serious about its views on conversion and about its notions of what Christianity is all about. I would have thought they were views that not all mainstream organisations within the

Christian churches would necessarily have much in common with. Given the vehemence with which the views are expressed, it presents a problem for us within the region.

Australia is part of a world community. A transmitter facility in Australia ought not be used in a way that undermines our national interest and that does not meet the national interest of Australians as a broad community. As citizens within this region we have a right to express views and to live in common harmony with our neighbours. Professor Kenneth McPherson, the Director of the Indian Ocean Research Centre, wrote to the minister for communications on 31 January 1997. He said:

Radio Australia ... is a formidable ally in our attempts to develop sustainable relations with our near neighbours. The alienation of Radio Australia from the custom-built Cox Peninsula transmission facility is a tragedy, but one that could have been reversed.

The leasing out of the same facilities to a particular international broadcaster, in my judgment, is a disaster for this country of potentially huge proportions. To rely upon facilities in other countries to get our signal out, equally, is a misfortune that we should do something about. The reliance by this government on a particular ideological view of what is good for this region is, equally, a disaster. The actions of this government ought to be deplored. They betray Australia's national interest and confirm to the listeners the lack of interest of the Australian government in the Asian region and convey an attempt by the Australian government to nullify an Australian voice to the region.

I support the motion that is before the Senate today. I urge the Australian government to take all necessary steps to ensure that Radio Australia regains immediate access to the transmitter. I call on the Australian government to make sufficient funds available immediately so that Radio Australia can access that transmitter.

Senator MASON (Queensland) (5.21 p.m.)—Labor's indignation over the fate of the Cox Peninsula transmitter is yet another indication of the opposition's preference for the symbolic over the practical and for rhetoric over substance. This afternoon I would

like to address Senator Bishop's contention that granting a 19-year non-exclusive license to operate the Cox facility to Christian Vision somehow represents disengagement and a loss of interest by the Howard government in the Asian region.

Labor's arguments—we have heard from Senator Carr and Senator Bishop earlier—are reflected throughout Mr Keating's book *Engagement: Australia faces the Asia-Pacific*. It is an excellent book and it is certainly a valuable contribution to the debate, but it is fundamentally flawed. While it makes many useful policy suggestions, it derives from the assumption that somehow Labor, and particularly Mr Keating, discovered Asia; that in some way Mr Keating is a latter-day Marco Polo. He did not discover Asia; Labor did not discover Asia—the coalition did. The coalition actually has a very proud history of engagement in Asia—one that significantly predates the Labor Party's newfound devotion to regionalism.

Senator Schacht—It wouldn't have been called the Vietnam War?

Senator MASON—Let me get to that, Senator Schacht. One day we will have a debate about the Vietnam War.

Senator Schacht interjecting—

Senator MASON—The difference was, Senator Schacht, that we did not spit on the soldiers when they came back.

Senator Schacht interjecting—

Senator MASON—Too many in your party did, and that is a stain on your party's contribution. To spit on Australian soldiers is a disgrace.

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Order, Senator Mason! Order, Senator Schacht! I have two things to say: interjections are unparliamentary and in breach of the standing orders; and, Senator Mason, I remind you to direct your remarks through the chair.

Senator MASON—Thank you, Mr Acting Deputy President. The coalition has a very proud history of engagement in Asia—one that significantly predates the Labor Party's newfound devotion to regionalism. It was the foreign minister in the Menzies gov-

ernment, Richard Casey—later Lord Casey—who, during the 1950s, set Australia on the road to building lasting ties with our Asian neighbours. It was Casey who normalised relations with Japan after World War II and who, of course, established friendly relations with Indonesia. It was Casey who presided over Australia's entry into the South East Asia Collective Defence Treaty—SEATO. While he believed in maintaining close ties with our traditional allies, it is what he said that perhaps underpins the entire debate today and summarises foreign policy in this country:

Our special role, however, lies in Asia and the Pacific, and consequently our foreign policy is largely but not exclusively concerned with that region.

He said that more 40 years ago, a long time before *Engagement: Australia faces the Asia Pacific* by Mr Keating.

Reflecting Casey's sentiments, our commitment to security of the region has been longstanding and paramount from World War II through the Korean War, the Malaysian emergency, the Indonesian confrontation, Vietnam, and recently to restoring peace in Cambodia and, of course, in East Timor. It was the coalition that ended the White Australia policy and, of course, welcomed Asian refugees in the 1970s. I mentioned in an adjournment debate a while ago that the greatest stain on the Labor Party's immigration policies—borne out by John Menadue's recent autobiography—was the fact that the Whitlam government did not want to take Vietnamese immigrants after the conclusion of the Vietnam War. I notice Senator Schacht has gone very quiet. The most disgraceful act of the Labor Party—and John Menadue agrees with this, Senator Schacht, as you know—was that they did not want to take Vietnamese refugees after the conclusion of the Vietnam War. It was a racist act, and if you do not believe me, Senator Schacht, look at the book.

Senator Schacht—I have read the book.

Senator MASON—And he said, didn't he. Our relationship with Asia over the past four years, since the coalition was returned to power unfolded against—

Senator Schacht interjecting—

Senator MASON—You raised Vietnam, and I wanted to finish it. It unfolded against an environment of crisis and upheaval of which there are only a few parallels in the postwar period. It was easy and convenient for Mr Hawke and Mr Keating to talk about engagement in Asia in an environment of great prosperity in Asia. This government has had to engage in regionalism and in increasing our ties with Asia in the difficult environment of the Asian economic meltdown. It has been a much more difficult period—indeed, in very recent times, with the political crises in Fiji and the Solomon Islands. This government has faced those challenges with determination and deep commitment, and not just simply vocalised our interest in some abstract but proved our engagement in very practical and outcome-orientated ways.

When Asian countries suffered economic meltdown and social upheaval, Australia again was there—not with words and platitudes but with concrete assistance. We have participated in all three International Monetary Fund second-tier support arrangements for Indonesia, Korea and Thailand. The government's commitment to our Asian neighbours in their darkest hour of need totalled \$3 billion. We have worked behind the scenes to secure and to extend international assistance in a more coordinated and better targeted way and on more sensible and more helpful terms. Again, when Indonesia recently suffered political crisis, Australia was there with strong support for a peaceful, democratic transformation of our near neighbour. We have provided technical and financial assistance for Indonesia's first truly democratic elections in 40 years. Indonesia is now the world's third largest democracy, and Australia has made a valuable contribution to that outcome.

Soon after, when the region was again engulfed in crisis over the future of East Timor, Australia displayed courage and leadership in an attempt to solve the regional problem that has strained relations and defied resolution for the past quarter century. The Prime Minister's diplomatic pressure on Indonesia to conduct a referendum in East Timor and to abide by its outcome, and his decision—indeed, this parliament's decision—to send Australian peacekeepers to the island have

done infinitely more to guarantee self-determination, safety and the well-being of East Timorese people than anything that Mr Whitlam, Mr Hawke and Mr Keating ever did in all their years of silent acquiescence. As the foreign minister, Mr Downer, said, there is a 'cultural regionalism' which is 'built on common ties of history, of mutual identity'. It is debatable, however, to what extent that sort of regionalism is applicable to Australia's dealings with her neighbours.

Senator Forshaw interjecting—

Senator MASON—I hear an interjection. There is a bit more to foreign policy in dealing with Indonesia than someone sitting on Mr Suharto's knee and gyrating. There is a lot more to it than that. However, there is also a practical regionalism where, as the Foreign Minister reminds us—

Senator Forshaw interjecting—

Senator MASON—This government has a little bit more idea of how to deal with Indonesia, Senator Forshaw, than your lot did. I do not think your government has a lot to be very proud of—

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Order! The honourable senator and senators on my left are fully aware of what the standing orders say in respect of interjections. Senator Mason, I know that you are aware that you are required, pursuant to the standing orders, to direct your remarks to the chair. It would be useful, I would suggest, to ignore the interjections when they occur.

Senator Forshaw—I rise on a point of order. I realise that this is a matter of general business and that debate can range very widely. Certainly, the issue of Cox Peninsula and Radio Australia does involve consideration of our relations with Indonesia, but my point of order is that what Senator Mason has been doing since he got to his feet has basically been to give a speech about foreign policy 40 years ago between Australia and Indonesia. He has not mentioned Radio Australia once.

The ACTING DEPUTY PRESIDENT—Senator Forshaw, there is no point of order. Please resume your seat. It is a wide-ranging debate, as has been the case thus far.

Senator MASON—Thank you. I will get to the Cox Peninsula in a second. I really wanted to outline the context and the hypocrisy of the Labor Party's stance. There is, however, a practical regionalism where, as the Foreign Minister reminds us, 'countries which are bound together by geography find practical ways of working together to achieve their mutual objectives.' Australia, under the Howard government, has certainly demonstrated its commitment to this practical regionalism. In four years in office, this government has worked tirelessly to build stronger bilateral relations with the region's governments. Last year alone, Chinese, Korean, Singaporean and Vietnamese leaders visited our country. This year the Prime Minister has visited Korea and is currently in Japan, where he will have talks with Indonesian President Wahid.

But we have not forgotten the importance of multilateral ties. We continue our work in the region through APEC, the ASEAN Regional Forum and the ASEAN post-ministerial consultation process. We have established a series of political and security dialogues with countries like China, Japan, South Korea and Vietnam. We also continue to maintain our strong commitment and strong interest in promoting democracy and human rights throughout the region, including through initiatives like the newly established Centre for Democratic Institutions.

Labor, and particularly Senator Forshaw, are concerned about the Cox Peninsula transmitter. In Labor's eyes, the whole question of Australia's continuing engagement with the region seems to hinge on the question of the ownership of one particular transmitter near Darwin. Labor cannot see the forest for the trees—or, more appropriately, cannot see the extensive existing web of communication with the short-wave transmitters.

Senator Forshaw interjecting—

Senator MASON—Senator Forshaw, I cannot believe that anyone from the Australian Labor Party would try to interject on anyone from the government on anything to do with Indonesia. I absolutely cannot believe it. The leader of your party spent his time gyrating on President Suharto's knee,

and that was your foreign policy. We reject that, in line with the Howard government's—

Senator Forshaw—Read your own white paper.

Senator MASON—I will take any interjection you throw, Senator Forshaw, as you know.

The ACTING DEPUTY PRESIDENT—No, you will not take any interjections, Senator Mason. I have reminded you once, and I also remind Senator Forshaw again, about the standing orders as they relate to interjections. I again remind you, Senator Mason, that you are directed to make your remarks through the chair, and I would ask that you do endeavour to ignore interjections.

Senator MASON—Thank you for the reminder, Mr Acting Deputy President. In line with the Howard government's commitment to practical and innovative engagement with our neighbours, Australia continues to broadcast to Asia through a variety of transmission mechanisms. The ABC web site, updated hourly in six languages, receives over a quarter of a million hits per week. Radio Australia has negotiated a deal to rebroadcast its programs through 83 stations in 23 countries, including 15 stations in Indonesia alone, as well as stations in China and Vietnam. A *Canberra Times* article in April this year said:

In China, the rebroadcasts are now played on 20 provincial stations plus the national broadcaster, in Phnom Penh news is broadcast on the hour, in Fiji three networks are playing three hours of Radio Australia daily and in Indonesia live afternoon news bulletins have become the norm. The rumours of Radio Australia's death are much exaggerated.

The Labor Party has always been more concerned about the appearance of being a good international citizen—that is the nub of it—and about the rhetoric of engagement and the appearance of being a part of Asia. The Howard government is committed to doing what is right and what is in Australia's vital national interest. We are interested in practical initiatives and realistic outcomes. The Howard government understands the importance of practical engagement with our Asian neighbours.

Senator SCHACHT (South Australia) (5.35 p.m.)—I rise to speak in support of Senator Bishop's motion. I hope the Senate will carry it unanimously. But, if it will not carry it unanimously because the coalition opposes it, I trust that with the support of the Democrats—who have indicated their strong support for it through Senator Bourne today—this resolution will be carried. I note that, earlier this week, resolutions were already carried without debate, so clearly the numbers were there. I moved a resolution on Radio Australia and the Cox Peninsula and I think that Senator Bourne did, and they have already been carried.

I think it is very good that this Senate express its view and that there is a debate so that, in one form or another, at least on the record in the Senate of this Australian parliament, for the history record, there is a majority of senators expressing the view that what this Howard government has done to Radio Australia and Cox Peninsula is one of its worst individual decisions. In the macro, we might well say that the introduction of the GST and the cutbacks to education and health are the worst decisions but, as an individual decision, I cannot think of any that is more narrow minded or more against the national interests of Australia than this decision to gut Radio Australia and to end up with the bizarre consequence whereby, in the last 10 days, the government has flogged off the Cox Peninsula facility for a yet undisclosed sum to a foreign organisation that may well not broadcast material that is in the national interests of Australia.

I think it was two years ago that Senator Forshaw, as Chairman of the Senate Foreign Affairs, Defence and Trade Committee, produced a strong report. The evidence was overwhelming from everywhere and from all sides of politics, outside of the Liberal government here in this parliament.

Senator Forshaw—It was supported by Ian Sinclair, the chairman of the joint committee.

Senator SCHACHT—Yes, it was supported by the then Chairman of the Joint Foreign Affairs Defence and Trade Committee. Individually, many members of the coalition who had any interest in foreign affairs real-

ised that this was a crazed decision. The evidence put forward in the report by Senator Forshaw's committee is overwhelming that this is a crazy decision and against the national interest. I just want to get it on the record: how did this government get to make this crazy decision? How did they get to make it themselves? Because of their obsession and hatred for the ABC, when they came to office they announced, before the first budget and before any examination, that they were cutting \$50 million a year off the budget of the ABC. They announced it first and then they said, 'Oops, we'd better try to justify that,' so they appointed Bob Mansfield to go and conduct an inquiry.

In his report tabled in parliament, Mr Mansfield pointed out that he had had something like, I think, 11,000 or 14,000 submissions made to him by people in Australia defending the ABC. I think he said that no more than a couple of hundred were critical of the ABC. I think the minister admitted in estimates that he himself had received a similar number of letters of protest—well over 10,000—at what he was doing to the ABC. But I do not blame Mr Mansfield, because he was given terms of reference that meant he had to find how a saving of \$50 million could be introduced. Because of the terms of reference, which had an emphasis on domestic broadcasting, he came up with the only recommendation that he could see would save the money, which was to gut and abolish Radio Australia to make a saving—

Senator Forshaw—And ATV.

Senator SCHACHT—Yes, and Australian Television going into Asia. But the main thing that he could see was, unfortunately, to get rid of Radio Australia. There was some quasi-evidence put up by the government that technology meant that short-wave radio was no longer relevant in the region and that the Internet and digital broadcasting would replace it all. The government were then stuck. This was the only way they could get the \$50 million saving. So, shamefacedly, they had to announce the gutting of Radio Australia. I think Mr Downer and probably Tim Fischer and a couple of others argued, 'You can't abolish it completely; let's leave us with something.' So a few odd million were left.

But they gutted the staff numbers—most of the resources were gone. It was said that Cox Peninsula was too expensive to operate at \$1 million a year and it was closed down and put into mothballs.

Of course, there was a reaction particularly all round our region about this decision. Over the last 10 days, the final, obscene outcome of this decision has been seen: the government has had to lease the Cox Peninsula facility to a foreign organisation that may not have the interests of Australia at heart but will use the facility that the taxpayers of Australia have paid tens of millions of dollars to develop. As I understand it, from the late 1980s to the mid-1990s, the Australian government, the Hawke-Keating Labor governments, spent close to \$30 million on Cox Peninsula to upgrade and develop it so that a strong signal would go into the region of our interest, the Asia-Pacific. As soon as it was finished, this government closed it down and the taxpayers' money has been overwhelmingly wasted.

We have yet to be given any details of how much the leasing arrangement is worth. As I understand it from some speculation in the press, this religious organisation from Great Britain has bought the equipment but has leased the land. That means they may well have walked off with several tens of millions of dollars worth of equipment, at a cheap price, that the Australian taxpayers have paid for. They have then leased the land. The government are now suggesting, 'We might be able to reach an arrangement whereby they'll let us put some Radio Australia signal on.' What a demeaning outcome! We now have to go cap in hand to this organisation and ask, 'Please let Radio Australia have some time.' But it is up to them to make that decision. That is demeaning. How any government could demean itself to do that is beyond me.

My colleagues have spoken so well today about the gutting of Radio Australia. In the turmoil that is in Asia at the moment and in the Pacific, why would you not want to have an independent Radio Australia broadcasting the information, the news and the current affairs that is recognised as being unbiased, even if at times, of course, it was critical of the Australian government? But that gave

Radio Australia its reputation of truth, honesty and, over a period of time, of balance. Of course some countries in Asia do not like that. Some countries in the South Pacific do not like that. It is usually those countries that have something to hide of an antidemocratic nature or on the human rights front that do not like some of that criticism. But that is why Radio Australia had standing and credibility.

There are only two international radio broadcasters into the Asia-Pacific region that I am aware of that have standing and credibility. One of them is the BBC Overseas Service; the other is Radio Australia. Every other broadcaster from another nation people recognise as pushing the particular line of their own government. But Radio Australia, because of its unique structure, operated by independent journalists within the ABC Charter, has never had that criticism. Therefore, it was listened to by tens of millions of people throughout the region. That credibility is something we should cherish. It has served Australia well in the past and will do so long into the future.

Some people in Asia say that they do not like to be hectored or lectured by Radio Australia reporting stories and giving comments from those who are in favour of such things as human rights. I have to say that if that upsets some governments in Asia, so be it. Most ordinary Australians would support the promotion of human rights, human dignity and the democratic form of government. In 1991, I led a human rights delegation to China. We went to Tibet. In Tibet, the Chinese government has, to say the least, conducted a severe regime that has culturally oppressed the Tibetan people. There have been many reports and comments in this parliament about that over many years. When we were there, there was no reporting of our visit by the Chinese official media. We were non-people; we were a non-delegation.

Senator Forshaw interjecting—

Senator SCHACHT—Unfortunately, Mr Nehl and others have made some rather unfortunate remarks, not to the advantage of the Australian people or to human rights. In Tibet, one of our own delegation members who spoke fluent Tibetan—

Senator McGauran interjecting—

Senator SCHACHT—Yes, we actually got someone on the delegation who spoke Tibetan so we did not have to rely on Chinese government officials to be the interpreter. I made sure of that when I led the delegation. When this person made some private contacts, they said, ‘Oh yes, we know who you are. We know you are the delegation from Australia looking at human rights in Tibet. We are very pleased that you have shown the interest to come and see the condition of Tibet and the Tibetan people.’ Our delegation member asked, ‘How do you know that we are here? There has been no mention in the Chinese press at all.’ They said, ‘Of course we know you’re here. We listen to Radio Australia and the BBC Overseas Service. That is where we get information that we can rely on about the wider world and what is happening with respect to people around the world supporting us in our quest for human rights and a more democratic system in Tibet.’ I have to say that I do not care whether it costs us \$5 million or \$20 million a year to run Radio Australia. If some people in an area being oppressed by any form of undemocratic government find that they can get information that helps them in their campaign for human rights, that is a price worth paying. But what is this government doing? It is closing down the means by which that message can be broadcast. That information can be broadcast to people not only in Tibet but in Burma and other places where there is turmoil right now.

That is what I find so disgusting about this single decision of this government to gut Radio Australia. Because of their obsession with—and their hatred of—the ABC, they stumbled into this decision for all the wrong reasons and now cannot find a way to get out of it or to back down. We plead with you: back down now. We will give you a bit of stick about backing down for a day, but the national interest of Australia would be—

Senator McGauran interjecting—

Senator SCHACHT—You would have to put up with it for a couple of days, Senator McGauran. A day or so is nothing, Senator McGauran, compared with the national inter-

est of having a fully operational Radio Australia.

We are going to be hurt by the closing down of Radio Australia, no matter what rules and regulations are in the [Broadcasting Services Amendment Bill \(No. 4\) 1999](#), the purpose of which is to establish a licensing regime so that non-national broadcasters can operate within Australia. When that bill came before the legislative committee, we heard a number of reasons why it would be a good regime. I have to say that, no matter how you do it—no matter how you draw it up—in the end some bureaucrats in some organisation will make a judgment on whether this group or that group should broadcast from Australia. Once you get into that subjective area, sooner or later there will be dispute over the subjective judgments made and why it is so. That has been brought about because of the void left by Radio Australia, and others think they can step into it and use the facilities.

The organisation that has won the right to broadcast from Australia has been described in a number of editorials as either a Christian fundamentalist group or a religious fundamentalist group. I admire them in one sense; they have actually been quite open in describing the message that they want to put out. I will quote them. Christian Vision's website describes the group as a 'charitable company that God has challenged to touch a billion people with the message of Jesus through the use of media'. Its listed beliefs including 'the everlasting conscious bliss of all who truly believe in our Lord Jesus Christ and that everlasting conscious punishment is the portion of all whose names are not written in the Book of Life'.

I am an absolute supporter of free speech. If people want to distribute that sort of message around Australia, that is fine, but if they put it on the transmitter that was once owned by the Australian government, no matter how we explain it in Asia, it will be seen as having the imprimatur of being a view that the Australian government may hold. We can go up hill and down dale saying it is not so, but they will think we are for it.

I am also worried that, now we have given this group the right to use Radio Australia or to buy it, we will be back on the old tread-

mill. If, say, a Muslim group bids to use it, and we say, 'No, you can't use it; we have given it to the Christian group,' there will be arguments that you are showing religious partiality. That is what really concerns me. It would concern me in the case of any organisation with a religious background. It would also concern me if we gave it away to a political party or any other group that has a political agenda. We would not do that. We would say that that would be stupid; that it is not in our national interest. This government has established a principle—a precedent—that is going to come back to haunt us. Why wouldn't people in our region, who are overwhelmingly not of the Christian belief, ask, 'What are you doing in Australia? Do you believe that your national interest lies in proselytising Christianity in an area where a couple of billion people are not of that faith?' I think that, in the national interest, we always should stick to the old principle of the separation of the state from religion and religion from the state.

What we have done here is muddy the situation by the absolute bungling of the government in handling this. If Radio Australia uses the transmitter run by this Christian group to broadcast, that means that the Christian group will be seen as having some involvement with Radio Australia. Do they then have the right to turn the transmitter off when they do not like hearing something going out on their leased transmitter? All of those issues can start arising. Somebody in Asia, maybe for their own malevolent purposes, will say, 'The Australian government has agreed with this. You are actually sharing the same transmitter with this Christian group.'

Senator Forshaw—I know one who will say it.

Senator SCHACHT—Absolutely—straight off. We can all probably guess. It is not even a guess. We all know—but I will not name them here—of some political leaders in Asia who will use it to fan their own particular view, their own particular agenda. It is a stupid decision. The only way out of this was to have Radio Australia properly funded and Cox Peninsula re-established to broadcast Radio Australia. All I can say is that, what-

ever the history of the Howard government, it will be written that the most short-sighted, stupid decision it made was with respect to Radio Australia. With some pleasure, I support this motion moved by my colleague Senator Bishop. I certainly look forward to the Senate carrying it and again putting on record how stupid this government has been.

Senator McGAURAN (Victoria) (5.54 p.m.)—As the final speaker, with just some five minutes to go in this address, I had better cut to the nub of the issue before us with regard to Radio Australia and Senator Bishop's general business motion. I will try to get to the point of some of the comments made by the previous speakers, none less than Senator Schacht. What is the genuineness of Senator Schacht? What genuineness does Senator Schacht bring to this issue when he appeals to the government rather sadly and forlornly—I almost fell in—and says, 'I appeal to you to change your mind. If you should change your mind you'll only cop a bit of stick'?

Senator Schacht—For about a day. For Australia's national interest—

Senator McGAURAN—You started off with a day, then it went out to two and, knowing you, Senator Schacht, it would be extended. But my point is: you are going to attempt to politically exploit this, whatever our decision is. You are simply exploiting this politically. You are not genuine about Radio Australia. You make an appeal and you then say, 'You'll cop some stick.' You are going to politically exploit this whatever our decision is.

Senator Carr—What about Timor? Have you found out about Timor yet?

Senator McGAURAN—That is the genuineness of Senator Schacht. What is the genuineness of Senator Carr when he comes to this debate? Very little indeed, because Senator Carr, as per usual, brings misinformation to the debate. He states that Radio Australia does not broadcast into Timor. I assume he means East Timor. Senator Carr, the information is that Radio Australia does not use and has never used the Cox Peninsula to transmit into East Timor. In fact, they use the Shepparton transmitter. What is more, it

was available during the East Timor crisis and it is available today. So what is the genuineness of Senator Schacht and Senator Carr? In fact, what is the genuineness of the Labor Party in this whole debate.

Senator Sherry—What about the Democrats?

Senator McGAURAN—I question the Labor Party's genuineness with regard to Radio Australia. You need only refer to the report of the Senate Foreign Affairs, Defence and Trade References Committee in May 1997 titled *The role and future of Radio Australia and Australia television*. There is a very telling quote in that report with regard to how the ABC treated Radio Australia—one of their arms—by none less than Mr P. Barnett, a director of Radio Australia during the Labor government's years. He gave this evidence to the committee:

RA was very often out of sight, out of mind; something of a mystery, something of a problem. Senior management in Sydney has not always appreciated the culture, the capacity and the potential of RA. On the other hand, one ABC managing director was still referring to Radio Australia as 'Radio National' one year after taking office.

That was evidence given to the committee by Mr P. Barnett, the then director of Radio Australia during the Labor government years, discussing the relationship Radio Australia had with the ABC management. Given the Labor appointees on that board—they completely stacked that board—and that there was a link between the Labor Party and the ABC board during those years, why did they treat Radio Australia with such disdain? You come in here defending Radio Australia's role when you could not even defend it when you were in government. You never gave it a priority when you were in government. So your genuineness is non-existent.

Senator Sherry interjected and mentioned Senator Bourne. Senator Bourne has been on this issue all week. To her credit, she has moved off her first question on Monday, because it was a disgraceful question, as Senator Abetz highlighted. She asked a question about Radio Australia of Minister Alston on Tuesday, Wednesday and today. To her credit, they were on the issue, but on Monday she

was way off the issue. In fact, anyone who reads the question she asked will know that she was in fact questioning the sale of the Cox Peninsula transmission facility to the evangelical broadcaster Christian Voice. She was highlighting whom we sold it to more than anything else. She asked whether Foreign Affairs had investigated this group, what sort of message they intended, what sort of influence they would have—all sorts of questions like that, based around whom it was sold to rather than the sale itself.

All in all, with the genuineness of Senator Schacht, the genuineness and misinformation of Senator Carr—and he can go back and double check if he likes, because I have checked it out completely—and with Senator Bourne's rather intolerant and inappropriate question on Monday and, of course, the contribution generally of the Labor Party itself, there is no genuineness to this debate at all. Time does not permit me to say much more other than to say that you would think, listening to the Labor Party, that we were closing down Radio Australia. It still maintains its reach—a very extensive reach—into South-East Asia, China, Vietnam, Cambodia, East Timor, Indonesia and all of the South-Pacific islands.

Debate interrupted.

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Order! The time allotted for the consideration of general business notices of motion has expired.

DOCUMENTS

Australian Electoral Commission

Senator SHERRY (Tasmania) (6.01 p.m.)—I move:

That the Senate take note of the document.

The Electoral Commission's funding and disclosure report, *Election 1998*, vindicates the Labor Party's concerns over the Greenfields Foundation loophole. This loophole was engineered by the Liberal Party. Greenfields was, and still may be, part of their shonky fundraising apparatus. First, some history. In 1995 the then Liberal Party treasurer, Ron Walker, guaranteed the Liberal Party's \$4.6 million debt to the National Australia Bank. That debt was then assigned to the mysterious Greenfields Foundation, a

so-called charitable foundation. The Liberal Party has made only token repayments of the loan. A loan to a political party in itself is not a problem—the problem arises from the fact that the Greenfields Foundation can collect substantial donations from sources which remain anonymous for the purposes of funding disclosure. That money is then forwarded to the Liberal Party in the form of a loan. What remains unanswered is: when will the loan be repaid, how will it be repaid, how is the funding secured and are there any concessional interest rate arrangements in the financing? We do know that the Liberal Party has made a payment of \$100,000 to the Greenfields Foundation. The money may not have been a repayment but rather a grant to set up the foundation. However, even if this is a repayment on a loan, it is at a very lucrative rate of about 2½ per cent. This would not be a loan on a commercial basis.

Quite rightly, the Electoral Commission has now found the Greenfields Foundation to be an associated entity of the Liberal Party. It now has to supply returns to the AEC. But it has had to be dragged kicking and screaming to the table. Both the Liberal Party and the shadowy Greenfields Foundation do not want to be accountable. They both tried to hide. The AEC had to issue notices to the Greenfields Foundation to force it to come clean. Even then, it has tried to weasel out of properly disclosing its relationship with and funding to the Liberal Party. Naturally, the Electoral Commission was concerned about the uncommonly favourable manner in which the Greenfields Foundation treated the Liberals' debt to it, and it found that Greenfields's 'lenient treatment of the Liberal Party in servicing the debt represented a benefit to the party'. The report states that 'a person, or in certain circumstances a corporation' could avoid disclosures by 'a series of transactions based on the Greenfields model'. It recommends that the loophole be closed 'as a matter of priority'.

Labor, and particularly my colleague Senator Faulkner, has been arguing for three years that this loophole be properly closed. The AEC has to take at face value Mr Walker's assertion that he personally covered the \$4.6 million debt, but the AEC warns that

'should the creditor not have any individual disclosure obligations, for instance, as an associated entity, the identity of the guarantor, the real source of the funds, need not be disclosed anywhere'. In other words, the Liberal Party have engineered a mechanism to hide the identity of its political donors. The Labor Party gives in-principle support to the Electoral Commission's recommendations to declare a loan as a gift so that paper trails can be followed to find the actual political donors of so-called loans. Mr Howard is happy, or he was at least up until today, to use the private information of 12 million voters from the electoral roll for a GST mail-out, but the AEC's report proves that, when it comes to the Liberal Party's own political activities regarding what are in substance donations, they will go to any lengths to cover up people's identities.

Senator CONROY (Victoria) (6.05 p.m.)—It is very disappointing to see that the Liberal Party are prepared to go to such outrageous lengths to hide their donors. What have they got to hide? I seek leave to continue my remarks later.

The ACTING DEPUTY PRESIDENT (Senator Calvert)—Are there any other speakers on the Australian Electoral Commission report?

Senator Robert Ray—Yes, Mr Acting Deputy President—

The ACTING DEPUTY PRESIDENT—Once upon a time the chair would not recognise people who did not have a coat on, but in this particular case I make an exception. Senator Ray.

Senator ROBERT RAY (Victoria) (6.06 p.m.)—I think it is my first such appearance. Searches are being made, let me assure you, to locate the missing jacket. Several people did offer to lend me theirs, but regrettably we determined that those might not have got the whole distance around.

What Senator Sherry has been addressing tonight is a very serious issue, and I do not intend to repeat it chapter and verse. Remarks were made earlier today by Special Minister of State Ellison complaining about approaches at the estimates committee. Let me tell you this, Mr Acting Deputy President:

none of those issues around Greenfields would have come out but for the inquisitorial, and at times with the minister adversarial, approach that occurred.

Senator Sherry—And appropriately.

Senator ROBERT RAY—Yes. I think they were then—and at other times if not most times—within proper bounds. We had a situation in 1994-95 where the national office of the Liberal Party, as happens to political parties of all persuasions, was in serious financial trouble. The Treasurer of the Liberal Party at the time, Mr Ron Walker, was given the task of remedying that. As far as we are concerned, he is quite entitled to do so, provided he acts within the law. What occurred was that—at least by his own admission, but we have no proof of it—he anteed up the \$4.6 million himself. But, to disguise that donation, it was assigned to the Greenfields Foundation. Note that it is not a registered company but a foundation. It was done at no interest at all. So far as we can detect, the Liberal Party has only repaid \$200,000 of that debt. This was basically a device to avoid the provisions of the Electoral Act. That should not surprise us because from 1983 onwards the Liberal Party of Australia has sought to knock over disclosure provisions. It has voted against nearly every piece of legislation on disclosure from 1983 through to the current day. But you have to ask yourself: why would Mr Walker want to avoid disclosure? Surely, if he is putting in \$4.6 million he should be proud of it; he should be a hero in the Liberal Party. But what you have to look at at the same time is this: what other activities was Mr Walker involved in? He was heavily involved through HudCon and his partner Mr Williams in the Victorian casino bid.

I am not going to regurgitate all the details here other than to say how amazing it was that, in the second round bidding, they were able to lift their bid by 40 per cent to exactly equal the bid of the other group that was involved. Then, when they started to get into trouble, their licence was expanded: more gaming machines were given than they were entitled to. Certain obligations in terms of theatres and hotel towers were reneged on—again they were forgiven. It is this juxtaposi-

tion between the favourable treatment of Mr Walker's group compared with the others, in conjunction with this hidden donation, that required the Electoral Commission, I think, to examine these questions in detail. The Electoral Commission have taken a long time to bring down this report but we must acknowledge that once they got their skates on they did it thoroughly. It is a pity they did not give other issues equal consideration. It is a pity that it was only through the estimates process that we discovered, for instance, their \$10 million mail-out that they were assisting the tax office in. They had never given that proper attention. They were able to breach their act, according to the Solicitor-General today, in several ways—and you have to ask: why were they allowed to get away with it? This Greenfields issue has still got a long way to go. It is the most blatant example of a political party and its treasurer trying to avoid disclosure at all times. In the end it needs to be further investigated whether it was in fact Mr Walker who came up with the \$4.6 million or the source of the money was elsewhere, be it overseas or some other business groups in Australia. We will probably never know. (*Time expired*)

Question resolved in the affirmative.

**Ministerial Council on Education,
Employment, Training and Youth Affairs**

Senator CARR (Victoria) (6.12 p.m.)—I move:

That the Senate take note of the document.

The national report on schooling in Australia has a long history of being very late indeed in terms of its reporting to this parliament. Timeliness has not been one of its great strengths. Of course, in terms of the legislation we see in this parliament, there is a series of big education bills that come through on an annual basis. It may be said that there is some excuse for the delays that occur in regard to the vocational education bills, because it might be said that there is some need to talk to the states about it, but there is no excuse for the delays with a heap of bills—the higher education funding bills and the Australian Research Council bills. What particularly concerns me, though, is the \$15 billion bill, the schools bill, which we have not seen. We have been told since April that it is coming—\$15 billion worth of legislation

ing—\$15 billion worth of legislation and this government holds it back. Like, I am sure, a number of senators in this chamber, I receive letters from time to time from various groups asking, 'Where is the bill?' I think we are entitled to ask the minister: where is the bill? Why is this legislation being held up—a \$15 billion bill? We ought to have an opportunity to peruse it properly. We ought to have an opportunity to examine it carefully and we ought to have an opportunity to ensure that it does the things that this government claims it is going to do. We have not seen the \$15 billion bill: it has been held back because this government, I believe, wants to drop it on us at the last minute, go to the various schools around the country and say, 'Look, the reason you haven't got your money is the Labor Party is holding up the bill.' The government is holding up the bill—that is the truth of the matter.

I would like to turn to this particular report. If you look at these reports over the years, you get a very good understanding of the changes that occur within governments in terms of their approaches to education. Every year the Commonwealth, states and territories have reported on equity measures. What we see in this report, however, is a very marked differential from previous years. Comparisons between the years are often difficult with some years because particular equity groups have been given particular attention; they have received greater attention—for instance, indigenous groups in 1997, and in 1996 there were isolated students and various other things.

Each of these reports has not been able to provide continuing, comparable data, and this report continues that trend. So we have a situation where, frankly, it is not possible to clearly identify the changes that are occurring in specific programs that are being followed by governments. For example, the table 'National equity program for schools, funding by program, sector and state', which was published in 1995 and 1996, has not been compiled for 1997 or 1998. Instead, we have states reporting on equity measures in ad hoc manners which cannot be compared with one another. If we look at resourcing issues, it is abundantly clear what this government is

seeking to do and what its priorities are. For the first time since 1989, the 1998 schools report has not included a chapter on resourcing Australian schools. Furthermore, the number of tables on resourcing has decreased from 21 in 1997 to 11 in 1998. Significant tables missing from the 1998 report are, for instance, 'Per student expenditure of non-government schools by affiliation and level of education by State' and the 'Income and expenditure per student of all non-government schools by affiliation, by state'. These tables are quite significant but they are missing from this report.

These tables are compiled by the Department of Education, Training and Youth Affairs here in Canberra, and the department's spokesmen are only too happy to tell people that these figures were not available at the time of publication. We want to ask, and we are entitled to know, why these tables—which I understand are now available—were not provided on time. We are entitled to know why this report was held up by this government so that it could include its literacy benchmarking results, which, in the end, were reported as supplements to the report. We are entitled to ask why these reports are presented in such a shoddy manner and why the government seeks to hide so much of the information relating to important issues like literacy, numeracy and the equity objectives of Australian education. It is quite apparent that this government is seeking to prevent this information being made available to Australians at large. Education remains of fundamental importance to this country, and it ought to be treated much more seriously by this government.

Question resolved in the affirmative.

Consideration

The following orders of the day relating to reports of the Auditor-General were considered:

Audit report No. 43 of 1999-2000—Performance audit—Planning and monitoring for cost effective service delivery—Staffing and funding arrangements: Centrelink.

Motion of Senator O'Brien to take note of document agreed to.

Audit report No. 45 of 1999-2000—Performance audit—Commonwealth foreign exchange risk management practices. Motion of Senator O'Brien to take note of document agreed to.

Order of the day No. 2 relating to reports of the Auditor-General was called on but no motion was moved.

The following orders of the day relating to government documents were considered:

Regional Forest Agreement between the Commonwealth of Australia and the State of Victoria—West Victoria, March 2000. Motion of Senator Forshaw to take note of document agreed to.

General business orders of the day Nos 1-8, 11 and 13-20 relating to government documents were called on but no motion was moved.

COMMITTEES

Public Works Committee

Report

Debate resumed from 5 June, on motion by **Senator Calvert**:

That the Senate take note of the report.

Senator MURPHY (Tasmania) (6.18 p.m.)—The report on housing development at Parap Grove, Darwin, of the Joint Statutory Committee on Public Works is not a high point for the Defence Housing Authority—and rightly so. This report, the subject of which was referred to the committee on 23 September 1999, raises some very interesting questions about the provision of housing for Defence personnel around the country. When we took evidence on this matter in Darwin on 28 October, witnesses from the Defence Housing Authority told us that this was a very urgent project. Indeed, earlier on the committee had received a request for it not to be even considered by the committee. The project, worth \$17 million, was for the purchase of 50 house and land packages in Parap Grove, Darwin, which were being developed by a private developer. As I said, we were told that this was an urgent project. It was urgent because of the need to meet the Defence housing requirements for its personnel in Darwin, with particular focus on the 1999-2000 personnel movement arrangements.

In February, I think it was, we were advised that the developer, Bayview Homes, had gone into liquidation and that the Defence Housing Authority had put their pursuit of the 50 house and land packages on hold to see what the outcome of the liquidation might be. We were told that they had options with regard to it and that they would come back to us. We subsequently received a very short letter to say that they were now not going to proceed with the purchase of the 50 house and land packages from the Bayview development. There was no other explanation. We have to consider this against the background that the Public Works Committee was told that this was a very urgent project and that it was vital to meet the Defence housing requirement in respect of the 1999-2000 personnel movement. It is quite possible that the committee would have approved this project. But when the committee was subsequently told that they were not going to proceed, it said, 'Look, that simply isn't good enough. We want further explanation.' We did receive some explanation. The brief explanation said that the 50 house and land packages were no longer needed to meet the Defence housing requirements and that they were too expensive. Two or three other things were listed as justification for the Defence Housing Authority no longer wanting to proceed with this project.

At the same time, the committee was asked to consider another project, Carey Street, which related to a three-tower high-rise development of apartments. The relevance of this particular issue and the process that has been employed over a period of time for the provision of housing for Defence personnel have become very interesting. As a result of some investigation through the estimates and discussions I have had privately with the Defence Housing Authority and people in Defence, I have now ascertained that there is a major problem with the process involving the provision of housing for Defence. It is very interesting to note—it is something that you do not find in any reports and it is something that has not been forthcoming in any evidence to any estimates committees—that Defence pay at least \$20 million a year in dead rent. If you look at Defence housing costs to the Department of

Defence for the year 1998-99, the net cost of rent alone was \$188 million or thereabouts. If you then make an assessment of that, \$20 million plus is dead rent. That is rent that is paid for houses that have no tenants. The Darwin region has been a major contributor to that. It is something that I find totally unacceptable. Upon further investigation, I have been able to ascertain that there have been problems with mismatching housing and problems associated with the general management, it would appear, insofar as actually getting people into Defence housing and not having them in the private rental system at the same time.

What is interesting about this position as it unfolds—it will become more interesting, and I know, Mr Acting Deputy President Calvert, that you are also on the Public Works Committee and it is of great interest to you—is that, if we took a snapshot of the Darwin housing situation as at 30 June 1999, it is quite possible that the Department of Defence would have been paying at least \$2 million a month in dead rent. That is extraordinary. Of course, there are a number of issues that relate to the provision of information, which I think was one of the problems associated with the Parap Grove development. The Defence Housing Authority ultimately became aware that they did not need the 50 house and land packages and that they were headed towards a massive oversupply problem. This is something that will require both the focus and the attention of the Department of Defence and the Defence Housing Authority to ensure that these sorts of costs—the costs that, as I said, are at least \$20 million a year in dead rent—are avoided.

I know that the Public Works Committee have been very concerned about this, as is witnessed in this report in which we have referred this particular matter to the Australian National Audit Office for further investigation. And so we should. With regard to the Parap Grove development, I was provided with a letter that was written in August 1999—that is, before this matter was referred by the parliament to the Public Works Committee. That was a letter between the Defence Housing Authority and the developers of the Parap Grove housing development. That let-

ter would infer quite clearly to me that there was an agreement between the Defence Housing Authority and the company known as Bayview Homes that the Defence Housing Authority purchase 50 house and land packages. That of itself is a very worrying matter.

The Public Works Committee of this parliament is charged with the responsibility of making an assessment of, firstly, the need for a particular project or development and, secondly, whether or not it represents good value for money. We have to be certain in the future that we make very clear judgments on that. It is incumbent upon the Department of Defence in particular to provide accurate information. If we are to avoid the future waste of money to the tune of \$20 million a year at least, then this must occur. I commend this report because, as I said, it has taken a very positive step in recommending to the Australian National Audit Office that there be further investigation of this issue. I hope at the end of the day that we will see better administrative practices as they relate to these matters. (*Time expired*)

Question resolved in the affirmative.

**Rural and Regional Affairs and Transport
Legislation Committee
Report**

Debate resumed from 5 June, on motion by **Senator Forshaw**:

That the Senate take note of the report.

Senator MURPHY (Tasmania) (6.28 p.m.)—There are some very important and significant issues with regard to this report on the importation of salmon products. It was very pleasing that it was a unanimous report and it just shows the concern that exists across the board. I do sincerely hope that the government will ultimately take notice of the report, especially some of the recommendations the committee has made—in particular, the aspects that relate to the WTO rules, the consistency of those rules and the setting of standards for quarantine measures around the globe.

Inconsistencies have been highlighted by other speakers. One of the principal arguments used against us in the WTO disputes process was that our approach to fish products was inconsistent. That is all very well

and good, but at the end of the day you ought to have a consistent approach across a range of products. In my view, it is unacceptable for us, as a country that has such great value and importance in agricultural exports, to accept an inconsistent approach to diseases in other products, whether they be animal products or fish products. We ought to be at the forefront, arguing the case that these things ought to be consistent. It does not matter what the disease is. If the disease is contagious and can cause a problem with an animal or in a fish, it ought to be treated the same. We ought to have consistency in the global rules of trade to ensure that everything is treated the same. You should not expect one sector of industry which is involved with one particular product to accept what can only be seen as a lower standard than is applicable to another type of industry. That is unacceptable. That is why the recommendations with respect to international law are so important. That is why we need to make sure that our legal people are in the frontline, looking at arguments that we can present to international forums such as the WTO, to make sure that we not only protect our interests but also promote arguments on the basis of allowing our exports into various other countries.

I will touch briefly on the science of this issue. Back in 1994 and 1995, when 24 diseases were being investigated, it was put to us by AQIS that these diseases were salmonoid specific. That was one of the reasons why we were pulled up over inconsistency in treatment of other fin fish, whether they were ornamental or coming in as bait. The science progressed very quickly and continues to do so. It now identifies that many of these diseases are now applicable to other fish, that is, other fish can become carriers and are affected by that. Science is a funny thing. It is a bit like law. You can get 10 different opinions on the one issue. What I think has happened in regard to the scientific approach that AQIS has adopted during the process of its risk analyses has been that they have looked at a particular part of the scientific data that is available. If you did an investigation, you would find that a lot of the scientific data has been generated by the salmon industry in other parts of the world. Quite often you

could say that that scientific information or scientific data has been prepared on the basis of protecting that industry. That is quite often the case. I find that unacceptable. When we look at diseases and consideration of them, we ought to take account of all the arguments and not just some. There is plenty of evidence that would be contrary to some of the scientific data that was used during the salmon case.

I want to go now to the consultative process that was employed throughout the case of the salmon imports. We know that it was clearly insufficient. We have had various reports—one by the committee in 1996 and the Nairn report, which also made recommendations with regard to consultation—but they have not worked. This committee has made further recommendations in the report to set up a risk assessment committee so that you bring in the various interests that can be affected either by an import application or an export application, whatever the case may be. You can bring those people in from day one so that they can be involved in the process, as they should be. That is fundamentally important. It is not good enough for a government authority to take a view that it can stand alone and just inform the people who could ultimately be affected by the outcomes, as is the case with the salmon inquiry. I hope the government will pick up this recommendation and will ensure that the risk assessment committee process is put in place as part of the consultative arrangements and the risk analysis process. It is very important.

Finally, I mention a recommendation by the committee which was also recommended by Professor Nairn; that is, the establishment of a key centre for risk analysis. If ever there was something that was important to a country so dependent upon agricultural exports, this is it. You would want to be out there making sure you understand the sciences and that you are arguing the case. I remember AQIS saying to us during this inquiry, 'We were the ones up there at the forefront writing the SPS Agreement rules.' It is a funny situation to get yourself in, if you were designing the rules and you are the one who is getting knocked off by them. If we were designing the rules, then we need to back that

up. We need to be at the forefront of argument and development of scientific technique and scientific information in regard to disease and export and import risk analysis. That is why such a key centre is so important. We are so dependent on agricultural exports alone. We also have import processes which we must comply with if we are to operate in a global trade and what is often referred to as free trade but also should be referred to as fair trade. If we are going to make the system fair, then we have to put in the resources to ensure that we can argue a case.

If the rules are there, we should endeavour to use the rules. It is not good enough for some of these other larger countries to exploit the circumstances. We, as a country that really does not have the political muscle, should endeavour to apply the rules and at least be arguing the application of those rules. We will be better prepared to do that if we have things like a key centre for risk analysis which can generate the training, expertise and knowledge to be able to present arguments in the interests of this country. Again I would urge the government to take on board those recommendations and make the changes which can only be to the betterment and in the best interests of this country.

Senator O'BRIEN (Tasmania) (6.38 p.m.)—I, too, want to address the motion to take note of the report of the Rural and Regional Affairs and Transport Legislation Committee entitled *An appropriate level of protection?* During Senator Murphy's contribution, I was looking at an article which is available through the Parliamentary Library entitled 'A real world where people live and work and die'. It is an article from the *Journal of World Trade* published in 1998. It opens with this passage:

"It is essential to bear in mind that the risk that is to be evaluated ... is not only risk ascertainable in a science laboratory operating under strictly controlled conditions, but also risk in human societies as they actually exist, in other words, the actual potential for adverse effects on human health in the real world where people live and work and die."

That is a quote from which the title of the article was taken.

This report is about the circumstances which underpin Australia's current quarantine regime for the importation of salmon and other salmonid products, and indeed other products. At the time this article was published last year there was a debate about Australia's right to maintain its ban on the importation of Canadian salmon. It is interesting to note that at that time this scholarly article published in a journal, properly attributed in terms of footnoting of the sources of the material, said this:

The SPS Agreement offers both opportunities and threats for many countries. It provides opportunities for exporting countries to challenge quarantine restrictions in many markets, at the same time exposing their own restrictions to challenge by foreign exporters. What predictions then, can be made on the outcome of the *Canadian Salmon* case? Australia has argued that given the total freedom of salmon disease in Australian waters, Australian tuna populations enjoy minimal disease tolerance. Any translocation of disease would have a devastating effect, wiping out both fish stocks and the Australian tuna industry.

I think they mean salmon. To continue:

In such circumstances, the appropriate level of protection might be *zero tolerance*. Two arguments have been maintained by Canada. First, scientific evidence supporting a ban is inadequate and contradictory. Second, Article 6 of the SPS Agreement obliges Australia to recognise disease-free areas within Canada. Where such areas can be objectively demonstrated, a blanket restriction on *Canadian* salmon may not be sustainable.

At the end of the day, what is required is a balance of competing interests: the importing country's appropriate level of protection—

and I emphasise those words—

and potential gains from the liberalisation of trade. Where the potential detriment to Australia is severe (the total destruction of salmon stocks and the loss of an industry), compared to any possible gains from trade liberalisation to Canadian producers and Australian consumers, a total import ban may be argued as both necessary and justified. This might be notwithstanding an obligation to recognise area freedoms. It is also a legitimate argument that existing testing and sampling methods and technology may not provide for a confidence level consistent with the importing country's protection needs.

Again, I interpose here 'the appropriate level of protection'. It continues:

In such cases, a total import ban may be the *only* effective means of achieving an adequate level of protection.

Adequate? 'Appropriate' is used in the title of the report. It touches on one of the problems that the committee discovered in investigating just how we arrived at the conclusion that was reached in this matter. It was very clear from the evidence that the route for arriving at what was described as Australia's appropriate level of protection was circuitous. It certainly was not clearly defined at all. The answers to the questions we asked of the Department of Foreign Affairs and Trade indicated that there was no certainty at all that this matter had actually been considered by government. Rather, the likelihood was that AQIS had determined Australia's appropriate level of protection. I am not saying that they did that without authority or approval. What I am saying is that that is how it happened. The committee, in reviewing that evidence and the evidence of AQIS, was in my view the subject of some suggestions—which do not appear on the *Hansard*, because no-one was prepared to put them on the *Hansard*—that addressing the issue of how Australia arrived at its appropriate level of protection would somehow be counterproductive. The committee did not subscribe to that view, and to its credit its report reflects what appears in the evidence in terms of the importance of having a very clearly defined appropriate level of protection—that is, a determination by this country, as is its sovereign right under the SPS Agreement, of just what our appropriate level of protection is.

The committee has recommended that that be done not just by the Commonwealth but in consultation with the states. What is clear from this eventuality is that in regard to salmon we have a breakdown between the Commonwealth's view as to quarantine arrangements and Tasmania's view as to quarantine arrangements. Perhaps the matter will not stop there if there is not some sort of understanding reached between the Commonwealth and the states—and perhaps a binding understanding at that—that, whatever our determination as to what is appropriate regarding the level of sovereign risk this country will bear, that is held around the federation.

Another alarming thing was drawn to our attention in the evidence presented before the committee. Though there was a memorandum of understanding between the Commonwealth and the states on the question of quarantine arrangements, the impression that an officer of the Attorney-General's Department gave the committee was that that memorandum was not enforceable at law by the states. If that is true, it is not enforceable at law by the Commonwealth. There has been some suggestion in relation to the Tasmanian situation that somehow the matter will be resolved by taking it to the High Court. If that officer's evidence is to be accepted, then no such recommendation will go to the Commonwealth government because the Attorney-General's office is of the view that the right of the Commonwealth in relation to any agreement between the states is not enforceable at law. That raises the question as to why we find ourselves in that situation. But perhaps that is another question.

The committee was at pains to ensure that we learn from the experience of this case, particularly that we learn from the inadequacies which the committee identified in Australia's method of protecting its rights in the WTO. The committee has laid down some recommendations which relate to the establishment of an office of international law which is independent in the sense of not being able to be suborned to the view of other departments, so that fearless and independent advice can be presented in all of Australia's international dealings and so that the appropriate international legal protections are present in those negotiations in the future.

I see that my time is running out. It is pleasing to see the degree of support and approval that the committee's report has received in the public domain. Having gone through the process of taking the parliament to the people, as this committee has done, and having done its job properly, it is pleasing to see that the people of Australia who appreciate the subject appreciate the work of this committee. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Employment, Workplace Relations, Small Business and Education Legislation Committee—Report—Workplace Relations Amendment Bill 2000. Motion of the chair of the committee (Senator Tierney) to take note of report called on. On the motion of Senator O'Brien debate was adjourned till the next day of sitting.

Migration—Joint Standing Committee—Report—Going for gold: Immigration entry arrangements for the Olympic and Paralympic Games—Government response. Motion of Senator Bartlett to take note of document agreed to.

Information Technologies—Select Committee—Report—In the public interest: Monitoring Australia's media. Motion of the chair of the committee (Senator Ferris) to take note of report agreed to.

Superannuation and Financial Services—Select Committee—Report—Superannuation (Entitlements of same sex couples) Bill 2000. Motion of the chair of the committee (Senator Watson) to take note of report agreed to.

Orders of the day Nos 5-7 relating to committee reports and government responses were called on but no motion was moved.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Calvert)—Order! It being 6.49 p.m., I propose the question:

That the Senate do now adjourn.

Trade Unionism

Senator MASON (Queensland) (6.49 p.m.)—A few times in recent weeks I have perhaps been a little inflammatory in questioning the claim so often made on behalf of the Australian Labor Party that they are the party which Australians look to for progressive and innovative policy. Gough Whitlam, for instance, in his foreword to Mark Latham's recent book *Civilising Global Capital*, wrote:

In Australian politics it always seems to be left to Labor to advance the nation's agenda. The Australian people are again looking to Labor for the next generation of public policy ideas and reforms.

I would suggest that this claim looks very sick. A party that hopes to secure office only by scablifting and by scaremongering does not deserve to govern. Tonight I want to touch on just one of the many reasons for the Labor Party's injured capacity to produce policies of relevance to the people of modern Australia. I speak about the continuing control of the Australian Labor Party by the union movement.

Unions, with their ethos of collective action and mass agitation, are in many ways relics of another era, one where big unions confronted big business under the watchful gaze of big government. In the new economy of the 21st century, unions are far less important. Under the influence of technological advancement and the information revolution, the nature of work is changing very quickly. As both employers and employees demand greater flexibility in ordering their affairs, as employment becomes less and less trade based, and as jobs for life are replaced by frequent job—even career—changes, the scope for legitimate union influence narrows dramatically. Yet, blind to all the new realities, the Labor Party continues to be the slave of the union movement.

At no time in our political history have so few had so much influence over so many. Unions still control 60 per cent of voting delegates at each national conference of the ALP. Yet they represent less than 25 per cent of the Australian work force. In fact, 80 per cent of private sector and 75 per cent of public sector employees do not belong to a trade union. In small businesses which employ fewer than 10 people—the vast majority of businesses—90 per cent of employees choose not to join their employee organisations. In August last year, the total union membership in Australia was 1.87 million and has been falling by an average of 90,000 members per year for quite some time now. The NRMA has got as many members as all trade unions; sporting clubs have twice as many members as all trade unions; private health insurance funds have three times as many members as all trade unions. Clearly, these statistics give lie to claims by the ACTU head, Sharan Burrow, that the unions are the largest represen-

tative group in Australia. Clearly, they are not.

Failing to be relevant to the needs of Australian workers, the unions have chiefly become a career vehicle for ambitious men and women with political aspirations. You might call it a 'kindergarten' for future Labor parliamentarians. Currently, six out of the 10 ALP shadow cabinet ministers are former union officials, including two former ACTU presidents—Simon Crean and Martin Ferguson—with a third one, Jenny George, still attempting to join them. In fact, the union presence and influence are growing in the ALP ranks. In 1983, only 28 per cent of Labor members of the House of Representatives and, indeed, only 30 per cent of Labor senators were former union officials. Now, even though union membership has plummeted by half since those glory days, union representation in the parliamentary Labor Party has nearly doubled—over half of the whole Labor parliamentary party are former union activists or union lawyers. In this chamber, 20 out of 29 Labor senators are in that category. Compared to the composition of a wider Australian work force, trade union officials are overrepresented 1,500 times in the parliamentary Labor Party.

It now seems that the unions have decided to abolish all individual employment contracts should the Labor Party return to government. The right wing and the left wing unions have banded together in the cause of denying Australian workers freedom of choice. Kim Beazley has already announced that he would abolish Australian workplace agreements and, of course, the Office of the Employment Advocate. There are now 100,000 formal AWAs federally and the total number is growing at more than 3,000 every month. As the ALP yet again attempts to restrict people's freedom of choice—freedom has never been a catch-cry of the Left, ever, and Senator Schacht knows that—it becomes apparent that it is entering the 21st century with 19th century policies on industrial relations. We might just reflect on the failure of the Left in the 20th century, Senator Schacht, and the triumph of liberal democracy today.

The PRESIDENT—Senator, you should not direct your remarks across the chamber.

Senator MASON—Meanwhile, my own state of Queensland, Madam President, is already paying the price for Labor's inability to put the interest of the people above the interests of their union mates. As a repayment of political favour to their union supporters, the Beattie government has taken the Queensland industrial relations system a few decades back in time—abolishing greenfield site agreements, restructuring workers compensation and being soft on transport union militancy. The result is the loss of business confidence and an unemployment rate that is climbing to eight per cent—

Senator Schacht—I rise on a point of order, Madam President. It would save an awful lot of time if he just tabled what he is reading out from Mr Reith's former speech, and we could all get on with it.

The PRESIDENT—There is no point of order.

Senator MASON—It is climbing to eight per cent at the same time as the rest of Australia's employment rate is falling.

Senator Schacht—Just table it!

Senator MASON—Senator Schacht and others in the Labor Party talk often about Tony Blair. Now Senator Schacht falls silent—funny that, Madam President. Blair had the vision to face the realities and break the chains that for 100 years bound his party to the union movement. He did it against the Left; and one day, perhaps, it will happen in this country. Senator Schacht falls silent—funny that. Does Kim Beazley have the courage to follow in Tony Blair's footsteps?

The PRESIDENT—'Mr Beazley', Senator, should be the way you refer to him.

Senator Schacht—He got the press statement from Reith. That is the only problem he has got.

The PRESIDENT—And you should not be interjecting.

Senator MASON—Senator Schacht falls silent every time I mention Mr Blair, and I wonder why. Does Mr Beazley have the courage to follow in Tony Blair's footsteps and assert the Labor Party's right to develop policies of its own? Unfortunately for the future of this country, the answer seems to be

no. As Doug Cameron, the national secretary of the AMWU said:

We, as trade unionists, will not be denied our rightful and helpful input into the party's policy making as some would like.

And Mr Beazley concurs:

I am not a Labor leader who relishes the idea of there being substantial points of disagreement between ourselves and the union movement.

Political parties are community organisations seeking to represent their constituency.

Senator Schacht interjecting—

Senator MASON—I actually agree with Mr Blair. If the Left in your party had any brains, they would too. That is why the Left in this country is such a miserable failure, Senator Schacht. For the most successful ones, the constituency is as broad and as diverse as possible. No-one is arguing that to become more representative again the ALP has to cut all the ties with the union movement.

Senator Schacht—Madam President, I rise on a point of order. As I understand the standing orders, senators are supposed to refer to notes, not read a speech verbatim. Senator Mason is absolutely reading verbatim. I think he would be better off if he actually read from notes that might be more accurate than the speech he is reading verbatim from someone else.

The PRESIDENT—There is no point of order. The senator knows that he cannot read a speech, but he can have copious notes.

Senator MASON—Senator Schacht has interjected a couple of times today. I do not mind taking interjections from someone on the Left who is largely irrelevant in the political community today. The leftover people—the Vietnam generation—Senator Schacht, I am not going to be worried by. One of the most successful Labor politicians, the newly re-elected Lord Mayor of Brisbane, Jim Soorley, has recently called for such an outcome. He has said that the ALP will have to pull away from the shackles of the trade union movement. He is looking forward, not backwards.

Senator Schacht interjecting—

The PRESIDENT—Order! Senator Schacht, you are persistently interjecting and that is disorderly. You can have an opportunity to speak later in the debate, if you wish to do so.

Senator Schacht's interjections are really based on enormous frustration that the last century belongs to liberal democracy; socialism is dead; and the Vietnam generation is largely irrelevant. All your pathetic interjections mean very little. I am sure that Councillor Soorley's voice—

Senator Schacht interjecting—

Senator MASON—I can end your interjections, Senator Schacht, easily; and I have had to repeatedly cut you off this afternoon, on many occasions. The sad part is that, continually, the Labor Party is shackled by the trade union movement. If it listened to Councillor Soorley, it would move on, undo the shackles and perhaps, like Mr Blair in Britain, move forward. The only way the Australian Labor Party will have the capacity to move forward and become relevant and not have its capacity compromised, prejudiced and endangered is if it does that. The question will be whether it has the courage to do that. But I doubt whether people like Senator Schacht, remnants of the Vietnam generation still clinging to power, will finally come to understand that. In the meantime, the debate will go on. I suspect that one day, perhaps in my life in this parliament, the ALP will formally cut those ties.

Australian Broadcasting Corporation

Senator SCHACHT (South Australia) (7.01 p.m.)—I rise to speak on a matter that has nothing to do with what Senator Mason spoke about in that prepared statement from Mr Reith. I want to raise today matters concerning the present reorganisation of the ABC with its new managing director, Mr Shier. Two or three weeks ago at a Senate estimates hearing, Mr Shier appeared and spoke strongly—and I supported what he said—in asking that the ABC be given access to multi-broadcasting in the new digital arrangements. The Labor Party support that, and the Democrats support it. We hope the government sees sense and amends its own bill to meet that opportunity to expand the

broadcasting capability of the ABC. However, in only the last day or so, information has come to me that some of the other proposals that Mr Shier is preparing with respect to the ABC are matters which, if correct, are of great concern not only to the staff of the ABC but particularly to the millions of listeners and viewers of the ABC and to the Australian community. We all recognise the absolute importance of the role that the ABC, as a national institution, performs in Australia.

I have been informed from various sources that there is to be a major restructuring of the current affairs operations of the ABC. I have been told that there is a proposal afoot to abolish the ABC programs that we have all grown up with or have been living with for the last couple of decades or more—a proposal to abolish *AM*, *PM* and *The World Today* under the guise that there will be more regionalism in Australia and that local ABC radio stations around Australia will have a choice of whether they want to run their own current affairs program or other sorts of programs or take *AM*, *PM* or *The World Today*. I find that a very disturbing outcome. The programs I have just mentioned have now become a major feature for the Australian public to get up-to-date, in-depth current affairs coverage on a daily basis of major issues confronting Australia and confronting the world.

At times, all governments—including my own government, when we were in government—have not liked some of the reporting and some of the interviews and issues given an airing on those programs. By the very nature of the programs, if you are in government you are going to be under more examination than if you are in opposition. That is just the function of current affairs, and so it should be. Even if you happen to be a minister, not liking what is being said or the criticism being aired about you or your policies is a function of democracy. The suggestion that those programs can be abolished, wiped out and replaced by some lower level of so-called regional current affairs or regional interview programs is of great concern, if it is correct. I am told that not only are those programs to be replaced but that the current affairs branch

of the ABC will instead be asked to provide up to seven minutes of a shortened amount of current affairs each hour that may be played at the end of each hourly news service on the ABC—but, again, it would not be automatically played: overwhelmingly, the decision is left at a regional level.

I come from a small state and I am very strongly in support of regional and state coverage of issues. That is very important. But I think that the balance in the ABC is about right at the moment. We get plenty of coverage on regional radio, Adelaide metropolitan radio and Radio National but we also want, as Australians, to have a national and an international focus. No other media can provide it in the way that the ABC does, particularly with its television and radio current affairs. The idea that a national current affairs program like the *7.30 Report* or *Lateline* could be abolished as a national program, so that there is no national current affairs, will diminish Australia and our vision as a nation with a national and an international view of issues. I am alarmed to hear this. Most of us have not responded to some of the stories that have been appearing about management changes and people being asked to leave the ABC. We have not overreacted to that. We have observed that happening. But if it is true that programs like *AM*, *PM* and *The World Today* are to be abolished and replaced by snippets of current affairs every hour, that is very concerning.

I know that, from time to time, governments of all persuasions have criticised these programs—because no-one likes criticism. I also have to note that in particular in recent years the Prime Minister, Senator Alston and others have been very critical of the ABC. I have heard that they do not like the in-depth coverage that is given. Sometimes those programs give coverage to issues that are very uncomfortable for people like the Prime Minister: issues of reconciliation and Aboriginal indigenous affairs, and issues of other minority groups. But if they do not get an airing on the ABC as part of the public debate, they will not get an airing anywhere else. The ABC is fulfilling its charter role in ensuring that a range of views and a range of issues, no matter how uncomfortable, are

given a chance to be debated and put forward, and that is a very good democratic outcome.

It would be a tragedy if current affairs in the ABC is gutted in the way I hear it is proposed to be gutted and replaced with a mediocre level of current affairs, if it still exists, and replaced by trying to ape commercial radio with pleasant interviews with sporting personalities, actors and other people in the community about pleasant things that we enjoy in Australia. We have to get the balance right. The ABC has had the balance about right, never perfect. The threat to these programs, if correct, is a very serious one. I therefore conclude with a challenge to Mr Shier, the new general manager, and to Mr McDonald, the Chairman of the ABC. As this would be a fundamental change in current affairs at the ABC, would they come forth immediately and explain to us whether this is a possibility or say, 'No, those changes are not going to be effected,' that there is no truth to the suggestions I have heard and that they are not on the agenda of the new manager and the board that the government has now appointed in its own image. If that is the case, I will say that that is very good and that I am glad to have cleared the air.

But if they cannot categorically say that these major changes to current affairs will not take place, I think there will be, quite rightly, a major, rip-roaring debate in the Australian community, not just within the ABC but in the broader community of listeners and viewers of the ABC, and even in the broader media community and those who may not be ABC devotees like some of us. This is a very worrying matter that has been raised, and I raise it in this adjournment debate to try to get the ABC to clarify immediately that this is not the case. I certainly hope it is not the case. If it is, the debate will really be joined in this country because we will not let this government, the people they have appointed to the board and the new general manager gut the ABC's independence and destroy it as a national institution that is so important to the fabric of our country.

Goods and Services Tax: Business Information

Senator McLUCAS (Queensland) (7.10 p.m.)—Tonight I rise to share an extraordinary tale, which I referred to in question time today. On 1 June I received a letter which is astonishing. It is a list of the failure of the government and the Australian Taxation Office to deliver on simple, explicit requests from informed constituents of mine for information. It is a letter from my constituents, Tom and Marie Potts, who operate the Cowley Beach Caravan Park near Mourilyan at Innisfail.

I will go to the substance of the letter. They basically provide a chronology of their correspondence and their phone calls to the Australian Tax Office for information in order to make themselves GST compliant by 1 July. On 23 February this year they ordered the accommodation industry booklet. They ordered the cafes, restaurants and catering industry information and the retailing and wholesaling new tax system information. On that date they also ordered the café and restaurant industry CD. On 2 May they ordered the E-Record CD and were told it would take 10 working days to arrive. On 15 May they ordered videos and were told they would be sent straight away. Also on that date they ordered the GST and business skills kit, which includes a CD, a booklet on five steps to get your business GST ready, GST and business skills, summary guide for business and a checklist. On the 19th of that month, they rang regarding their E-Record CD and were told that it would take another five working days. They were also told that there had been a mistake on it and that it would have to be re-issued. On 29 May they re-ordered the pack of four videos. They also ordered the CD on how to keep business records and the video on how to keep business records. On 29 May they were given a number for a direct line for the E-Record information they were looking for. On phoning that number, they heard a recorded message and they left their name and phone number. On 29 May they were also given a number for the distribution centre. Mrs Potts spoke to a woman who apparently did not know a thing about the order numbers from 23 Feb-

ruary. Apparently her computer had been down and she had to ring Mrs Potts back. When she did ring back, Mrs Potts was told that the order was sent on Saturday 27 May. Unfortunately, Mrs Potts is still waiting for that document, and so the story continues. On 1 June Mrs Potts rang the distribution centre again and was told that the E-Record CD was now in quarantine and would not be available for two weeks. Mrs Potts advises that, out of all of those requests, the only thing they have received is the booklet called 'Retailing and wholesaling the new tax'—five months after the beginning of their attempt to become GST ready.

Following receipt of their letter, I contacted the Cairns signpost officer, who visited the caravan park and Mr and Mrs Potts yesterday. I understand that the officer was 'very nice', according to Mrs Potts. He had an array of products but not the CDs or the videos they require in order to make their business GST compliant. Mrs Potts told me that eventually she just said, 'Just give me anything you've got.' I make no reflection on the officer himself. He responded absolutely promptly to my call, and I have to say that he drove for about 1½ hours down to the caravan park to visit my constituents. He did say to me that he himself was having difficulty obtaining GST compliance products. I ask: if he is having difficulty, what chance do small businesspeople in remote locations have? I must say that Mr and Mrs Potts are very good businesspeople. They embraced the change that is coming to them and got moving. They have an ABN number; they got that very early. But they have no information about where to go next. In Marie Potts's own words, 'This is just what I didn't want to happen.' Now they will be rushed and, unfortunately, that is when mistakes are often made.

This story exemplifies so well the lack of trust in the government's GST and in its implementation that so many business people are expressing to me and, I am sure, to many of my colleagues in this chamber. For example, I have heard: 'I've been to three seminars, and I'm still no clearer. You would think that Mr Howard would have thought more about how to bring in his beloved tax.'

Another one: 'I ring the 13 numbers and get different answers every time.' It is no wonder that there is no faith or trust in the implementation process of the GST when these business people, very tired, sit down and watch their televisions in the evening and see the GST chain ads. They know that they are paying for the pleasure of receiving that politically inspired message—at a total cost of \$420 million and still rising.

Today we have seen the spectacle of a government having to pulp eight million letters to the electors of Australia after repeatedly being advised by Labor that the use of the AEC database was unlawful. What chance do the Australian people have to deal with this new tax when they try repeatedly to get relevant GST implementation products and cannot be satisfied? What chance do the Australian people have to accommodate this level of change, when the politicisation of the implementation has been at such a high level? I suggest that this government is lurching from disaster to disaster in the implementation of the GST.

Cox Peninsula Transmitter: Sale

Senator FORSHAW (New South Wales) (7.16 p.m.)—Tonight I will add some remarks to the debate about Radio Australia and the recent announcement that the Cox Peninsula would be leased to a British based religious broadcasting company, Christian Vision. The Senate this afternoon debated this matter in general business and, unfortunately, time expired before I was able to enter the debate. During the debate this afternoon, the issue was canvassed very thoroughly by opposition senators and by Senator Bourne on behalf of the Democrats. This is an issue that many of us will recall came to a head back in 1997-98 when the then minister, Senator Alston, announced that funding to the ABC would be cut and, further, that a review would be undertaken into the operations of the ABC. It is a good lesson for all of us, and certainly I would urge Senator Alston to take the time to revisit some of the election policy announcements that he made prior to the 1996 election and to revisit what he placed on the Internet. Senator Alston makes much in this chamber of his supposed expertise and knowledge in this area, and he is the minister,

so it would behove him to look at some of the things that he and the government have said in the past with respect to the ABC and Radio Australia.

I first of all draw attention to a report of the Senate Select Committee on ABC management and operations. The report, *Our ABC*, was published in March 1995. The select committee was established by the Senate and chaired by Senator Alston. In that report, he was at pains to hop into the then management of the ABC—in particular, the then chairman, Mr David Hill—and was very critical of the ABC for, amongst other things, not giving sufficient support to key areas of the ABC's responsibilities under its charter. He was concerned that the ABC was chasing sponsorship dollars through infotainment programs and that, rather, it should be directing its energies at core activities such as Radio Australia. For instance, with respect to the view of the committee that he chaired, in the majority report he stated:

The Committee supports the maintenance of ABC funding at least at its current level, the continuation of the triennial funding arrangements and the continued application of the Non-Farm GDP deflator.

The committee was chaired by Senator Alston, who was no doubt very heavily involved in the preparation of the final majority report. I think the following quote from the report is most important in view of what has happened since:

The Committee therefore recommends that where the Parliament requires the ABC to undertake new Charter activities or to expand existing Charter activities, it should provide funds sufficient to ensure that existing activities are not adversely affected.

Those are very strong commitments and very strong words with regard to the need to ensure adequate continued funding into the future for the ABC, and particularly to ensure that it be given sufficient funds so that it could enter into new ventures, new activities, that would be required because of the new technology that was coming in and is so much now a part of our way of life.

In respect of one other area that is relevant to this current debate about Radio Australia and the leasing of the Cox Peninsula, whilst

that committee did not specifically look at Radio Australia, it did look at the operations of Australia Television, which was a new venture set up by the ABC to broadcast television into Asia—clearly, a similar activity to that which has been performed for many years within the ABC by Radio Australia. The committee report said:

When the ABC Board reviews the ATV service in June 1996 it should make an assessment of the level of government funding required to make up the difference between sponsorship revenue and the amount required to operate the service. The Government should then give serious consideration to including any such shortfall in the ABC budget appropriation.

They were very strong words from Senator Alston's committee at the time, strongly supporting funding for the maintenance and expansion, no doubt, of ATV. With respect particularly to Radio Australia, I will read what the policy of the Liberal-National coalition was prior to the 1996 general election. This was published on the Liberal Party web site. What is interesting is that this was still on the web site in March 1997—12 months after they got into office. This is what their policy was:

Radio Australia has a proud place in the ABC. It has been providing overseas services for half a century benefiting not only Australian expatriates but also the nationals of many countries, particularly those in our region. The coalition is strongly supportive of Radio Australia's existing services and will ensure that they are not prejudiced or downgraded in any way.

They were the words of the coalition's policy at the time, and even 12 months after they were elected. When I drew this to the attention of Senator Alston on 24 March 1997, because he had already started to cut into the funding of the ABC, he quickly had that removed from the web site. That policy was no longer relevant. But, of course, we also recall the famous interview between Jim Middleton from the ABC and Senator Alston on the night of their victory in the 1996 election. Jim Middleton asked Senator Alston, who was in the tally-room, I believe, with the ABC team at the time:

First of all the commitment close to home about the ABC and commitment to maintain funding in

real terms of the coming parliament, does that stand?

Senator Alston replied:

Absolutely.

Of course, the history since then is on the record. Senator Schacht and other speakers dealt with it this afternoon. Progressively, since the moment the government was elected and Senator Alston became the responsible minister for the ABC, he has proceeded to gut it at every opportunity. First of all, there was his proposal that went forward to the expenditure committee preparing the 1996-97 budget. We all recall the leaked document. It had two proposals. One was for huge cuts to the ABC—in excess, I believe, of \$150 million to \$200 million. The ABC was going to lose Triple J, Radio Australia and ATV—just about every other popular program you could think of was in danger. But the softer option—it was not all that soft but softer than that one—was eventually adopted: to take \$55 million out of the ABC's funding and then to establish the Mansfield inquiry. Of course, we all know what happened with the Mansfield report: Radio Australia was gutted. We now see the results of that. There is now a desperate need for us to increase the activities of Radio Australia. This government should review its decision, put the funding back into Radio Australia and allow the Cox Peninsula transmission station to be utilised for the purpose for which it was built in the first place.

Senate adjourned at 7.26 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

A New Tax System (Family Assistance) Act—

Child Care Benefit (Absence From Care — Permitted Circumstances) Determination 2000.

Child Care Benefit (Eligible Hours of Care) Determination 2000.

Child Care Benefit (Hours of Eligibility Rules) Determination 2000.

Child Care Benefit (Rates and Hardship) Determination 2000.

Child Care Benefit (Recognised Work or Work Related Commitments) Determination 2000.

Child Care Benefit (Session of Care) Determination 2000.

Child Care Benefit (Work/Training/Study Test Exemption) Determination 2000.

Family Assistance (Immunisation Requirements Exemption) Determination 2000.

Family Assistance (Vaccination Schedules) Determination 2000.

A New Tax System (Family Assistance) (Administration) Act—Child Care Benefit (Specified Qualifications for Registered Carers) Determination 2000.

Dairy Produce Act—Dairy Structural Adjustment Program Scheme Amendment 2000 (No. 1).

Farm Household Support Act—Restart Re-establishment Grant Scheme Amendment 2000 (No. 1).

Goods and Services Tax Rulings GSTR 2000/15 and GSTR 2000/16.

Health Insurance Act—Declaration—QAA No. 2/2000.

Product Rulings PR 2000/65 and PR 2000/67-PR 2000/70.

Taxation Determination TD 2000/24.

Telecommunications Act and Telecommunications Legislation Amendment Act—Net Universal Service Cost Determination for the 1998-1999 financial year (No. 1 of 2000).

Telecommunications (Consumer Protection and Service Standards) Act—Net Universal Service Cost Determination for the 1999-2000 financial year (No. 1 of 2000).

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Alimar Nursing Home: Closure**(Question No. 1359)**

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 25 August 1999:

(1) (a) When did the Alimar Nursing Home cease to operate; (b) when were the bed licences for that home transferred to another provider; (c) when did the department approve the transfer of those bed licences; and, (d) how much money were those bed licences sold for.

(2) When was the department first informed that the approved provider of the Alimar Nursing Home, Mr Suppiah Seevanathan, owed employees monies arising from unpaid wages.

(3) How much money was collected by Mr Seevanathan from residents through the Government's accommodation charges.

(4) How much money was provided by the Commonwealth to Mr Seevanathan through the concessional resident supplement.

(5) How much of the money raised, through the accommodation charge and concessional resident supplement, was spent by Mr Seevanathan on improving infrastructure on the home.

(6) How much money was collected by Mr Seevanathan from residents through the Government's income-tested fee.

(7) How much money has been provided by the Commonwealth to Mr Seevanathan through residential care subsidies since 1 October 1997.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) (a) Alimar Nursing Home ceased operations on 2 February 1999 when the last resident was transferred to alternative care and accommodation;

(b) the allocated places (bed licenses) were transferred to another approved provider on 3 May 1999, the date of settlement of the sale of the business;

(c) the Department approved the transfer of the allocation of places from Alimar to another approved provider on 29 April 1999; and,

(d) the Department was informed that the sale price of the Alimar Nursing Home business was \$930,000.

(2) The Department was first made aware in late July 1999 that former staff of Alimar Nursing Home were pursuing claims for unpaid entitlements.

(3) Nil. Alimar Nursing Home did not meet the prescribed standards for Certification and was not entitled to obtain accommodation charges from residents.

(4) Nil. Alimar Nursing Home did not meet the prescribed standards for Certification and was not entitled to Concessional Resident supplement

(5) Please refer to the answers to Questions 3 and 4 above.

(6) The Department does not have information on the amount of income tested fees collected from residents by service providers.

(7) The total amount of Commonwealth benefit paid in respect of Alimar Nursing Home for the period 1 October 1997 to 2 February 1999 was \$1,428,269.72.

Civil Aviation Authority: Non-Compliance Notices**(Question No. 1853)**

Senator O'Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 22 December 1999:

(1) Since 1 January 1998, how many non-compliance notices has the Civil Aviation Safety Authority issued to operators of high capacity regular public transport.

(2) In each case: (a) what was the grade of the non-compliance notice issued; (b) when was the non-compliance notice issued; (c) to whom was it issued; (d) what were the terms of each notice; (e) what was the 'response due date for each notice; and (f) when was each non-compliance notice acquitted.

(3) (a) What procedures were in place for acquitting non-compliance notices prior to November 1998; and (b) what procedures were put in place for acquitting non-compliance notices after that date.

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 Civil Aviation Safety Authority (CASA) has advised that details on non-compliance notices (NCNs) issued by the Authority are not normally released as they involve operationally sensitive issues and are treated on a Commercial in Confidence basis.

It has been determined that the NCN process is not effectively communicating the required changes to practices in the industry, especially in the high capacity regular public transport sector.

As discussed in the response to the Australian National Audit Office (ANAO) audit on Aviation Safety Compliance, CASA was not satisfied that the then NCN system was an appropriate means of improving the levels of air safety and a new system which is more effective and is easier to administer is being introduced.

The NCN process is being replaced with a graduated response system which integrates with the administrative and prosecution avenues open to CASA. The graduated response components include: a "Safety Alert -Immediate Action Required" notice which must be addressed before further operations; a "Corrective Action Request" which must be actioned within a specific timeframe; and an "Observation Report" which is issued for minor breaches without an immediate effect on safety or for minor breaches in human performance.

In view of CASA's concerns that the NCN system is not an effective measure of safety levels, it is not considered to be an efficient use of its resources for it to provide the detailed and extensive information sought in this question.

Australia Post: Remote Aboriginal Communities Postal Service (Question No. 1910)

Senator Cook asked the Minister for Communications, Information Technology and the Arts, upon notice, on 1 February 2000:

(1) How many remote Aboriginal communities (with over 50 residents) in Western Australia: (a) receive a postal service to the community, either by road or air; and (b) do not receive a postal service and are therefore required to travel to another community or town to collect their mail.

(2) Can a list be provided of each of the communities in (1)(b) and to where residents must travel to collect their mail.

Senator Alston—The answer to the honourable senator's question is as follows:

Based on advice received from Australia Post:

(1) Based on the most recent information available from ATSIC, Australia Post has advised that there are (a) 14 Aboriginal communities more than 10 kilometers from the nearest town in Western Australia that receive a delivery service to the community and (b) 23 such Aboriginal communities whose residents are required to travel to another town to collect their mail.

(2) The following table lists the names of the communities more than 10 kilometers from the nearest town that do not receive a delivery service and the towns to which residents travel to collect their mail.

	NAME OF COMMUNITY	TOWNS FROM WHICH MAIL IS COLLECTED
1	AMOS	Laverton
2	BAULU-WAH	Kununurra
3	BAYULU	Fitzroy Crossing
4	BILGUNGURR	Broome
5.	CHEEDITHA	Roebourne

6.	COSMO NEWBERRY	Laverton
7.	DJUGERARI	Fitzroy Crossing
8.	GLEN HILL	Kununurra
9.	JIMBALAKUDUNJ	Fitzroy Crossing
10.	JOY SPRINGS	Fitzroy Crossing
11.	KADJINA	Fitzroy Crossing
12.	KARNPARRI	Fitzroy Crossing
13.	LOOMA	Derby
14.	MIJIMIYA	Port Hedland
15.	MULUDJA	Fitzroy Crossing
16.	NGALINGKADJI	Fitzroy Crossing
17.	NGUNJUWIRRI	Halls Creek
18.	PIA WADJERI (MULLEWA)	Yalgoo
19.	TJUNJUNTJARA	Kalgoorlie
20.	WARALONG	South Hedland
21.	WINDIDDA	Wiluna
22.	WOODSTOCK	Port Hedland
23.	YAKANARRA	Fitzroy Crossing

Australia Post advises that it has consulted with these communities at various times in recent years to ascertain whether they were satisfied with their current delivery arrangements. The community leaders confirmed on these occasions that no change was required as the existing delivery arrangements were adequately meeting the needs of their respective communities.

Department of Communications, Information and the Arts: Provision of Income and Expenditure Statements

(Question No. 1952)

Senator Faulkner asked the Minister for Communications, Information Technology and the Arts, upon notice, on 23 February 2000:

Has the department, or any agency of the department, provided an annual return of income and expenditure for the 1997-98 and 1998-99 financial years pursuant to section 311A of the Commonwealth Electoral Act 1918; if so, can a copy of those statements be provided; if not, what, in detail are the reasons for not providing those statements.

Senator Alston—The answer to the honourable senator's question is as follows:

Yes. The Department and its agencies have provided annual returns of income and expenditure for the years 1997/98 and 1998/99 financial years pursuant to section 311A of the Commonwealth Electoral Act 1918.

The details can be found in the Department's Annual Report;

1997-98 at Appendix IX pp 158-159

1998-99 at Appendix IX pp158-159

Copies of which have been supplied to the Senate Table Office.

The following portfolio agencies are not Commonwealth Departments or agencies of Commonwealth Departments within the meaning of the Public Service Act 1999 and are therefore not required to provide a return in response to this question.

- . SBS
- . ABC
- . TELSTRA
- . Australia Post
- . Australia Council

The following agencies have responded in the affirmative. Copies of their returns are published in their annual reports.

- . National Archives of Australia
- . National Maritime Museum
- . Questacon (National Science and Technology Centre)
- . National Gallery of Australia
- . National Library of Australia
- . ScreenSound Australia (National Film and Sound Archive)
- . National Museum of Australia
- . Australian Communications Authority
- . Australian Film, Television and Radio School

**Goods and Services Tax: Department of the Prime Minister and Cabinet Research
(Question No. 1975)**

Senator Faulkner asked the Minister representing the Prime Minister, upon notice, on 3 March 2000:

(1) Has the department, or any agency of the department, commissioned or conducted any quantitative and/or qualitative public opinion research (including tracking research) since 1 October 1998, related to the goods and services tax (GST) and the new tax system; if so: (a) who conducted the research; (b) was the research qualitative, quantitative, or both; (c) what was the purpose of the research; and (d) what was the contracted cost of that research.

(2) Was there a full, open tender process conducted by each of these departments and/or agencies for the public opinion research; if not, what process was used and why.

(3) Was the Ministerial Council on Government Communications (MCGC) involved in the selection of the provider and in the development of the public opinion research.

(4) (a) What has been the nature of the involvement of the MCGC in each of these activities; and (b) who has been involved in the MCGC process.

(5) (a) Which firms were short-listed; (b) which firm was chosen; (c) who was involved in this selection; and (d) what was the reason for this final choice.

(6) What was the final cost for the research, if finalised.

(7) On what dates were reports (written and verbal) associated with the research provided to the departments and/or agencies.

(8) Were any of the reports (written and verbal) provided to any government minister, ministerial staff, or to the MCGC; if so, to whom.

(9) Did anyone outside the relevant department and/or agency or Minister's office have access to the results of the research; if so, who and why.

(10) (a) What reports remain outstanding; and (b) when are they expected be completed.

(11) Are any departments and/or agencies considering undertaking any public opinion research into the GST and the new tax system in the future; if so, what is the nature of that intended research.

(12) Will the Government be releasing the full results of this taxpayer-funded research; if so, when; if not, why not.

Senator Hill—The Prime Minister has provided the following answer to the honourable senator's question:

I am advised by my department as follows:

- (1) No.
- (2) to (10) Not applicable.
- (11) No.
- (12) Not applicable.

Department of Finance and Administration: Contracts with Deloitte Touche Tohmatsu

(Question No. 2007)

Senator Robert Ray asked the Minister representing the Minister for Finance and Administration, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Deloitte Touche Tohmatsu in the 1998-99 Financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by Deloitte Touche Tohmatsu; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Deloitte Touche Tohmatsu (open tender, short-list, or some other process).

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator's question:

(1) and (2) (a) Contract/Purpose	(2) (b) Cost (A\$)	(2) (c) Selection Process
To provide audit advice on IT Systems for Com-Super	16,445	Selected Tender
Provide business advice in relation to the options open to the Government with regard to its investment in Australian Technology Group	202,036	Open Tender
Coordination services involving ongoing audit services and specific fraud investigation	433,043	Selected Tender

Department of Finance and Administration: Contracts with PricewaterhouseCoopers

(Question No. 2026)

Senator Robert Ray asked the Minister representing the Minister for Finance and Administration, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm PricewaterhouseCoopers in the 1998-99 Financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by PricewaterhouseCoopers; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select PricewaterhouseCoopers (open tender, short-list, or some other process).

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator's question:

(1) and (2) (a) Contract/Purpose	(2) (b) Cost (A\$)	(2) (c) Selection Process
Provision of Financial Consultancy services for IT Outsourcing	608,034	Selected Tender
Provide Share Registry and Application Processing Services for the 1997 Telstra Share Offer	1,226,458	Open Tender
Accrual Information Management System (AIMS) Test Management	280,835	Selected Tender
Report on Competitive Tendering and Contracting activity across the Australian Public Service	79,262	Open Tender
Provide assistance in relation to DasFleet completion accounts.	7,534	Selected Tender
Professional advice relating to divestment of Benjamin and Cameron offices	7,075	Selected Tender
Consultant for Property and Contract Management Group (PCM)	26,660	Panel Tender
Time spent to 31/8/98 for PCM Group	14,000	Panel Tender

(1) and (2) (a) Contract/Purpose	(2) (b) Cost (A\$)	(2) (c) Selection Process
Time spent to 31 July in assisting PCM Group	40,645	Selected Tender

Department of Finance and Administration: Contracts with KPMG

(Question No. 2045)

Senator Robert Ray asked the Minister representing the Minister for Finance and Administration, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm KPMG in the 1998-99 Financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by KPMG; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select KPMG (open tender, short-list, or some other process).

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator's question:

(1) and (2) (a) Contract/Purpose	(2) (b) Cost (A\$)	(2) (c) Selection Process
Provision of Business Advice	12,458	Selected Tender
Accounting Services in relation to the preparation of financial statements and the 1999/2000 Budget	308,294	Selected Tender
Review of Commonwealth Electronic Commerce initiative	7,837	Open Tender

Department of Finance and Administration: Contracts with Arthur Andersen

(Question No. 2064)

Senator Robert Ray asked the Minister representing the Minister for Finance and Administration, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Arthur Andersen in the 1998-99 Financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by Arthur Andersen; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Arthur Andersen (open tender, short-list, or some other process).

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator's question:

(1) and (2) (a) Contract/Purpose	(2) (b) Cost (A\$)	(2) (c) Selection Process
Provide business advice for the sale of the National Transmission Network.	2,069,487	Open Tender
Re: scoping study into options for divestment of Removals Australia	48,000	Selected Tender
Financial analysis & consultancy re detailed proposal assessment - divestment of Benjamin and Cameron offices	33,496	Selected Tender
Consultancy & financial analysis to assist sale process	19,813	Selected Tender
Consultancy services and financial analysis - divestment of Benjamin and Cameron offices	7,303	Selected Tender
Tender assessment re disposal of Commonwealth Offices	4,347	Panel Tender
Financial advice	5,000	Panel Tender
To provide expert property advice to the Property Management Outsourcing Project	12,000	Panel Tender
To technically evaluate and verify model's performance. To	5,000	Panel Tender

(1) and (2) (a) Contract/Purpose	(2) (b) Cost (A\$)	(2) (c) Selection Process
undertake an assessment and provide advice to Property Group as to whether the model is best practice relative to private and public sector counterparts		
To provide financial and accounting assistance.	120,000	Selected Tender

**Department of Finance and Administration: Contracts with Ernst and Young
(Question No. 2083)**

Senator Robert Ray asked the Minister representing the Minister for Finance and Administration, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Ernst and Young in the 1998-99 Financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by Ernst and Young; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Ernst and Young (open tender, short-list, or some other process).

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator's question:

(1) and (2) (a) Contract/Purpose	(2) (b) Cost (A\$)	(2) (c) Selection Process
To develop guidance document for Agency Banking	27,425	Open Tender
To provide strategic advice on the appropriate processes and mechanisms by which Property and Contract Management Group (PCM) can establish a Strategic Alliance to assist the Commonwealth commercialise its Property Portfolio.	47,600	Panel Tender
Provide business advice to the Property Strategic Alliance Project.	715,860	Selected Tender

**Bilateral Orchidectomies
(Question No. 2098)**

Senator Brown asked the Minister representing the Minister for Health and Aged Care, upon notice, on 7 March 2000:

(1) In each of the past 10 years, how many bilateral orchidectomies were carried out in Australia.

(2) In the last year for which figures are available, how many bilateral orchidectomies were carried out in each state and territory.

(3) (a) For what reasons are bilateral orchidectomies performed; and (b) what alternatives, if any, exist.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) Data from the National Hospital Morbidity (Casemix) Database shows the following numbers of bilateral orchidectomies for the years 1990-91 to 1997-98. The Database does not cover earlier years.

Year	Bilateral orchidectomies
1997/98	1,492
1996/97	1,462
1995/96	2,075
1994/95	2,485
1993/94	2,510
1992/93	2,112

Year	Bilateral orchidectomies
1991/92	1,969
1990/91	1,828

Source: Commonwealth Department of Health and Aged Care's National Hospital Morbidity (Casemix) Database.

(2) In 1997-98, the number of bilateral orchidectomies carried out in each state and territory were:

State (in which hospital is located)	Bilateral orchidectomies
NSW	374
Vic.	462
Qld.	359
WA	66
SA	132
Tas.	62
ACT	31
NT	6
Total	1,492

Source: Commonwealth Department of Health and Aged Care's National Hospital Morbidity (Casemix) Database.

(3) (a) The most common reason for bilateral orchidectomies (1,250 of the 1,492 performed in 1997-98) is to reduce testosterone levels in patients suffering from prostate cancer. A less frequent cause is testicular cancer.

(b) An alternative treatment for patients suffering from prostate cancer is monthly or three monthly injections, or implants, of goserelin acetate or leuporelin acetate.

Department of the Prime Minister and Cabinet: Commercial-in-Confidence Provisions

(Question No. 2119)

Senator Murray asked the Minister representing the Prime Minister, upon notice, on 24 March 2000:

(1) What are the means by which the department records and manages a register, if any, of contracts which include commercial-in-confidence provisions.

(2) Can a list be provided of all contracts signed since 1 July 1999 which have commercial-in-confidence provisions indicating, against each contract so signed, the reasons for commercial-in confidence provisions.

Senator Hill—The Prime Minister has provided the following answer to the honourable senator's question:

I am advised by my department as follows:

(1) The department does not maintain a register of contracts which include commercial-in-confidence provisions. Any contract potentially can include commercially sensitive information which, even without an express confidentiality provision, the Commonwealth is legally obliged not to disclose. Each case needs to be determined on its own merits, however, and the department releases information in response to applications under the Freedom of Information Act 1982 and parliamentary questions if it is not in breach of its legal obligations by doing so, such as in relation to the Service Level Agreement included in the department's contract with CanDeliver.

(2) I am advised that the Department of the Prime Minister and Cabinet has entered into the following contracts with commercial-in-confidence provisions since 1 July 1999:

Department of the Prime Minister and Cabinet

Company Name	Details	Reason for commercial-in-confidence provisions
IBM	Supply of Records Management Information System	Vendor could suffer commercial detriment if solution became public

Department of Finance and Administration: Commercial-in-Confidence Records Management

(Question No. 2120)

Senator Murray asked the Minister representing the Minister for Finance and Administration, upon notice, on 24 March 2000:

(1) What are the means by which the department records and manages a register, if any, of contracts which include commercial-in-confidence provisions.

(2) Can a list be provided of all contracts which include commercial-in-confidence provisions indicating, against each contract so signed, the reasons for commercial-in-confidence provisions.

Senator Ellison—The Minister for Finance and Administration has supplied the following answer to the honourable senator's question:

The Department notes that Senator Murray's question is now before a Senate Reference Committee and DOFA is providing a submission to this inquiry which will address Commercial-in-Confidence considerations.

(1) The Department gazettes all contracts valued at over \$2,000 in the gazettal publishing systems (GaPS) (www.contracts.gov.au) irrespective of whether they contain commercial-in-confidence clauses.

(2) A full list of DOFA contracts, valued at \$2000 or more can be obtained from the GaPS system (www.contracts.gov.au). All contracts may contain components that may be categorised as commercial-in-confidence but each contract would need to be examined on a case by case basis.

Employees' Email Monitoring: Survey**(Question No. 2121)**

Senator Woodley asked the Minister representing the Minister for Finance and Administration, upon notice, on 27 March 2000:

With reference to a recent survey conducted by Freehill, Hollingdale and Page which found that 75 per cent of companies periodically record or monitor their employees' e-mail:

(1) Does this not amount to spying on staff.

(2) Is the Government concerned at the report that only a third of the companies told their staff they would be spying on them.

(3) Does the department or any other federal department, record or monitor e-mail used by employees or elected representatives.

(4) (a) How long are the contents of e-mails sent by staff and parliamentarians stored by the department; and (b) when is it totally erased.

(5) Are there differences between the recording or monitoring of staff e-mail compared to the recording or monitoring of Parliamentarians' e-mail.

(6) Does the department, or any other department of the Commonwealth, monitor websites visited or downloaded by employees of federal departments or elected representatives.

(7) What is the Commonwealth Government's position on privacy regarding e-mail correspondence.

(8) It has been argued that opening and reading personal e-mail is equivalent to opening a letter addressed to someone else, does the Government share that view.

(9) What is the department's official policy on staff and Parliamentarians' use of e-mail and has this policy been distributed to all staff and parliamentarians.

(10) What would constitute, according to the department's policy, a misuse of e-mail warranting disciplinary action or termination or suspension of employment.

(11) Given that compliance with the department's policy on e-mail use has serious consequences for staff, has the department ensured that all staff are aware of their specific responsibilities and the penalties for non-compliance.

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator's question:

(1), (2), (7) and (8) I am advised that the Attorney-General has portfolio responsibility for the Office of the Privacy Commissioner and it would be appropriate to address these questions to him.

(3), (5) The DOFA system does record e-mails sent and received. DOFA does not monitor e-mail usage but the system logs would allow a limited scope to investigate usage if required. I am advised that the Presiding Officers' have responsibility for the Parliamentarians' e-mail system and it is appropriate to address any questions regarding the use of parliamentary e-mail systems to them. In relation to the Electorate Office computing facilities the department does not monitor the use of this system. In relation to other Federal departments' it would be appropriate to address any questions regarding the use of their e-mail systems to the appropriate Minister.

(a) In regard to the departmental system, the e-mail log is overwritten weekly. The parliamentary system is the responsibility of the Presiding Officers' and it is appropriate to address questions regarding its operation to them. As a normal user of the parliamentary e-mail system DOFA retains a record of the email sent to and received by the Department.

(b) In regard to the departmental system the overwriting erases the data. The parliamentary system is the responsibility of the Presiding Officers' and it is appropriate to address questions regarding its operation to them.

(6), (9) and (11) The DOFA system does not monitor websites visited or downloaded. The department's policy on "Use of Electronic Resources" is on the Departmental Intranet and staff notices have been circulated. The policy instructs that breaches of the policy could, depending of the offence, lead to dismissal, legal action or the matter being referred to the Police. I am advised that the Presiding Officers' have responsibility for Parliamentarians' e-mail system and it is appropriate to address any questions regarding the use of parliamentary systems to them. In relation to other Federal departments' it would be appropriate to address any questions regarding the use of their systems to the appropriate Minister.

(10) According to the DOFA policy it would be inappropriate for staff to store, copy or transmit material that is hateful, obscene, vulgar, slanderous, harassing, offensive or illegal.

Aboriginal Corporations: Liquidation (Question No. 2123)

Senator Crossin asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 3 April 2000:

(1) How many Aboriginal corporations throughout Australia, that have been set up solely for the purpose of holding title of a community living area, and which are not trading corporations, have been formally notified of liquidation procedures against them.

(2) How many Aboriginal corporations throughout Australia have already been liquidated by the Registrar of Aboriginal Corporations for not complying with the procedures of the Aboriginal Councils and Associations Act 1976 on the basis of failing to file annual returns or annual requests for exemptions.

(3) What efforts were made by the Registrar to ascertain whether those corporations that have already been liquidated and those which are under threat of liquidation have, or had, actual knowledge of the notification of liquidation.

(4) What consideration was given to the fact that members of these corporations may often not speak or be literate in English and would therefore not have any knowledge of notification of liquidation.

(5) (a) How many Aboriginal corporations in the Northern Territory have purportedly been liquidated; and (b) how many are facing the threat of liquidation.

(6) Is the Minister aware of legal advice obtained by the Northern Land Council that the Registrar of Aboriginal Corporations has breached the Native Title Act 1993 and the Prime Minister's 10-point plan amendments by attempting to liquidate Aboriginal corporations which hold title to community living areas.

(7) Did the Minister or his staff give any consideration to native title issues or the requirements of the Native Title Act 1993, when deciding to publicly support the actions taken by the Registrar to liquidate Aboriginal corporations which hold title to community living areas; if not, why not.

(8) Does the Minister condone the actions of the Registrar in breaching the Native Title Act 1993 and the Prime Minister's 10-point plan amendments by attempting to liquidate the corporations which own title to community living areas.

(9) Since the Minister has publicly stated that he supports the actions taken by the Registrar to liquidate the corporations, does he also support the unlawful extinguishment of native title by the backdoor method of liquidation.

(10) What action will the Minister take to ensure that the Registrar is fully aware of the requirements of the Government's own legislation such that he now observes the law.

(11) What action will the Minister now take to ensure that he and his staff are fully aware of the requirements of the Native Title Act such that the Minister now upholds the law.

(12) What action will be taken to reverse the appalling actions of the Registrar, who is supposedly responsible for the interests of Aboriginal people on community living areas, and who has attempted to extinguish native title by the backdoor method of liquidation.

Senator Herron—The answer to the honourable senator's question is as follows:

(1) The Registrar of Aboriginal Corporations has advised me that, from a review of the electronic data base maintained by his office, no Aboriginal corporation was identified as having been set up solely for the purpose of holding title to a community living area. Therefore the answer to Senator Crossin's question is that no Aboriginal corporation set up solely for the purpose of holding title of a community living area, which is not a trading corporation, has been formally notified of liquidation procedures against it.

However, in keeping with the spirit of the Senator's question, the Registrar has also advised me that one corporation set up with the sole objective of 'holding land' has had a liquidator appointed to wind-up its affairs.

(2) The Registrar of Aboriginal Corporations has advised me that since 1 July 1999, 21 corporations have been wound up for not complying with the financial reporting requirements of the Act.

(3) The Registrar has provided me with the following information in respect of this question.

The Registrar adopts a flexible approach in administering the financial reporting requirements of the Act. Corporations are given ample opportunity to submit annual returns or apply for an exemption from lodging annual returns. The process is open and fair.

Winding-up action is only initiated in respect of corporations in chronic breach of the financial reporting requirements of the Act (usually at least three years), after they have failed to respond to many requests from the Registrar (over many years), to comply with the requirements of the Act.

In all instances, there are numerous reminder notices/letters and a formal letter of demand. Letters/notices fully explain the provisions of the legislation and make it plain that the Registrar may well take further action if the requirements of the Act are not met.

However, where these efforts fail to bring an Aboriginal corporation into compliance, the Registrar has no option other than to petition the Court to wind up the corporation's affairs, or deregister the corporation (upon proof that it has no land assets). In winding-up cases, a copy of the winding-up papers and accompanying affidavit material is sent to the corporation's public officer. In addition, winding-up actions are subject to the standard gazettal and advertising requirements of the Corporations Law.

The decision to appoint a liquidator to a Corporation is made by the Court.

(4) The answer to question three is also applicable to this question.

The Registrar has also advised me that his office liaises with the Aboriginal and Torres Strait Islander Commission (ATSIC), other government agencies, and local indigenous bodies such as the land councils in an effort to achieve compliance. Listings of those corporations in chronic breach of the reporting requirements of the Act and that will be the subject of wind-up or deregistration action are pro-

vided to these bodies in advance of any action being initiated against these corporations. The Northern Land Council has acknowledged this process as being "...most helpful..." in enabling them to provide assistance to Aboriginal corporations in their area.

(5) The Registrar of Aboriginal Corporations has advised me that 3 corporations in the Northern Territory have been wound-up since 1 July 1999.

The Registrar has also advised me that 22 corporations are currently being considered for wind-up or deregistration action for remaining in chronic breach of the reporting requirements of the Act.

(6) At my Office's request, the Office of the Registrar followed-up this matter with ATSIC and the Northern Land Council (NLC). These enquiries failed to establish the existence of legal advice purportedly obtained by the NLC and referred to in Senator Crossin's question.

Furthermore, efforts by the Registrar's staff to obtain a copy of the legal advice from Senator Crossin's office were similarly unsuccessful and failed to disclose details as to who provided the legal advice or when it was provided.

Accordingly, I am unable to confirm my knowledge of, or otherwise comment, on the purported legal advice or its contents.

(7) Aboriginal corporations have a legal obligation to comply with the requirements of the Act, including the requirements to provide annual financial returns or to seek an exemption therefrom.

The legal requirement to comply with the Act and to provide financial and other information to the Registrar annually is to help ensure that Aboriginal corporations conduct their affairs in the best interests of their members and the general public.

Whilst the Act exists in its current form, the Registrar has a statutory duty to ensure compliance and to take action in relation to corporations that continually fail to comply with its requirements.

I am satisfied that the Registrar's actions are in accordance with the provisions of the Act. I am not aware of any independent advice that supports the contention that his actions breach the requirements of the Native Title Act 1993.

(8) Given my inability to obtain a copy of the legal advice purportedly obtained by the NLC, or obtain details that would confirm its existence, I am unaware of any independent legal advice that supports the contention that the Registrar's actions are breaching the requirements of the Native Title Act 1993 and the Prime Minister's 10-point plan.

I am therefore unable to provide an informed response to the question.

(9) In the absence of the legal advice purportedly obtained by the NLC, or details that would confirm its existence, I am unaware of any independent legal advice that supports the contention that the Registrar's actions result in the unlawful extinguishment of Native Title.

The Registrar has advised me that he is unaware of any instances where winding-up actions he has taken against corporations in chronic breach of the financial reporting requirements of the Act has resulted in the extinguishment of native title.

I am therefore unable to provide an informed response to the question, however I can state that I do not support any unlawful extinguishment of Native Title.

(10) The Registrar of Aboriginal Corporations is a statutory office holder responsible for administering the Aboriginal Councils and Associations Act 1976 (the Act).

The Act requires Aboriginal corporations to provide annual returns to the Registrar. The Act also provides for the Registrar to take action to address breaches of the Act.

I am satisfied that the Registrar's actions are in compliance with the provisions of the Act and I have no evidence that would indicate that the Registrar is unaware of the Government's legislation, or that he is not observing it.

(11) My staff and I are fully aware of, and observe, the requirements of the Native Title Act.

(12) I am unaware of any evidence that supports the contention that the Registrar's actions result in the unlawful extinguishment of Native Title. Further, I am satisfied that the Registrar's actions are consistent with his statutory responsibilities under the Act.

Sri Lanka: Tamil People

(Question No. 2130)

Senator Bourne asked the Minister representing the Minister for Foreign Affairs, upon notice, on 5 April 2000:

(1) Does the Government agree that the Tamil people have a right to self-determination, particularly in light of the results of the last free election in 1977.

(2) Does the Government support the position of the Norwegian and British Governments' role in attempting to mediate an outcome in this conflict; if so, what tangible efforts is the Government making to support this initiative; if not, why not.

(3) Will the Minister meet with Dr Anton Balasingam and Mrs Adel Balasingam, as representatives of the Tamil community.

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

(1) The Australian Government supports apolitical settlement to the conflict, which takes account of the legitimate aspirations of the Tamil minority and recognises the fundamental human rights of all Sri Lankans, while continuing to support the territorial integrity of Sri Lanka. Australia does not and has never supported a military solution to the conflict and believes that only a peaceful negotiated settlement will bring an end to the human suffering wrought by the continuing conflict. Australia takes every opportunity in its ongoing contacts with the Sri Lankan Government and with Tamil groups in Australia to encourage progress towards a peaceful resolution.

(2) Although the conflict is one for the main participants in Sri Lanka to resolve, the Australian Government is supportive of attempts to bring both parties to the negotiating table. The Government sees value in third party facilitation or mediation, provided it is acceptable to all parties, and we welcome, therefore, the efforts of Norway in attempting to broker some middle around. At this early stage in the process, the Government has not been asked to provide assistance, but the Government remains supportive of efforts to move towards a peaceful negotiated solution.

(3) No, Mr Downer will not meet with the Balasingams. Mr Downer has stated in Parliament that he will not meet with Tamil community representatives unless they indicate in writing their condemnation of the use of terrorism by the Liberation Tigers of Tamil Eelam (LTTE).

Regional Forest Agreements: Cost

(Question No. 2134)

Senator Brown asked the Minister for Environment and Heritage, upon notice, on 6 April 2000:

(1) What is the total cost of the Regional Forest Agreement (RFA) process to date.

(2) For each RFA, how much has the Commonwealth spent on research, administration, assistance to participants and payments to the States.

(3) (a) How much of the Commonwealth's expenditure, on each RFA, is from the Natural Heritage Trust; and (b) for what purpose.

Senator Hill—The answer to the honourable senator's question is as follows:

(1) The Commonwealth has allocated approximately **\$333 million** to the RFA process. To date, this total allocation has not been spent, with the majority of the unspent funds being from the Forest Industry Structural Adjustment Package (FISAP).

(2) It is not possible to provide disaggregated figures on an individual RFA basis. The following figures are for the entire national RFA program.

Research and Assessment	\$55.6 million
Administration *	\$59 million
Forest Industry Structural Adjustment Package (FISAP)	\$103 million allocated with approximately \$21 million having been spent to date
Stakeholder Assistance	\$1.2 million

Payments to States	\$110 million (committed to Tasmania including \$20 million of NHT funds)
	\$5 million (committed to WA)

(3) (a) **\$20 million** of Natural Heritage Trust (NHT) funds have been allocated to the Tasmanian government under the RFA process of which **\$3.124 million** has been expended to date.

(b) The \$3.124 million of NHT funds expended to date has been either for land purchases or for funding conservation covenants and management agreements on private land for the private land component of the CAR reserve system.

*A substantial part of this administration cost includes in-house technical assessment and analysis undertaken by officers of Environment Australia, Australian Bureau of Agricultural and Resource Economics (ABARE) and the Bureau of Rural Sciences (BRS).

Brown, Ms Sally: Statutory Declaration
(Question No. 2142)

Senator Harris asked the Minister representing the Attorney-General, upon notice, on 10 April 2000:

What is the Attorney-General's response to the matters raised in the statutory declaration made by Ms Sally Brown (formerly known as Ms Meret Field), which Senator Harris provided to him under cover of his letter of 7 April 2000.

Senator Vanstone—The Attorney-General has provided the following answer to the honourable senator's question:

The declaration to which Senator Harris refers contains a number of questions for, and allegations about, the Commonwealth Government, the Victorian Government, the judiciary, the Australian Federal Police, and, in Ms Brown's view, the hidden reasons for all of their decisions about her particular case. Ms Brown states that the declaration is being used by her as a required domestic remedy so that she may pursue her Family Law case with the United Nations Commissioner for Human Rights.

As Senator Harris is probably aware, our system of Government is based on a separation of powers between the legislature (the parliament), the executive (the government), and the judiciary (the courts). Ministers, including the Attorney-General, as members of the executive, have no control over and cannot interfere in the actions of the judiciary.

Therefore, it is not appropriate for me to respond to, or comment upon, the many specific questions and allegations in the declaration. Ms Brown has also requested general advice and instructions on legal issues which it is not the role of the Commonwealth to provide.

Ms Brown, over a number of years, has already been provided, by my Department and other bodies, with many factual responses to her enquiries. In addition, there have been a number of court judgments pursuant to her many applications for judicial determination of her claims.

Remuneration Tribunal: Government Authorities
(Question No. 2161)

Senator O'Brien asked the Minister representing the Minister for Finance and Administration, upon notice, on 10 April 2000:

(1) To what extent does the Remuneration Tribunal set terms and conditions for persons appointed to boards of government authorities and agencies.

(2) Does the remuneration Tribunal set board members' fees and/or allowances.

(3) Does the Remuneration Tribunal prescribe any other fees, allowances or other forms of remuneration; if so, can details be provided.

Senator Ellison—The Minister for Finance and Administration has supplied the following answer to the honourable senator's question:

(1) In accordance with the provisions of the Remuneration Tribunal Act 1974 and other legislation, the Remuneration Tribunal determines remuneration and allowances for the members of boards of most Commonwealth authorities and agencies. The Tribunal's Determinations deal with annual salary, annual fees, daily fees, non-tenured remuneration, performance remuneration, office holder supplement, travel

allowance, district allowance and recreation leave. Where applicable, these provisions apply to both full-time and part-time holders of public office.

(2) Yes.

(3) No.

Basslink: Transmission Lines

(Question No. 2162)

Senator Allison asked the Minister for Environment and Heritage, upon notice, on 11 April 2000:

(1) Will the Federal Government contribute financially to put the proposed Basslink transmission lines underground from Reeves Beach to Loy Yang Power Station; if so: (a) what is the estimated cost of putting the transmission lines underground; and (b) how would it be funded.

(2) Has the Government had discussions with Basslink or the Victorian or Tasmanian State Governments on the matter.

(3) Is the Government aware that 2000 Gippsland residents have signed a petition calling for the transmission lines to be put underground.

(4) Has the Australian Greenhouse Office been asked to advise on the greenhouse implications of Basslink; if so, can a copy of their advice be provided.

Senator Hill—The answer to the honourable senator's question is as follows:

(1) I am not aware of any commitment by the Commonwealth for a financial contribution to put the proposed Basslink transmission lines underground from Reeves Beach to Loy Yang Power Station. (a&b) The Draft Guidelines for the Environmental Impact Statement (EIS) stipulate that the proponent is required to fully examine the option of placing the transmission lines underground. This examination will include an economic analysis. Until this assessment is complete it is not appropriate for me to comment on the cost of the options for this proposal or how they may be funded.

(2) I am not aware of any discussions with the Basslink Development Board or the Victorian or Tasmanian State Governments on the question of a financial commitment to put the proposed Basslink transmission lines underground from Reeves Beach to Loy Yang.

(3) Yes.

(4) The Australian Greenhouse Office has been asked only to provide input into drafting the Guidelines for the EIS. In line with their advice, the EIS will examine the greenhouse implications associated with the Basslink proposal. Once the EIS is available for public comment, and all relevant information is presented, the Australian Greenhouse Office will be asked to provide comment on the proposal.

Child-Care Benefit

(Question No. 2167)

Senator Chris Evans asked the Minister for Family and Community Services, upon notice, on 13 April 2000:

(1) How much will the Child Care Benefit add to child care expenditure in the 2000-2001 Budget and in the following three budgets.

(2) How much will be saved in the 2000-2001 Budget and in the following three budgets by the Minister's decision not to index Child Care Assistance on 1 April 2000.

(3) Given that a family with one non-school child in care will receive an increase of \$10 per week in child care fee relief following the introduction of the Child Care Benefit, provided that 50 hours of care is used: (a) what is the estimate of the number of families on the maximum rate of Child Care Benefit who will use 50 hours of care per week and therefore receive a \$10 increase; and (b) how many families who are not using 50 hours of care per week on the maximum rate will receive a \$10 per week increase for other reasons, for example, the loading for part-time care.

Senator Newman—The answer to the honourable senator's question is as follows:

(1) Additional Allocation for Child Care Benefit (\$ mil)

Financial Year	2000-01	2001-02	2002-03	2003-04
CCB (\$ mil)	181.6	204.6	230.7	260.2

Based on 1999-2000 FaCS Additional Estimates. The forward estimates may be updated in the 2000-2001 Budget Statement.

(2) Effect of Delayed Indexation of Childcare Assistance (\$ mil)

Financial Year	1999-00	2000-01	2001-02	2002-03
(\$ mil)	-3.1	-0.1	11.4	24.0

The negligible savings in 2000-01 are a flow-on effect from 1999-2000. Child Care Benefit (CCB) will be indexed using the CPI from July 2001. As CPI projections are 1% higher each year than the previous method of indexing Childcare Assistance, this measure results in costs for 2001-02 and 2002-03.

(3) (a) CCB will provide an increase of \$7.50 pw for a maximum rate family with one child in full-time long day care paying the average fee. Such families would also benefit from the \$2.50 indexation increase which was deferred from April 2000. The amount of gain from CCB and from indexation for families will depend on the level of fee being paid. Approximately 12,000 maximum CCB families are expected to pay for 50 hours or more of care per child per week. These families will gain at least \$7.50 per week per child from CCB and an additional indexation gain.

(b) Approximately 60% of all families using long day care centres and close to all family day care families are expected to gain at least \$7.50 per week per child from CCB in addition to the indexation gain.

Telstra: Pre-Sale Analysis**(Question No. 2168)**

Senator Faulkner asked the Minister representing the Minister for Finance and Administration, upon notice, on 17 April 2000:

(1) (a) What analysis, if any, was conducted before the sale of the first tranche of Telstra to evaluate the likely impact on the Commonwealth budget of the sale; and (b) can details be provided of any such analysis, including specific details of the trade-off between public debt interest savings and the lost 33.3 per cent share in Telstra's profits.

(2) (a) Was any such analysis performed following the sale of the first tranche of Telstra; and (b) what did this analysis show.

(3) What were the amounts and dates of public debt retired with the proceeds of the sale of the first tranche of Telstra.

(4) What were the public debt interest savings associated with each of these debt retirement payments.

(5) (a) What measure does the department use for evaluating the total value of the Commonwealth's shareholding in Telstra, for example, dividend payments and/or net profit and/or other measures; and (b) can details be provided as to why that measure is used.

(6) Can details be provided of the analysis conducted, before the sale of the second tranche of Telstra, to evaluate the likely impact on the Commonwealth budget of the sale and, specifically, the trade-off between public debt interest savings and the lost 16.6 per cent share in Telstra's profits; and (b) what did this analysis show.

(7) (a) Was any such analysis performed following the sale of the second tranche of Telstra; and (b) what did this analysis show.

(8) What were the amounts and expected dates of public debt retired with the proceeds of the sale of an additional 16.6 per cent of Telstra.

(9) What were the public debt interest savings associated with each of these debt retirement payments.

(10) Can details be provided of the analysis that has been conducted to evaluate the likely impact on the Commonwealth budget of the sale of the remaining 50.1 per cent Commonwealth stake in Telstra

and, specifically, the trade-off between public debt interest savings and the lost 50.1 per cent share in Telstra's profits; and (b) what does this analysis show.

(11) Given that the current budget forward estimates are based on the full sale of Telstra, can details be provided of the impact on the budget, current year and forward estimates for: (a) operating result; and (b) net assets; if the further 50.1 per cent sale were not to go ahead.

(12) Can details be provided of the impact on the budget, current year and forward estimates for: (a) operating result; and (b) net assets; if the remaining 50.1 per cent Commonwealth shareholding in Telstra were sold at \$7.65 per share during the 2000-2001 financial year and 91 per cent of the proceeds were used to retire current Commonwealth debt.

Senator Ellison—The Minister for Finance and Administration has supplied the following answer to the honourable senator's question:

(1) For the sale of the first tranche of Telstra, sale revenue, sale costs, dividend income forgone and public debt interest savings effects on the Budget were analysed. Because asset sales estimates are commercially sensitive, it has been the policy of all Governments not to disclose or comment on sale estimates or the methodology and assumptions underlying particular estimates. As Telstra is an ongoing sale program, it would be inappropriate to provide the details sought.

(2) See response to question 1.

(3) The Australian Office of Financial Management (AOFM) has responsibility for the Commonwealth's debt management activities (it assumed this responsibility from the Department of the Treasury on 1 July 1999). Questions regarding the management of the Commonwealth's debt should therefore be addressed to that agency.

(4) See response to question 3.

(5) The Department of Finance and Administration uses a range of standard financial techniques (including discounted cash flow and EBITDA multiples) to value the Commonwealth's shareholding in Telstra.

(6) See response to question 1.

(7) See response to question 1.

(8) See response to question 3.

(9) See response to question 3.

(10) See response to question 1.

(11) See response to question 1.

(12) It is not the convention that this forum be used to answer hypothetical questions.

**Fruit Bats: Botanical Gardens, Melbourne
(Question No. 2170)**

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 18 April 2000:

(1) Has the Commonwealth assessed the problem of fruit bats in Melbourne's botanical gardens.

(2) Should the colony be disturbed, destroyed or removed.

(3) Is the removal of such a colony possible without executing the bats.

Senator Hill—The answer to the honourable senator's question is as follows:

(1) Whilst this issue is a matter of State jurisdiction, the Commonwealth is aware of the proposed culling of the fruit bats (Grey-headed Flying Fox). The Grey-headed Flying Fox is not listed under the Commonwealth Endangered Species Act 1992 and therefore, there is no current legislative basis for Commonwealth involvement. The Grey-headed Flying Fox is not protected under the Victorian Fauna and Flora Guarantee legislation, but is listed as a 'restricted colonial breeding or roosting species.' The Grey-headed Flying Fox has been identified as 'vulnerable' in the Action Plan for Australian Bats and will be considered by the Threatened Species Scientific Committee under the Environment Protection and Biodiversity Conservation Act 1999 for possible addition to the list of threatened species.

(2)-(3) see above.

Comcar: Drivers

(Question No. 2192)

Senator Brown asked the Special Minister of State, upon notice, on 1 May 2000:

- (1) What changes to drivers' wages have occurred in the past 5 years.
- (2) What arrangements have been made for the Olympics and, in particular, what loadings, incentives or other adjustments will be made for drivers in Sydney, including: (a) permanent drivers; (b) part-time drivers; (c) casual drivers.

Senator Ellison—The answer to the honourable senator's questions is as follows:

- (1) Since 1 January 1995, the base salary of all COMCAR drivers (permanent and casual) has increased by approximately 18%. This represents an average increase of 3.6% per annum.
- (2) Arrangements are well in hand for the delivering of COMCAR services for the Olympics. It is premature to comment on incentives, loadings or other adjustments for COMCAR drivers in Sydney during the Olympics. This is currently the subject of discussions with drivers' representatives.