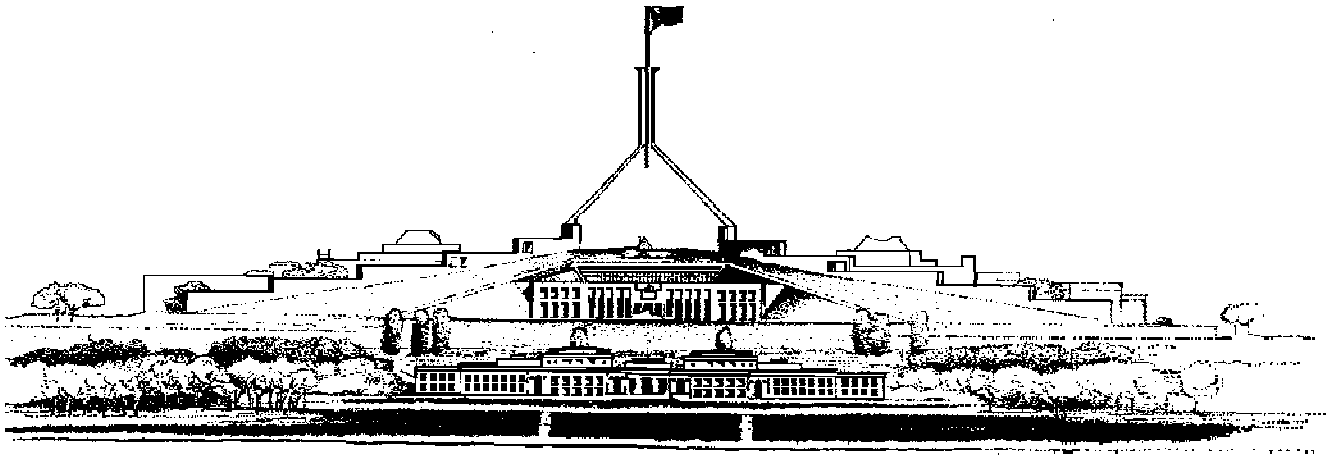
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



SENATE

Official Hansard

SATURDAY, 11 JULY 1998

THIRTY-EIGHTH PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

BY AUTHORITY OF THE SENATE
CANBERRA

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SATURDAY, 11 JULY

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Saturday, 11 July 1998

TELSTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 1998

In Committee

Consideration resumed.

The CHAIRMAN—The committee is considering the Telstra (Transition to Full Private Ownership) Bill 1998. The question is that the preamble stand as printed.

Senator Boswell—Madam Chairman, on a point of order: We normally have prayers in the morning.

Senator Schacht—You need prayers!

Senator Boswell—I do need prayers, you are perfectly right; I need prayers.

The CHAIRMAN—The sitting was suspended last night, Senator, and we remain in committee. The last item on the agenda last night was—

Senator Boswell—I understand that, and we have gone down this procedure on a number of occasions. It has always been the ruling of the President that we do have prayers in the morning.

The CHAIRMAN—Senator Boswell, we have not ever said prayers when we have been in committee; we have done it when we have been in the Senate. We are now in committee.

Senator Boswell—Can I seek leave to move for a suspension to have the normal parliamentary prayer said.

Senator Alston—Madam Chairman, I think Senator Boswell and the rest of the chamber understand that technically what you are saying is correct; they are simply seeking an indulgence to accommodate those who believe it is important to start the day in that manner. It does not necessarily commit itself to everyone; it is simply an indulgence.

The CHAIRMAN—I am advised that to have prayers we will have to report progress.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (9.32 a.m.)—To facilitate this, I move:

That the committee report progress.

Senator Alston—Madam Chairman, I make it clear that we are not seeking to have progress reported; we are simply—

Senator Carr—You are facilitating it, though.

Senator Alston—Play hard ball if you like. I am simply saying that, by indulgence, there is nothing to stop the Senate—by consent—from simply commencing the start of the committee stage process with prayers.

The CHAIRMAN—Senator Alston, Senator Faulkner has moved that the committee report progress. I will put that motion. The question is that that motion be agreed to.

Question resolved in the affirmative.

The PRESIDENT—The Chairman of Committees, Senator West, reports that the committee has considered the Telstra (Transition to Full Private Ownership) Bill, has made progress and seeks leave to sit again.

Senator Faulkner—I didn't move that we seek leave to sit again.

Senator HILL—I move that the committee have leave to sit again at a later hour.

Senator Faulkner—Madam President, on a point of order: I do not think I moved that we seek leave to sit again. I just moved that the committee report progress. I am aware of what the clerk is now saying, but I think you, Madam President, incorrectly reported the motion that I had moved.

The PRESIDENT—The motion is merely to report progress, and that has been carried. Progress has been reported.

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

That the committee have leave to sit again at a later hour.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (9.34 a.m.)—I think that this farce has gone on long enough. I think it is time for the Senate to suspend debate on this bill, to finish this debate, to adjourn it, and for the electorate to have an opportunity to decide the issue of the full privatisation of Telstra. John Howard made a solemn commitment before the last election that only one-third of Telstra would be privatised. John Howard said that in the

life of this parliament he would privatise only one-third of Telstra and we are now in high farce mode debating an issue which the Prime Minister of Australia gave an ironclad commitment would not happen during the life of this parliament.

I think all senators are aware that a deal has been done on the issue of the full privatisation of Telstra. All senators are aware that behind closed doors yesterday Senator Colston met the Prime Minister, Mr Howard, for apparently one hour in Brisbane and understandings on this issue were reached. We say that this Senate has an entitlement to know what those understandings were. We have a situation where Senator Colston at no time is willing, or able, to make a contribution to debate. We had the situation, for example, with the Native Title Billwhere Senator Colston supported the government through thick and thin, but at no time did he make any contribution on the floor of this Senate, be it in the committee stage or in the second or third reading debates.

Senator Colston put certain demands, we understand, to the Prime Minister about accepting his vote in the Senate, because I think senators would be aware that, after the opposition campaigned for a long time on the fact that Senator Colston's vote was tainted, Senator Colston's vote was bought for the deputy presidency of the Senate. After arrangements were come to in relation to the first one-third privatisation of Telstra and a staff upgrade was agreed to in the Deputy President's office, I think eventually—only because of Labor Party and public pressure—reluctantly and belatedly Mr Howard agreed not to accept Senator Colston's vote in this chamber.

We know that one of the demands that Senator Colston has put to the Prime Minister is that his vote be counted by the government. I want to know what else Senator Colston put to Mr Howard. I think we are entitled to know what arrangements have been agreed between Mr Howard and Senator Colston. I think we are also entitled to know what the nature of any arrangements between Senator Harradine and Mr Howard and the government might be on this issue. I do hope that at some stage during the debate both Senator Harradine and Senator Colston outline those arrangements to the committee or to the Senate as a whole.

The situation is this: the National Party throughout Australia have major internal concerns and major constituency concerns with the issue of the full privatisation of Telstra. We have two National Party members of the House of Representatives already, the member for Dawson, Mrs De-Anne Kelly, and the member for Kennedy, Mr Bob Katter. Both have indicated that they will not support the full privatisation of Telstra again in the House of Representatives. The problem is that, when this matter was debated first in the House of Representatives, Mr Katter was missing in action—he was not there—but Mrs Kelly did support the government on that occasion. But we all know that the key vote on this issue is the one that will take place in the Senate.

In the House of Representatives it does not really matter if a few National Party members, who have got the message from their constituency, cross the floor. But in the Senate it does matter because Senator Boswell and his team can actually affect the fate of this bill. If Senator Boswell's National Party colleagues—Senator O'Chee, Senator Brownhill, Senator McGauran, Senator Sandy Macdonald and Senator Tambling—join him, if even one of them crosses the floor, stand up for rural and regional Australia, stand up for their constituency, stand up for the bush, then they can defeat this bill.

The problem we have is this: there is no evidence that National Party senators have the same electoral instincts, the same survival instincts or the same level of intestinal fortitude that some of the National Party members of the House of Representatives have. I outlined yesterday the sort of representation that we have here in the Senate from the National Party. It is important that the Australian people understand the change that has occurred in the National Party over recent years. After all, we have a situation where the Country Party of old—the old National Party, the National Party of 'Black Jack' McEwen, of Doug Anthony and of Ian Sinclair—has

long gone. The courageous National Party of yesteryear, I am afraid, is just a footnote of history.

The National Party of today is the Charles Blunt, Tim Fischer, Senator Ron Boswell National Party. I think, Madam President, that you would be aware that in days of yore you would not have had anyone like McEwen, Anthony or Ian Sinclair roll over on an issue like this, which is of significance to the National Party's bush constituency. They simply would not have done it. They simply would not have accepted the Liberal Party's domination in the coalition government. They just would not have sold out their constituency the way the National Party of 1998 is willing to do.

I do not know how Senator Ron Boswell and Senator Bill O'Chee can hold up their heads in the Queensland National Party. No-one up there takes any notice of them. Look at the influence they had on the issue of preferences to the One Nation Party, for example. First of all, Senator O'Chee came into the Senate and said that the issue of National Party preferences going to the One Nation Party was of no significance whatsoever because no preferences have been distributed. The fact is that they were distributed in eight seats and eight seats elected One Nation candidates. The amazing thing about two of those eight seats, the actual sitting members who were defeated, is that the incumbent party was the National Party. That is how wrong Senator O'Chee was on this issue.

Senator Boswell then said that, as far as he is concerned, 'We don't have to worry about the issue of One Nation preferences,' because he was going to argue very strongly that One Nation be put last on National Party how-to-vote cards. The trouble is that no-one in the National Party machine in Queensland takes any notice of him. No-one believes him. No-one is going to take any notice of Senator Boswell at all, because Senator Boswell and the National Party in the Senate have no clout in that political organisation—and they know it. The National Party organisational wing wants Senator Boswell and his team to stand up on this issue. They won't do so. The National Party, of course, are now completely discredited. They have sold out to the Liberal Party.

I think the classic example of this is Senator Sandy Macdonald. Senator Sandy Macdonald from New South Wales is someone who has virtually made no public comment in the whole of his political career. Can anyone recall, before the last week, Senator Sandy Macdonald actually saying anything about any political issue at any time? He hasn't. He came out of the bunker, he came out from the rock under which he was hiding about a week or so ago, and said, 'I am going to ensure that we get a price for the full privatisation of Telstra. I will not cross the floor and I will certainly support anything that John Howard wants me to do, but I am really concerned about this issue.'

Where is Senator Sandy Macdonald today? He is not even here; he is not even in the parliament while this issue of very great significance to the National Party is being debated. He can't even be bothered to front up and represent the rural constituency that he claims he has some empathy with.

Senator Robert Ray—Where's he gone?

Senator FAULKNER—Senator Ray asked me where he has gone. I don't know where he has gone, but I know this: he is paired for the day. He is not in here arguing for the people that he alleges he represents. He is out of the building. He has gone. He is not interested. I have to say that he will make the same contribution to the debate today as the rest of the National Party in the Senate will. What a weak-kneed lot they are. What a gutless lot they are. How can you, Senator Boswell, when you think about the fine traditions of the agrarian socialists—

The PRESIDENT—Senator, your remarks should not be directed directly to Senator Boswell.

Senator FAULKNER—How does Senator Boswell equate his own behaviour with the traditions of the old agrarian socialists of the National Party, the 'Black Jack' McEwens, the Doug Anthonys and the like? I am sure 'Black Jack' McEwen would be rolling in his grave.

I did notice in the newspaper this morning, and some of my colleagues in Victoria would know this well, that one of Mr McEwen's close relations—his nephew, in fact—is running for the seat of McEwen in Victoria that was named after Mr McEwen. He is running for the seat of McEwen, but is he running for the National Party? Oh, no. He is not running for the National Party. He is running for the only political party in Australia that will protect the interests of the bush and that will protect rural and regional Australia. He is running for Labor. It is great to see even Mr McEwen's own family have got the message in this regard.

We are entitled in this debate, for those who have come to arrangements with the government, to have them put before the chamber. The real point I want to make, why I do not believe the committee should have leave to sit again at a later hour this day, is that Mr Howard, before the previous election, made an ironclad commitment that the full privatisation of Telstra would not occur in the life of the Howard government during its first parliament. Mr Howard said that this would not occur. He gave a commitment to the Australian people that he would not progress the full privatisation of Telstra.

What we are debating is another Howard breach of promise—another non-core commitment. But this non-core commitment is very much more significant than many of the other broken promises that we have seen in the litany that has taken place since the election in 1996. It is an important principle. To keep the Senate here and to propose that the Senate debate a piece of legislation that Mr Howard said he would not consider bringing before the parliament is simply an outrage. It is an absolute outrage.

The Labor Party is being asked to cooperate with Mr Howard breaking his word to the Australian people. We won't do it. Why should we cooperate with Mr Howard in perpetrating this untruth on the Australian people? There is no suggestion that this matter would have any urgency. Even Mr Howard himself is not proposing to have the legislation proclaimed until after the next election, if he is to win it. As far as the Labor Party is concerned, if the committee does get leave to sit at a later hour this day—if that occurs, opposition senators will certainly give leave to those senators from both sides of the chambers who would want to see prayers read by you, or whoever is presiding—leave will certainly be granted for that to occur. Let me make that clear to all honourable senators in the chamber. But we do not believe that this farce should continue.

We believe that Mr Howard should honour his commitment to the Australian people, made in the last election, to privatise only one-third of Telstra. We did not support that and we argued against it. The only reason that partial privatisation of Telstra actually occurred is the tainted vote of Senator Colston. That is the only reason the bill went through the parliament. Of course, the same operation is on again. We know the fix has gone in up there in Brisbane over the past 24 hours. We do believe that there should be an opportunity for this to occur. I have to say that, as far as the Labor Party is concerned, we are going to argue this issue out while ever the parliament sits. While ever the parliament sits, the Labor Party will not let Australians down, but we do not believe that the government and Mr Howard should be able to perpetrate this outrageous breach of commitment, the outrageous falsehood of Mr Howard's election commitments in the last campaign. I urge all senators not to grant leave for the committee to meet at a later hour this day.

Senator HILL (South Australia—Leader of the Government in the Senate) (9.54 a.m.)—The Leader of the Opposition (Senator Faulkner) has exercised, in my opinion, very bad judgment this morning. His judgment is a reflection not only upon himself but upon his party and the values for which they claim to stand. What is the process we are on about here this morning? The process is to allow prayers to be read. Yet Senator Faulkner has taken the opportunity to abuse that request of Senator Boswell and, rather, to engage in a 20-minute speech of abuse against members of the National Party. Never have we experienced such bad judgment as we have seen this morning. What happened was that we re-

turned to debate in committee, obviously from last night, as consideration was suspended.

Senator Schacht—You wouldn't allow progress to be reported last night.

Senator HILL—The chair of the committee indicated that it was not within the sessional orders that she would read prayers. Senator Boswell rose to his feet and asked if it would be possible to read prayers, because it is the normal practice at the start of each day and to many senators it is a very important part of the total legislative process. That is all Senator Boswell wanted. He wanted prayers to be read.

Senator Chris Evans—Hypocrite!

The PRESIDENT—Senator Evans, withdraw that.

Senator Chris Evans—If 'hypocrite' is unparliamentary, I withdraw.

The PRESIDENT—You know it is, and withdraw it unconditionally.

Senator Chris Evans—I withdraw it unconditionally.

Senator HILL—We sought that prayers be read by leave. The opposition refused. They were not going to have that.

Senator Faulkner—Madam President, on a point of order: this is just an outrageous lie from Senator Hill. He is a liar. I know it is unparliamentary to say he is a liar, but it is also true, and you know it is true.

The PRESIDENT—Senator Faulkner, withdraw that.

Senator Faulkner—What—that he is an outrageous liar?

The PRESIDENT—You know that that is unparliamentary.

Senator Faulkner—I know that it is unparliamentary, but it is true. I withdraw it, but it is nevertheless the case.

The PRESIDENT—Senator Faulkner, you have not withdrawn it when you qualify it in that fashion. I ask you to withdraw that.

Senator Faulkner—I withdraw, Madam President.

Senator HILL—Madam President—

Senator Faulkner—You never asked for leave, and you know it.

Senator HILL—You check the *Hansard*. Senator Boswell said—

Senator Schacht—You did not seek leave.

Senator Faulkner—You did not seek leave. Tell the truth! I moved that the committee report progress. That is what I did. You moved a motion and I was debating it.

The PRESIDENT—Senator Faulkner, you were listened to, and it is only reasonable that the Leader of the Government be listened to.

Senator HILL—Madam President, it was suggested that, by leave, prayers should be read. From the other side there was a loud No. Right?

Senator Faulkner—That is not true! That's not true!

Senator HILL—I was reluctant to see the Senate come out of committee because I feared it would be abused by Senator Faulkner. How right I was. Nevertheless, Senator Faulkner said, 'We'll give you leave to come out of committee for prayers to be read.' I then moved the motion.

Senator Faulkner—I did not say that. Don't tell lies! You are a liar!

Senator HILL—No, you did not say that.

Senator Faulkner—You are a liar!

Senator HILL—You did not say that because you intended to abuse the process.

Senator Robert Ray—You don't know what you're talking about at the moment.

Senator HILL—You do?

The PRESIDENT—Order! I am instructed by the clerk that the Chairman of Committees ruled that it was necessary to report progress for prayers to be read.

Senator Faulkner—You fool! Sit down, you fool!

The PRESIDENT—Senator Faulkner, you are persistently interjecting. I think your behaviour is wilfully in breach of the standing orders. There is a proper order of debate in this place and shouting at people who are speaking is not the way to do it. I warn senators to cease and to allow the Leader of

the Government to put what he wants to put to the Senate.

Senator Robert Ray—Madam President, I raise a point of order. You have said there is a proper order of debate. Could you explain to the chamber why you called Senator Hill to close the debate when Senator Carr was on his feet. If there is a proper order, where does that stand?

The PRESIDENT—I have no idea what you are talking about.

Senator Robert Ray—I thought Senator Hill was closing the debate on the motion that he moved. You have talked in terms of proper order. I am asking why you did not call Senator Carr, who was on his feet.

The PRESIDENT—There is no right to speak in reply on this motion. Senator Hill is now speaking to the motion that he moved. Senator Carr can speak next if he wishes to do so.

Senator HILL—Let us hear Senator Faulkner deny this. We then said, 'We'll have to come out of committee.' He said, 'We'll give you leave so that prayers can be read.' Okay. So we come out of committee so that prayers can be read, and what do we get then? Instead of having the opportunity then to seek leave for prayers to be read, we have Senator Faulkner get to his feet for a 20-minute attack on members of the National Party.

That is what I say was an exercise of bad judgment and poor leadership on the part of Senator Faulkner. We are still on the preamble to the bill. We will be going back to the preamble of the bill, and Senator Faulkner could have given his speech then, but he wanted to intervene in the opportunity for prayers to give that political speech. As I said, I think that was very poor judgment.

This debate should be brought to an end. We should go back into the committee after we have had the opportunity to ask for leave—I wonder if it will be given this time—for you to read prayers for those senators who do regard that as a very important part of the day's business of the Senate.

Senator Crane—Madam President, on a point of order: while the Chairman came up and spoke to you on three occasions, Senator Faulkner shouted across the table at the Leader of the Government, Senator Hill, 'You're a liar, you're a liar, you're a liar.' I ask that that be withdrawn.

Senator Chris Evans—Even she knew who was telling the truth.

The PRESIDENT—Senator Evans, withdraw that.

Senator Chris Evans—I withdraw, Madam President.

The PRESIDENT—I will check the *Hansard* as to what went on. I certainly asked and required Senator Faulkner to withdraw that word earlier when he used it. If he has used it again, I will check it and see.

Senator Crane—Madam President, why can't he be asked to come to the table and do it now? He did it three times in a row. He knows he did it and he should come up there and comply with standing orders.

The PRESIDENT—Order! Senator Faulkner, it is alleged that you used the word 'liar' while I was getting advice on another matter. If you did, I ask you to withdraw it.

Senator Faulkner—Thank you, Madam President. I did use the word 'liar'. I do not know whether you were otherwise occupied, but I did use the word 'liar' and I withdraw it.

The PRESIDENT—Thank you.

Senator SCHACHT (South Australia) (10.02 a.m.)—I rise to speak on this motion that the committee report progress.

The PRESIDENT—It is not the motion to report progress; it is the motion that this committee sit again.

Senator SCHACHT—I want to point out that last night the opposition moved a motion at two minutes to midnight to report progress. You voted against it, so we came back here to continue with the bill, as it was in committee. I was ready to go. The minister was ready to go. Other senators were ready to go. Senator Boswell called from the back—

Senator Hill—He asked if prayers could be read.

Senator SCHACHT—He did not move a motion. He asked, as I recollect, 'What about prayers?' You have made a suggestion that he sought leave to have prayers read. As I recollect it, Senator Boswell asked about prayers. Our leader suggested that you have to go through the normal procedures of a motion, which was subsequently moved, and Senator Faulkner, quite properly, spoke to the motion that is now before us. Senator Faulkner pointed out that this bill, the way it is being handled, would be better off being deferred until after the next election. We had so much information given to us last night to indicate that there are all sorts of hidden deals going on with this bill—hidden deals, secret meetings—between the Prime Minister (Mr Howard) and Senator Colston, who was not even here for most of yesterday; he was in Brisbane meeting the Prime Minister. When we sort through all the hours of debate yesterday—and Senator Hill has complained that we are still only on the opening clause explaining the philosophy of this bill—

Senator Knowles—Otherwise called the preamble, you dope!

Senator SCHACHT—The preamble. We are still on that. The reason we are still on that is that the opposition and the other opposition parties here have been trying to seek information about what is in the deal that has been agreed to between the government, the Prime Minister, the National Party, Senator Colston, who has now had a meeting with the Prime Minister, Senator Harradine, who has indicated by and large he is going to support this bill—he has only foreshadowed one amendment which will mean that the bill is still effective for two months after the next election—

Senator Harradine—I am voting against the preamble.

Senator SCHACHT—His voting against the preamble does not change the intent of the bill. Quite clearly, Senator Harradine has agreed to support the substance of the bill that after the election the Howard government, if it is re-elected, with no reference back to parliament will be able to fully sell Telstra.

We also had exposed here last night from the minister, in trying to explain some of the details, that the deal that the National Party have signed up to is not what it seems—that instead of it being worth hundreds of millions of dollars it may be worth a couple of hundred at the most—and that we are going to have to wait until some stage in the future to find out what is in the rest of the package.

We are saying that this bill ought to be put off until we get the full details. Why should the parliament have to vote? That is why Senator Faulkner has spoken this morning asking that this bill be deferred. That is why we have used this opportunity to again point out that this is an ill-begotten bill which this Senate is being asked to vote on without its full intent being made available to the public.

We came into this chamber at half past nine this morning ready to get on with the committee stage of the bill. That was the will of the Senate as voted on last night. You people voted for that and we wanted to get on with the bill. That has always been our business here. It is you people who have sought to change the arrangement. But we came here at half past nine believing that we were to get on with the bill. We should get on with it now, get on with the issue of the bill, and let us test the will of the Senate.

Senator Cooney—Madam President, I raise a point of order. There has been an exchange of views. I wonder whether we could move to saying prayers now and get on with the matter.

Senator LEES (South Australia—Leader of the Australian Democrats) (10.07 a.m.)—I need to make it very clear at this stage that the Democrats remain completely opposed to what we see as a highly irresponsible piece of legislation. The reason that we are back here today is that the pork barrel has to be filled, ready to be rolled out. The fact that it is going to run down the hill and run out and, indeed, be totally empty in a few years time does not seem to bother this government. They will have Telstra sold but they think that they, hopefully, will be back in government, having brought the electorate into believing they actually are responsible.

I do think we have to look at how all of this has happened this morning. I have a bit of a feeling that we have been undone by

God, because obviously the intention was to simply say prayers before we began. While I support the intent of what the Labor Party is doing, I think we have basically lost the battle. This bill is going to be debated. I would like to see it debated in full so we can perhaps, Senator Schacht, get some of the answers we were seeking last night and also go through and debate the amendments in the vain hope that the bill may be slightly improved. Let's face it, we are heading into an election where the Prime Minister (Mr Howard) wants a huge pot of money in order to be able to buy votes. I think we should just get on with it today after we have said prayers.

Senator BROWN (Tasmania) (10.09 a.m.)—I agree that we should get back into the debate. I think there should be a full, honest and incisive debate on this matter because it is very important to the whole country and I, for one, cannot see how it can be adequately debated and completed in the hours that are left today. This issue is going to affect every Australian and the government has failed to give a guarantee to rural consumers that they are going to get local call rates to their local town and their local business centre. I cannot understand how the National Party could have failed to achieve even that in the bargain that is said to have been struck with the government.

I have a simple request to make here, and that is to ask the government and Senator Harradine—and I would be asking Senator Colston if he were here but he is not—whether or not they intend to again gag or guillotine debate before the day is out. We saw that happen three times the night before last, but I for one do not want to go into a debate which is going to be truncated at the end of the day for political purposes. I want to know that this debate will be able to run its full and proper course. I was amazed to see Senator Harradine gag debate three times in this Senate just over 24 hours ago to prevent senators from expressing themselves.

I want to know from Senator Harradine, in particular, because in the past I have thought that his application of goodwill to the Senate was above that of the Liberal and National parties, that he is not going to stoop to the lowest form of contribution to debate in this place, and that is to prevent debate.

Before we have this vote, we should have a fair dinkum indication from the government that the debate will proceed untrammelled and that it is not just here to smooth the way for the Prime Minister, John Howard, to call an election some time next month against the interests of the Australian people, with a year yet to run in the proper course of events before we have an election and, of course, complicit with the Independents, because without the Independents such a thing cannot happen.

I notice that in a full page advertisement by Telstra in today's newspapers Tasmania has been left off the map yet again. I would like to know that it is not going to be left off the map, as far as this debate is concerned, because we do know that since Senator Harradine struck his bargain with the government in the selling of the first tranche of Telstra over 100 jobs have been lost out of Telstra in Tasmania. I do not want that trend to continue and I would like to know that we are going to get a better deal next time around. Of course, neither Senator Harradine nor the government has been open about just what is in the package for the people of Tasmania, let alone the people of the north island.

So there we have it. Before I give assent to this proceeding, I want to know that the gag will not be used on the debate of this supremely important matter for the people of Australia.

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate) (10.12 a.m.)—I do not want to make any reference to prayers; we will just let that go. I do want to respond to some of the remarks made by Senator Faulkner. Senator Faulkner, you have continued to attack the National Party, and it is your right to do so.

The PRESIDENT—Senator, your remarks should be addressed to the chair and not directly to Senator Faulkner.

Senator BOSWELL—Through you, Madam Chair, Senator Faulkner and his colleagues have continued to attack the National Party.

Let me say that the reason the National Party has taken this decision is, time and time again, to support the sale of Telstra bill. At every National Party conference, at every CWA conference, at every NFF conference and at every isolated children conference, it continually comes up that we are left behind in the communications race, we cannot educate our children unless we have the latest technology, we cannot get into the markets and we do not know what the cotton price is, the computer will not work and it takes 25 minutes to get a page off it—and that is if the sun is out and it is energising the batteries of the tower. All those things continually come up. Please get us into the 21st century, or the 20th century. We are being driven by steam out there. Our faxes will not work and we cannot hit the Internet when we want to. Please, if you want us to be competitive, if you want us to drive forward, if you want us to be the exporters that carry the rest of this nation on our back, then give us the tools to do it with. This is the one and only opportunity and we may never have another opportunity to get the people in the bush up to speed with their telecommunications problems.

Opposition members interjecting—

The PRESIDENT—Order! There are far too many people interjecting.

Senator BOSWELL—I can go backwards as well as anyone. I can look over my shoulder and take them back to the 1950s, but that is not going to drive this nation forward. You cannot live out there unless you have the gear to work with, and this is the only opportunity we will ever have to have the gear to work with. So I do not want any more criticism. You do not understand the bush; you have never understood the bush and you never will understand the bush.

You are trying to frighten them. You are trying to make them fear things and you will not succeed, because the people out there know that they must move forward and they cannot move forward with you. I have discussed this with the Prime Minister (Mr Howard) and I believe him. That is one thing that you can never understand: you have to have deals. You cannot even believe which way either of you vote; you have to have show and tells. You never even trust each other; between the factions, you are always fighting about party positions.

Look what has happened to you, Senator Chris Schacht. You should be up on the top of the ticket. You are dumped almost to an unwinnable position because your factions do not even trust each other. You are one of the senior members over there and you have been dumped, absolutely dumped. You have been deserted by the Left, you have been cut off by the Right, and you have floated down right to the bottom of the ticket. But we do trust our coalition partners. If we did not trust them we would not be with them, we would walk out on them; but we do trust them. We believe in the bush that a handshake is as good as your word. They have given us a handshake and we trust them. Let us not have any more of this, 'the National Party has deserted the bush'. The National Party is trying to take the bush into the 20th century and this may be the only opportunity that we get to do it.

Senator HARRADINE (Tasmania) (10.16 a.m.)—We have all been bucketed upon one way and another and I think perhaps we all ought to turn our collective cheeks and do what Barney Cooney said: have leave to say prayers, have a minute's peace and then get on with the proper debate.

Senator MARGETTS (Western Australia) (10.17 a.m.)—It is hardly surprising that there is a concern within the Senate that this debate we are having now ought to be had, because we were stopped from having this procedural debate when this bill was shoved on the Senate program. We were stopped from debating whether it was urgent; we were stopped from debating whether or not we should have put it on the program and suspended the program as it was.

It is hardly surprising that the Senate should feel that it is time we actually talked about the reason we are debating this Telstra bill in the first place. The fact is that that debate has been cut, and it is hardly a fair go for the government to say that the Senate should just tug their forelocks and do whatever the Prime Minister and Senator Harradine now say we are supposed to do. That is very different

from the role Senator Harradine has played in the past. I just want to put into this debate the reason there is so much tension in the National Party at the moment in relation to why this debate is being put on.

Senator Abetz—You're an expert.

Senator MARGETTS—No, I am not using my words; I am actually going to use the words of Senator O'Chee in the Brisbane hearing of the original sell-out of the first tranche of Telstra. Senator O'Chee said to a Mr McLean:

> But the government is also making decisions and has made a commitment in terms of the delivery of 64 kilobyte services, and that will be maintained. What other evidence do you have to suggest that there is going to be any problem? You accept the fact that there are going to be price caps and you accept the fact that there are going to be untimed local calls . . .

Mr Maclean said:

> I'm only suggesting that the shareholders will have a say that is not there now.

Senator O'Chee said:

> But there are lots of ways in which shareholders can improve the efficiency of an operation. I just want to get it clear: can you give me any evidence that will show that private shareholders will choose and will effect a change in policy which will ensure there is not a 64 kilobyte access and that they will not use other ways to improve the efficiency of the operation?

This was about the National Party telling their constituencies that everything was going to be okay. The first tranche was not going to be a problem and they would be guaranteed 64-kilobit access. Another witness at a Perth hearing, Mrs Lewis, said:

> There are many people who do not have quality services. We do not have any guarantee of the quality of service. Those of us who are going on to the farmwide project at the moment have been given very definite instructions that there is no guarantee that it will work for us. We are buying the computers and everything else at a reasonable price, but there is absolutely no guarantee that the service will work.

Senator O'Chee said:

> Would you feel comfortable if things like universal service obligations which require equitable access to services, price caps, provision of tariff information and directory assistance were contained in the legislation?

Mrs Lewis said, 'Yes'. Senator O'Chee said:

> Because that is what is being proposed in this bill. We are also going to legislate for the post-1997 environment as well. Would that allay a lot of the concerns that might exist in the bush?

Later on, in response to the statement 'That information about the 64 kilobytes is not in the bill', Senator O'Chee said:

> No, that is government policy.

That is what this is about.

Senator O'Chee—It's about prayers.

Senator MARGETTS—No, this is not a debate about prayers. This motion is about whether the Senate has leave to sit again and debate this travesty that the National Party have assisted in perpetrating on the bush because it was the National Party in the hearings who abused the witnesses who dared to suggest that the capacity for broadband would not be available to the bush under the privatised model, and shareholders would have a say. And this is what is happening.

What can you say to the bush now when it was the National Party who were given the role of abusing the rural constituents who came to that committee? It was the National Party who did that. Check the *Hansard*. That is what has happened and that is why the constituents are angry. We are here today not to deny leave on prayers; we are here to have the debate, or part of the debate, which should have happened two days ago: that the Senate should have a say in whether or not this bill is being brought on, whether it is urgent and whether it requires to be dealt with now. Quite frankly, all that we have had is a minister saying that the Senate had to pass this legislation now to fulfil the coalition's promise at the last election that they would not sell Telstra during this term of government. That is the farce of what we are being asked to debate here today. It is not about whether prayers should be given; it is about whether or not the Senate itself ought to be costing hundreds of thousands of taxpayers' dollars to debate a farce which is a breach of a commitment from the government itself.

Senator Cooney—It will soon be time for Sunday morning mass. All we want are the prayers.

The PRESIDENT—The question is that the committee have leave to sit again at a later hour.

Question resolved in the affirmative.

Senator Hill—I suggest you be invited to read prayers.

The President read prayers—

DECLARATION OF URGENCY

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (10.23 a.m.)—I declare that the following bills are urgent bills:

Telstra (Transition to Full Private Ownership) Bill 1998; Copyright Amendment Bill 1997; and

Copyright Amendment Bill (No. 2) 1997

I move:

That these bills be considered urgent bills:

Suspension of Standing Orders

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (10.24 a.m.)—Pursuant to contingent notice of motion, I move:

That so much of standing order 142 be suspended as would prevent debate taking place on the motion.

It is not enough for just the three gags of yesterday; now we have the guillotine moved by the government. Why are they so afraid of this debate? Why do they want to limit debate on this issue of the full privatisation of Telstra, something they claim is so important? I think the truth of the matter is this: because the coalition government is embarrassed by the fact that this is a debate about a broken promise of Mr Howard. This bill should never have been before the parliament if Mr Howard had kept his word. This is the privatisation of Telstra that Mr Howard gave a solemn commitment in 1996 would not happen. This is the big lie. This makes Telstra just another non-core commitment of the Liberal government.

Of course it is even more embarrassing for the government because it has caused enormous tensions between the coalition partners. We have got the National Party in open revolt with the Liberal Party and we have got the National Party in open internal revolt. We have got the Senate Nationals under incredible pressure from their own organisation, particularly in Queensland, and they have not got the bottle to stand up on this issue and be counted on behalf of rural and regional Australia.

The National Party in the Senate have sold their rural constituency out. This is the final nail in the coffin of the old National Party, the old Country Party—the Country Party that used to have the herbs to stand up to the Liberals in a coalition government. That is the old Country Party, the old National Party of Jack McEwen, of Doug Anthony and Ian Sinclair. It has gone forever. The new National Party are the National Party of Charles Blunt, Tim Fischer and Senator Boswell. The new National Party are the running dogs of the Liberal Party. The new National Party are the National Party that are in coalition government to just roll over and have their tummies tickled by the Liberals. That is what this debate is about.

What has become clear is that the only way the Australian community, particularly those people who live in the bush, particularly those people from rural and regional Australia, can have Telstra protected with majority public ownership is for those people, all Australians, to vote Labor at the next election.

The National Party is signing its own death warrant with this particular bill. In some ways, we do not mind that. We have got a lot of differences with the National Party. We do not particularly want to see the National Party replaced on the political stage obviously by the One Nation Party. What the National Party is trying to do is prove that it has been able to extricate out of the government about $400 million worth of bribes here, another $150 million of bribes there and one or two other things that Senator Harradine and Senator Colston have not admitted to the Senate or the Australian people. We want to know about it. We want to know about what deals are being done with Mr Howard behind closed doors.

We say this: if this vote goes through, if you gag debate, if you guillotine this debate, if you get this through contrary to John Howard's commitments at the last election, it

will be done on the basis of the tainted vote of Senator Colston—a vote bought by Mr Howard and he just cashed in some of the investment yesterday in Brisbane. This is an outrage. The only way the Australian people can stand up on this issue, can have their rights protected, and the bush can be protected is to vote Labor at the next election after this extraordinary sell-out by the Nationals and Mr Howard.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (10.29 a.m.)—Once a time management motion is in place, only government amendments can be dealt with. I indicate to the Senate that the government will undertake to circulate all amendments that have been circulated up until now in the name of the government to ensure that they can be debated—in the name of all parties. I move:

That the question be now put.

Question put.

The Senate divided. [10.34 a.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	34
Noes	32
Majority	2

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	McGauran, J. J. J.
Newman, J. M.	O'Chee, W. G. *
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bourne, V.
Brown, B.	Campbell, G.
Carr, K.	Collins, J. M. A.
Cook, P. F. S.	Cooney, B.
Crossin, P. M.	Crowley, R. A.
Denman, K. J.	Evans, C. V. *
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Mackay, S.
Margetts, D.	Murphy, S. M.
Murray, A.	Neal, B. J.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

PAIRS

Ferguson, A. B.	Conroy, S.
Heffernan, W.	Woodley, J.
Macdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Bolkus, N.
Minchin, N. H.	Lundy, K.

*** denotes teller**

Question so resolved in the affirmative.

Question put:

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

The Senate divided. [10.38 a.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	32
Noes	34
Majority	2

AYES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bourne, V.
Brown, B.	Campbell, G.
Carr, K.	Collins, J. M. A.
Cook, P. F. S.	Cooney, B.
Crossin, P. M.	Crowley, R. A.
Denman, K. J.	Evans, C. V.*
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Mackay, S.
Margetts, D.	Murphy, S. M.
Murray, A.	Neal, B. J.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

NOES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.

NOES

Ferris, J.	Gibson, B. F.
Harradine, B.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	McGauran, J. J. J.
Newman, J. M.	O'Chee, W. G. *
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.

PAIRS

Bolkus, N.	MacGibbon, D. J.
Conroy, S.	Ferguson, A. B.
Lundy, K.	Minchin, N. H.
McKiernan, J. P.	Macdonald, S.
Woodley, J.	Heffernan, W.

*** denotes teller**

Question so resolved in the negative.

Original question put:

That the motion (**Senator Ian Campbell's**) be agreed to.

The Senate divided. [10.42 a.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	34
Noes	32
Majority	2

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	McGauran, J. J. J.
Newman, J. M.	O'Chee, W. G. *
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bourne, V.
Brown, B.	Campbell, G.
Carr, K.	Collins, J. M. A.
Cook, P. F. S.	Cooney, B.
Crossin, P. M.	Crowley, R. A.
Denman, K. J.	Evans, C. V. *
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Mackay, S.
Margetts, D.	Murphy, S. M.
Murray, A.	Neal, B. J.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

PAIRS

Ferguson, A. B.	Conroy, S.
Heffernan, W.	Woodley, J.
Macdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Bolkus, N.
Minchin, N. H.	Lundy, K.

*** denotes teller**

Question so resolved in the affirmative.

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

That the time allotted for consideration of the bills be as follows:

Telstra (Transition to Full Private Ownership) Bill 1998—7 hours
Copyright Amendment Bill 1997—2 hours
Copyright Amendment Bill (No. 2) 1997—2 hours

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

That the question be now put.

Question put.

The Senate divided. [10.49 a.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	34
Noes	32
Majority	2

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	McGauran, J. J. J.
Newman, J. M.	O'Chee, W. G. *
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.

AYES

Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bourne, V.
Brown, B.	Campbell, G.
Carr, K.	Collins, J. M. A.
Cook, P. F. S.	Cooney, B.
Crossin, P. M.	Crowley, R. A.
Denman, K. J.	Evans, C. V. *
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Mackay, S.
Margetts, D.	Murphy, S. M.
Murray, A.	Neal, B. J.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

PAIRS

Ferguson, A. B.	Conroy, S.
Heffernan, W.	Woodley, J.
Macdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Bolkus, N.
Minchin, N. H.	Lundy, K.

*** denotes teller**

Question so resolved in the affirmative.

The PRESIDENT—The question now is that Senator Campbell's motion allocating time for the bills to be debated be agreed to.

Question put.

The Senate divided. [10.53 a.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	34
Noes	32
Majority	2

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	McGauran, J. J. J.
Newman, J. M.	O'Chee, W. G. *
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.

AYES

Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bourne, V.
Brown, B.	Campbell, G.
Carr, K.	Collins, J. M. A.
Cook, P. F. S.	Cooney, B.
Crossin, P. M.	Crowley, R. A.
Denman, K. J.	Evans, C. V. *
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Mackay, S.
Margetts, D.	Murphy, S. M.
Murray, A.	Neal, B. J.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

PAIRS

Ferguson, A. B.	Conroy, S.
Heffernan, W.	Woodley, J.
Macdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Bolkus, N.
Minchin, N. H.	Lundy, K.

*** denotes teller**

Question so resolved in the affirmative.

TELSTRA (TRANSITION TO FULL PRIVATE OWNERSHIP) BILL 1998

In Committee

Consideration resumed.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (10.56 a.m.)—I table the supplementary explanatory memorandum relating to the government amendments to be moved to the bill. This memorandum was circulated in the chamber on 1 July 1998.

Senator SCHACHT (South Australia) (10.56 a.m.)—We have seen here today the final epitaph of the National Party as a political force in this country. This is an infamous day for their own supporters. A handful of National Party senators have sold out their regional supporters, who have stuck with them through thick and thin since the 1920s. For 70 years they have supported this National Party and, before that, the Country Party to deliver certain benefits to the bush. The old Country Party made no bones about it. They were not sophisticated. They said, 'Just give

us bagfuls of money to help our people in the bush.' The National Party today, led by Tim Fischer and by Senator Boswell in this place, have sold out to the Liberal Party and have just become a mere shadow faction of the Liberal Party. They have sold the bush out, aided and abetted, it appears, by two independent senators. I will come back to them in a moment.

The National Party, including the Deputy Prime Minister, have supposedly been saying that the announcement last week of the new mobile telephone system for the bush is an enormous benefit for their own people. This will enable them to get coverage equal to what they have with their existing analogue. There was two-minute Tim Fischer in the press conference holding up the new telephone, having pulled in the minister for communications to smile and look like a puppy dog and hold it with him. He told the minister for communications to hold up the diagram to show the new coverage. This was a big announcement and a big achievement for the bush. Yesterday, the National Party senators got up in here and explained this was a victory for them and that this new mobile telephone coverage was wonderful. It was a $420 million program.

It has been exposed since that Telstra were going to do this anyway. The National Party was sold a pup. They were going to get this system anyway. Today in the *Canberra Times*, Mr Blount, the Chief Executive of Telstra, has belled the cat absolutely in relation to the National Party and the government when he says that Telstra is no government stooge. The article says:

> The Federal Government had nothing to do with Telstra's decision to roll out a new mobile-phone network . . .

Senator Harradine—Madam Chairman, I raise a point of order. The committee stage is meant for the detailed examination of legislation. We have been in the committee stage now since 5 o'clock yesterday afternoon and we are still on the preamble.

Senator Robert Ray interjecting—

Senator Harradine—I take Senator Ray's interjection. The point of order I am raising is that we are only on the preamble after all those hours since 5 o'clock yesterday afternoon. The amendment before the chair is the amendment by Senator Lees to delete the preamble of the bill. I am supporting it. I am waiting for Senator Schacht and others to say why I should not support Senator Lees's amendment.

Senator Robert Ray—On the point of order: I think Senator Harradine's point of order, taken half an hour ago in the committee stage, would have been exceptionally valid. We probably have spent too long on the preamble. Now that Senator Harradine and everyone else has said to the opposition, 'You can have seven hours to debate this bill', I say to Senator Harradine that we should be able to spend that seven hours—the miserable time we have been allocated—in whatever way we like.

The CHAIRMAN—Order! There is no point of order. The matter under debate is whether the preamble should stand as printed. It is a very wide-ranging preamble. Therefore, the debate will be wide-ranging.

Senator SCHACHT—It is certainly a wide-ranging preamble; I made that point in the debate yesterday. It covers all the issues. The preamble mentions the social bonus. We have had National Party senators telling us both in here and publicly what a wonderful social bonus it is and what a wonderful deal it is for the bush. We have been asking what the deal and the full social bonus are. What is the package?

We had a claim in the middle of the week that it was the new mobile telephone system. Why did Tim Fischer get up and claim that at the press conference? Why did he stand there holding the new phone up when he should have not been anywhere near it? Mr Blount said that it has nothing to do with Tim Fischer and that it is Telstra making a commercial decision. But Tim Fischer is out in the bush saying that this is a great victory for the National Party. He misled. Either he is a liar or Frank Blount is a liar because both of them cannot be right. Frank Blount has said today on the public record that it is a commercial decision, but Tim Fischer is claiming credit for it.

Senator Boswell should read very carefully this very interesting article. Telstra might do him in, even on the mobile phones. First of all, yesterday Senator Alston told us in some of the debate how rough, tough and vigorous he is in telling Telstra what to do. He says that he has been talking with them on a whole range of issues. He says that he is a tough minister. What does Frank Blount say today in the paper? He says:

"You know, this Government has not even said boo to me."

This minister could not even say boo to Frank Blount, yet he was in here telling us yesterday that he has made all these arrangements and got a good outcome. Frank Blount says that the minister does not even say boo to him and that, even if he did, he would ignore it.

Senator Boswell should read this article in the *Canberra Times*. Frank Blount then says:

A final decision on the technology and the suppliers—

for the new CDMA—

was expected to be made at Telstra's August board meeting.

It has not been finalised. The article then says:

Mr Blount declined to specify a timeframe on the profitability of the network, saying it depended how the roll-out proceeded—with profitability achieved more quickly if the more densely populated areas were targeted first.

Guess what, Senator Boswell? Despite two-minute Tim holding up the new phone on Wednesday—

The CHAIRMAN—Order! Senator Schacht, could you please refer to the Deputy Prime Minister by his title.

Senator Jacinta Collins—Is that who you were talking about?

Senator SCHACHT—I am referring to the Deputy Prime Minister. He held up that mobile phone.

Senator Robert Ray—The toy one.

Senator SCHACHT—Yes. Do you know what Mr Blount has now said? He said that it will not automatically mean that the bush will get connected first. Telstra will put the new CDMA network into the city first because they can make a bigger quid out of it. Senator Boswell has been dudded again.

Senator Carr—Ripped off again!

Senator SCHACHT—Ripped off. What sort of party is the National Party? This minister will not say boo to Telstra. The chief executive of Telstra on the public record has said that it will go into the most profitable areas first with the CDMA technology. So you are not going to get this system operating in the bush at the time analog goes out in 2000. The statement also says:

Mr Blount also stressed the board's decision related to a commitment to capital expenditure and the roll-out but not the CDMA . . . digital technology underpinning the network. Even so, he said he was about 80 per cent certain that Telstra would choose the CDMA technology.

Telstra has not yet committed itself to put into place what Mr Fischer was saying on Wednesday is a done deal. You have been dudded again.

This is an appalling performance by the National Party. 'Black Jack' McEwen would be rolling over in his grave. Even Doug Anthony and Peter Nixon would not have fallen for this. Even old Sinkers, the old war horse—

The CHAIRMAN—Order! Senator Schacht, would you please refer to Mr Speaker by his correct name?

Senator SCHACHT—Mr Sinclair is now affectionately known as 'Sinkers'. Mr Ian Sinclair was occasionally referred to by my former and late colleague Mick Young as 'George Sinclair'. Not even Mr Sinclair would have fallen for this deal, Ronnie. He would have seen through it, but Senator Boswell has rolled over.

The National Party cannot now claim that this was not part of its deal when, on Wednesday, Mr Fischer made it clear in a presentation that this was a great deal for the bush and that it was his. Telstra is a bit miffed that this announcement was made before it had a chance to table its statement to the Stock Exchange. Telstra said that that happened because there were some administrative glitches which meant that Telstra's announcement was held up. I hope it was not one of those declining Telstra fax services which

meant that their own statement could not get out in time. But what was going on whereby the minister, Senator Alston, and Mr Fischer could hold a press conference and claim credit for what Mr Blount now says is a decision of Telstra made on a commercial basis when the minister has never said boo to Mr Blount about it?

We know now that on this issue of the new mobile telephone system the National Party has been done like a dinner. It has fallen for the pea and thimble trick. It has sold out its own members and constituency, who will not even get the technology first. They will put it in the city first. What a bunch of dills the National Party members are. They should have said, 'Let's get it written down. The new transmitters are to go into the country first.' When the year 2000 came around, everyone would have a transmitter and would at least be able to buy the phone. But they will not have all the transmitters in the bush, according to Mr Blount. In the year 2000, there may well be the day when the analog phone drops out and Senator Boswell's constituents have no phone. The CDMA will not be operating. You do not have that written into the legislation or the deal, because Mr Blount says that you have not.

The next deal for the outback concerns $150 million provided to Telstra for the capital upgrade. But there is no written legislation, legislative decision or regulation guaranteeing that the charge rate will be what is set in the announcement made on Friday by the minister and the Deputy Prime Minister. So far, the deal that the Nationals have got that has been published is for $150 million. You are selling $40 billion worth of Telstra to get $150 million for the bush. You will not tell us what the rest of the deal is.

Senator Calvert—Why should we?

Senator SCHACHT—'Why should we?', says Senator Calvert. Only a Liberal senator would say that. Only a Liberal senator would interject and say, 'We don't have to tell the public of Australia what is in the deal and why $40 billion of Australia's biggest, most profitable, most successful and most important company has to be sold on a secret deal. We will not tell the people of Australia what it is while the legislation is going through to do it.' It is typical of the sleaze of the Liberal Party. I am just astonished that the National Party has fallen for it.

Senator Boswell said in his speech earlier in this debate, 'We do know what the deals is but that we are not telling you.' Senator Harradine says that he knows what it is but that he is not telling us. Senator Harradine indicated that he had a fair idea what it is. They all know. They will vote in secret. They know what the secret deal is on this legislation, but the people of Australia will not. If it goes on the track record so far, if the rest of the secret, sleazy deal is anything like what the National Party has so far negotiated, they will have been done like a dinner by the Liberal Party. All they have so far is $150 million spread over four or five years for the upgrade. For that they are going to sell a $40 billion company.

I point out to Senator Boswell that each year in the bush, irrespective of the $150 million, Telstra spends over $800 million on capital works. The money he is talking about is a mere pittance. Last night the minister had to back down from his outrageous claim on the cost of making 64 kilobits capacity available to all Australians. Two weeks ago he said that it would cost $26 billion. Last night, he crept away from that. We were not asking that it be made compulsory, that you had to all be connected, but that you had to have the capacity if you wanted it. That is what we in the Labor Party have argued for 18 months. However, last night, in about four minutes, he dropped from $26 billion to $15 billion. I have never seen $10 billion go so quick in all my time in parliament.

But what has Senator Boswell negotiated? Knowing what this minister is doing to him, he has nothing. Whatever he has will be minuscule compared to the long-term needs. Even if he gets something for online services in terms of kilobit capacity for the next year or so, as his colleague De-Anne Kelly, the member for Dawson, said, what happens in five years time when new technology comes in? There is nothing left of Telstra to sell. You cannot sell it again to get a social bonus to upgrade the bush further. We know that 64

kilobits will be needed and we absolutely support it as a minimum in the next couple of years. But by the middle of the next decade people will be arguing that they want that capacity increased to three or four megabits to get real-time online services. What will you sell of Telstra to get that to the bush? You will not have anything left. Where will you get the money from? The cities will get it; the rich suburbs and the CBDs will get it. They will get five megabits, but the bush will still be stuck with only 64 kilobits. When they ask where they will get it from, there will be nothing left to sell. Telstra has already gone. They will not want to raise taxes. People in the bush will have to pay an outrageous fee to get that further upgrade or they will not get it at all.

For a momentary gain here, they are selling $40 billion worth of Australia's best company, providing 100 per cent of telecommunications services to the bush, to get a few baubles onto the deck now. This is an outrageous performance by the National Party. It is their demise. This is the day they die. This is the day the old boys of the Country Party turn over in the grave and realise that One Nation, unfortunately, is going to replace them in the bush. *(Time expired)*

Senator HARRADINE (Tasmania) (11.14 a.m.)—First of all, Senator Schacht is again wrong. He is talking about $160 million. I do not know where that figure comes from. He believes what he reads in the press. The figure clearly was $183 million. Perhaps it was not him. I thought he mentioned the figure of $160 million.

Senator Schacht—I said $16 billion, from what the minister was saying, for 64 kilobits.

Senator HARRADINE—My apologies if he did not. I just heard it as I passed one of the sets. What I wanted to make very clear is that around this chamber, particularly around this area of the chamber, there is a great deal of insistence upon the need to ensure that rural and regional Australia is protected in regard to this measure. It is important to note that the government has agreed to this, and that is something that exercises one's mind when considering this matter.

We still have a little way to go today. There has been a substantial amount of time already put aside, and I think we ought to get to the details of the legislation. Before I do that, I am still very firmly conscious of the need to ensure that the people of the state that I represent are properly cared for. That is what I am elected for. I would have thought that the fact that Tasmania is an island state was an important factor to be recognised and that living on an island, wherever it might be, was very important. It is particularly important to have very good communications in those circumstances, and that is an important matter which I am sure is very firmly in the minds of the government. There are no secret deals around the place. The government knows my attitude about that, and they know the merits of ensuring that islanders are given the best of communications, particularly because they do not have the other land communications.

The amendment that I am moving states, in effect, that this legislation is automatically repealed unless it is proclaimed within two months of the new parliament. The position is that this legislation does not sell Telstra. It is legislation which enables the next government, whichever it might be, to sell another tranche of Telstra—say, 49 per cent, 75 per cent or the total.

Senator Murphy—Why shouldn't it be the next parliament?

Senator Forshaw—Why shouldn't the next government have the right to make that decision?

Senator HARRADINE—The question has been raised with me as to why the next parliament should not do that. The government has—I think quite properly—indicated that this is a matter that should be fairly and squarely on the table during the election as not only a never-never possibility of a policy but something which the people can vote for. When I say they have properly done that, I think maybe they have done it unwisely.

Senator Murphy—No, very deliberately!

Senator HARRADINE—I say unwisely because the Labor side expects to be in power after the next election. No doubt they will be running a strong campaign and those who

believe this is a very crucial issue will be able to vote for them, not the government. That is the position.

If the opposition does come into power after the next election, it has said it is not going to proclaim it. But if they get different ideas in the meantime, this amendment says that unless it is proclaimed within two months of the new parliament, it is repealed. That applies to whichever government is in power, whether it be the current government or the opposition. I think that is an eminently reasonable thing for people to expect.

I am against the preamble. I believe it is nothing more nor less than a poorly written piece of propaganda, and I do not think it is appropriate to have that in the preamble, particularly if it is able, in extreme circumstances, to be used as a guide to the interpretation of the law. I believe that we can now speak specifically on the amendments, and I would like to hear some responses around the chamber as to whether my amendment is acceptable or not. I hope the opposition will accept it and I hope the government will accept it.

Senator CARR (Victoria) (11.22 a.m.)—We have before us today a proposition which says that the Senate should be given seven hours to debate the privatisation of Telstra. Telstra is one of the most successful companies in our history and has taken—effectively, in terms of its infrastructure—the better part of four generations to build. The heritage and the legacy that we will be leaving for future generations of Australia as a result of this debate is, I think, one that requires a little more discussion than seven hours. The government would like to suggest to us—

Senator Alston—On top of 17 we have already had.

Senator CARR—It really would not matter to me if you said that it was 17 hours or just the remaining seven. The fact remains that you today have moved a guillotine motion to force this debate through to its conclusion within seven hours. The debate on the privatisation of $50 billion worth of public assets is to be rammed through this parliament.

Senator Alston—It was only $42 billion a minute ago.

Senator CARR—You say it is $42 billion. That is part of the debate, isn't it? The value of Telstra is very much part of the debate. What we have here is a broader question about the value of Telstra which you do not want debated. You do not want that discussed in this country. It is very fortunate for the Liberal Party—but not so fortunate for the National Party—that this issue will be debated throughout the length and breadth of this country. It will be debated because Australians feel very strongly about this issue. A majority of Australians have demonstrated in public opinion polls time and time again that they are strongly opposed to the sale of Telstra. They have made it very clear. The reasons are very straightforward. This is a fundamentally strategic part of the Australian economy. I would go much further and say that Telstra has a vital part to play in the Australian way of life.

This debate goes to the very simple question of the way in which Australians communicate with one another. This government does not want to hear about that; it does not want to hear about the cost of its measures. It certainly does not want to hear about the way in which the National Party has undermined itself and destroyed its political credibility. For a very, very cheap price, the National Party has given away generations of supporters, the people who have defended the party for as long as Telstra has been being built. Those two organisations have been around for about the same length of time. It is an extraordinary coincidence, I suppose, when you look at the way in which generation after generation of Australians have invested in this entity to build this nation, and what we have got from the National Party is a miserable, sleazy arrangement to undermine that commitment of generations of Australians.

The National Party's actions are predicated on a great fear that time is catching up with them. What we have seen in recent times is that, throughout rural Australia, there is a complete rejection of the National Party because they have failed in their basic task in

political life—that is, to defend regional and rural Australia.

The National Party was founded in the 1920s in Victoria, in my state. It was founded to represent essentially the interests of small, individual holders, and it has built coalitions of support in government throughout much of this century. It has sought to establish through public ownership a whole network of enterprises to protect the living standards of people in regional and rural Australia. But what has it done now? It has capitulated to the economic rationalists. It has capitulated to those in the Liberal Party, those who represent the interest of big capital in this country, at the expense of small capital. What for? To save a few miserable seats in here.

The writing is on the wall for the National Party. All they are doing is putting in neon lights the fact that they are completely dominated by the Liberal Party. I do not know why they bother. They ought to just fold their tent and disappear into the night. Amalgamate with the Liberal Party and be done with it. They would probably get a better deal in an amalgamation than they have in this pitiful effort to try to present themselves as an independent political force in this country, because quite clearly they are not capable of representing the interests of regional and rural Australia. I say again that Jeff Kennett was right. In Victoria, where I know them best, the National Party are just not up to it.

Senator Sherry—What did he say about McGauran?

Senator CARR—He said that about Senator McGauran specifically, but he was referring to the National Party more generally. I know there is some sort of coalition arrangement, or so they say, in Victoria. The coalition is pretty straightforward: you do what you are told. That is what it is. It is a simple agreement; the National Party does what it is told. What has been the consequence? We have seen seat after seat in Victoria where the National Party's vote has collapsed. Independents are being elected in provincial parts of Victoria which we have not seen for generations. We have seen the seat of Murray, which the National Party held for 25 years, lost to the Liberal Party. People know they will not get value for money with the National Party. Why would they go to the middleman? What is the old story about the monkey and the organ grinder? Why would they waste their time? That is basically the proposition that is emerging here today.

The issue now is why the National Party simply will not do anything to stand up for the interests of their constituents. Why have they failed so miserably to get off their knees? Why do they need to grovel? Why do they need to basically prostrate themselves before the Liberal Party in such a disgracefully humiliating way? When I was at school, I used to think about the National Party. It perhaps was not in very kind terms, I would have to say. I have never had a fondness for the National Party, but I always had some respect for them. You might not have liked them, but you had a respect for them.

Senator Sherry—They made a good deal.

Senator CARR—They were able to cut a good deal. We had Peter Nixon, Mr Ian Sinclair and Doug Anthony all following in the traditions of McEwen. They had the capacity to deliver, but we have seen none of that here and we certainly will not see it with this arrangement. In fact what we have got is the complete surrender of the National Party. We have seen an absolutely disgraceful performance from the National Party with their silence in Victoria. Three thousand jobs have been lost as a direct result—I say, a direct result—of the bid by Telstra to improve its share value by removing workers from its payroll. It has reduced costs at the expense of service to customers and, as a direct consequence of that, some 3,000 jobs have been lost in Victoria over the last 18 months. But have we heard anything from Senator McGauran? Not a word—absolute stony silence.

Senator Sherry—He was after No. 2 preselection.

Senator CARR—Of course, he is No. 2 on their Senate ticket, but not a word has been heard from Senator McGauran. Have we heard anything from Peter McGauran, his brother? No, despite the fact that 20 per cent of the jobs have been lost in the family seat of Sale. So we have the intellectually handi-

capped brother unable to represent the interests in the Senate and we have the great patriarch of the family in Sale but, despite the fact that 20 per cent of the Telstra jobs in Sale have been lost, we have heard not one word. Let us look at the situation with regard to the Mallee. Have we heard anything from Mr Forrest? Not a word—again, silence.

This demonstrates quite clearly that the coalition has degenerated into what is essentially a very bad marriage. They say to me that a really bad marriage is made up of a husband who is essentially blind and a wife who is essentially deaf. To me, that pretty much represents the situation with regard to the Liberal Party and the National Party today. You have a case where one of them, frankly, does not want to see and another one that does not want to hear.

The views of the electorate are being expressed. Whether you like it or not, you will be made to hear because, overwhelmingly, a majority of Australians just will not stand for your capitulation. As a consequence, you will be removed from the political debate in this country. Despite my antipathy to the National Party, I do have a soft spot for them, and I certainly would not want to see them go at the expense of what clearly is a fascist organisation like One Nation.

What really gets to the heart of this question, as far as I am concerned, is your appalling political judgment. In the *Age* today, you can see the expression from some of your members who are beginning to get the message from the organisation outside of these protected and cloistered walls. They are beginning to hear, for instance, Mr Katter say that he believes the deal you have done, the way you have prostituted yourselves to the Liberal Party, will be very damaging. He says in the *Age* this morning:

> I think it will cost them very dearly in the next election.

Senator Sherry—Did he say he was going to cross the floor?

Senator CARR—We will wait and see what he actually does, just as we will wait and see whether or not there is anyone in the cocky's corner here who actually has any courage to defend their convictions. One wonders.

We hear from Mrs De-Anne Kelly that, although the package of measures was welcome—she is moving already—it did not address the central concern. She said:

> It is going to be very hard for the Telstra board to justify spending billions in infrastructure in rural and regional areas where it is not going to pay for itself.

Quite clearly, there is deep concern. I am sure by the time you get home on Monday, Senator Boswell, you will know about it because your organisation will be on to you. The National Party is strange in some ways. It has this relationship with an extra parliamentary organisation, a bit like the Labor Party. I know that things are done in a parliamentary party, because the parliamentary parties know better, of course—there is a tendency, unfortunately, for people to accept things as being simple when they are not quite so simple—but, when you get home, you actually find that the extra parliamentary party has a few things to say to you. I suspect, Senator Boswell, that quite a few things are going to be said to you.

Quite frankly, the proposals that you are advancing are a complete con job. You are being completely sucked in. People are going to want to know whether or not you have been persuaded out of complete panic, or whether or not you have actually understood what you have committed yourself to.

Senator Ray explained the other day his experience as a younger man how positions would be taken by friends who came down from the country who were offered chocolates when, in fact, they were presented with laxatives. That analogy is similar to what is happening here. Senator Alston has offered what you think are chocolates. You will soon discover that they are in fact laxatives. When you go home, people are going to point out to you that they have had enough of taking the laxatives and they are going to take it out on you.

With regard to the business community of this country, we have already seen very deep reservations being expressed about the Prime Minister (Mr Howard) and concerns being

expressed for the need for change within the Liberal Party. I hope you are not laid down as the traction in the battle between Costello and Howard. The business community, as demonstrated in the *Business Review Weekly* poll this week, have indicated that already very deep reservations have been expressed there on one central issue—that is, the failure of this government to deal with the issues that have been raised by One Nation, the threat of One Nation.

The poll of 150 top executives demonstrates that the preferred Prime Minister perhaps will not be Mr Howard for much longer. I hope you made sure you had a few side bets on the deals that you have entered into now because the whole operation of the Liberal Party is about to change. That poll demonstrates that 83 per cent of those 150 top executives are totally dissatisfied with this government, the way in which it has failed to respond to the threat from the fascists within One Nation.

You, Senator Boswell, are going to be used for traction in that fight. I say quite sincerely that it will be deeply disappointing to see your party replaced by extremist elements within rural Australia. You have not demonstrated the power of the National Party in this coalition but its impotence. You have actually given aid and comfort to One Nation by accepting what is a lousy proposition which will sell out rural interest in this country and will undermine the capacity of Australians to have high quality technology. *(Time expired)*

Senator SHERRY (Tasmania) (11.37 a.m.)—I intend to comment about two—

Senator Boswell—Madam Chairman, on a point of order—

The TEMPORARY CHAIRMAN (Senator Jacinta Collins)—You were slow in getting to your feet. I will call you on the next occasion.

Senator Boswell—Madam Chairman, you have called three speakers from that side.

Senator Carr—So you want to gag us and then take all the time as well.

Senator Boswell—I want a fair share of the time.

The TEMPORARY CHAIRMAN—Senator Boswell, Senator Harradine was speaking from the other side.

Senator Boswell—Senator Harradine may be geographically placed on this side of parliament, but he is an Independent.

The TEMPORARY CHAIRMAN—Senator Boswell, I did see Senator Sherry first. I have indicated to you that I will call you on the next occasion. I think that resolves the matter.

Senator SHERRY—Senator Boswell knows full well that Senator Harradine is supporting your very poor package, and I am going to make some comments about the contents of the package shortly. I do want to raise a couple of issues with Senator Harradine quite specifically. We have seen yet another example of the failure of the National Party—Senator Boswell too slow to get to his feet. That is the story of the National Party right throughout the sale of Telstra and on most other issues. Senator Calvert and Senator Alston are muttering under their breaths, expressing their contempt at how bad the National Party is, how poorly they perform.

Senator Alston—I said that Bozzie is very quick on his feet.

Senator SHERRY—On this occasion he was too slow, wasn't he, Senator Alston? As I say, it typifies the approach of the National Party when it comes to representing rural and regional Australia. I will go to a couple of issues relating to the National Party. I am sure Senator Boswell will endeavour to respond and find excuses for their poor performance on this and other related issues over recent years.

I wanted to take up a couple of matters with Senator Harradine quite directly. I did listen to Senator Harradine's contribution yesterday about the economic gains, the bottom line improvement to the budget of government debt, that may or may not result from the sale of Telstra. He did not express a view. I think he did indicate that he had received conflicting advice about this matter.

I did spend some time in my contribution in the debate on the second reading on issues relating to the proceeds from the further two-

thirds sale of Telstra—$40 billion to $45 billion, around that figure—and the bottom line gain by the reduction of government debt, assuming an average of six per cent interest charges, vis-a-vis the loss of the payment of the dividend from the Telstra shares that the government owns, which at the moment is two-thirds. There is also the issue of the dividend increasing in future years and then at some point in time the loss to the government of the dividend, because even though debt is initially reduced there will be the loss of the dividends that increase in future through government owning two-thirds of Telstra. In the first five or six years the government will make a gain because of the reduction of debt, but in five or six years or maybe longer, even seven years—it seems from all the economic advice that I and the Labor Party have seen that it could be a maximum number of 10 years—the government will start losing money because of the loss of the dividend stream.

I would like Senator Harradine to indicate what his view is of that issue, which I think is very important. We have spent a lot of time rightly talking about the effects in rural and regional Australia of the loss of government ownership of Telstra, the importance of government direction to Telstra as at least a two-thirds publicly owned corporation and the government's ability to ensure a fair distribution of investment and that pricing policies in rural and regional Australia do not disadvantage people who live in those regions. We have spent a lot of time on that, quite rightly.

The issue that we are debating is the two-thirds sale of Telstra. That is another breach of the Prime Minister's commitment to the Australian people. He said that he would not be selling Telstra prior to the next election and that if they were re-elected then he would make an announcement and present legislation. Unfortunately, we are dealing with the sale of two-thirds of Telstra here today in the Senate and expected to pass this legislation prior to the next election. Senator Harradine is supporting that. He has indicated that.

I would like Senator Harradine to indicate, not just to the Senate but via the record to the Tasmanian people whom he represents—and we should note that if we have a half Senate election, and we are assuming that we will, Senator Harradine will be up for election whenever that may be—what his position is. When that election occurs, will Senator Harradine be supporting the sale of Telstra, the two-thirds remaining government ownership of Telstra? What will he indicate to the people of Tasmania about his position? How are they expected to vote? What is his position? Does he agree with the sale of Telstra, the remaining two-thirds, or does he not agree with that? Quite rightly, people in Tasmania will want to know what Senator Harradine's position is. He cannot have it both ways.

Telstra is a major issue of public debate at the moment. The supporters of Senator Harradine in Tasmania will want to know whether to vote for him or not if they are concerned about this issue, as at least some of them will be. I would like Senator Harradine to tell us what position he will take in the forthcoming election. That is a very important issue that I would like Senator Harradine to address.

Senator Harradine has foreshadowed an amendment that if the legislation is not proclaimed within two months of the election then this legislation will be wiped from the books. I understand that Labor is going to support that amendment. But our position was made very clear by our shadow minister, Senator Schacht, yesterday. Senator Harradine, whether your amendment is passed or not, Labor, if it is elected, will immediately move to reverse this legislation if it is regrettably passed.

I would like to make a few comments about the National Party. Over the last week we have had some National Party members in the House of Representatives and a number of their senators, mainly via doorstops on their entrance to the Senate and I assume endorsed leaks from their leader, Mr Fischer, protesting about the sale of Telstra in a variety of forms. Mr Paul Neville said in the *Daily Telegraph*:

> The government should sell only a further 16 per cent of Telstra and leave the telecommunications giant 51 per cent in government hands.

We will be interested to see how Mr Neville votes on this matter when it goes back to the

House of Representatives. In a similar theme, my attention was drawn to the *Age* of Friday, 3 July, in which Senator Sandy Macdonald warned that his crucial Senate vote would support the sale of only a further 16 per cent of Telstra, leaving the company 51 per cent government owned. What is in this bill? Senator Boswell is looking a little bit bemused—and rightly he should be. I am sure Senator Sandy Macdonald is a little bit bemused. This bill does not say, '16 per cent of Telstra being sold'; it says, 'Sell the whole lot off. Sell the two-thirds off.'

Senator Harradine—It does not.

Senator SHERRY—That is the effect of it, Sen Harradine. Don't get too excited. I would like you to address the critical issues that I raised earlier in this debate. I have listened to your contribution to the debate. I hold some considerable respect for your negotiating skills. I would like a response to the questions that I raised with you earlier in my contribution.

Senator Sandy Macdonald is not the only one. I was a little disappointed that my leader, Senator Faulkner—though he did refer to a number of contributions to the issue of the sale of Telstra—did not go into a lot of the background of Senator McGauran. Senator McGauran has been extensively criticised for his performance by the Premier of Victoria. Mr Kennett has been very vigorous in his criticism of his colleague in the current coalition. Senator Boswell would recall the very vigorous criticisms of Senator McGauran by the Premier of Victoria about his supposed—I think it is probably true—lack of performance.

Senator McGauran made some headlines about two or three years ago. He had taken a trip to the Cocos (Keeling) Islands or to Christmas Island and he discovered a thong on the beach. He came back to Australia and complained bitterly about pollution of the environment because he had discovered a thong that had floated up on the beach. The environment is a legitimate concern, but that sent the Premier of Victoria, Mr Kennett, into a rage. He said that if the discovery of a thong on the beach was the only contribution that Senator McGauran could make to public debate in Australia, then his preselection should be removed.

But the National Party decided, in its wisdom, that Senator McGauran should be sent to Tasmania. Why was Senator McGauran sent down to Tasmania? The National Party do not exist in Tasmania. They made an attempt about 20-25 years ago. We—and this is one area where I am sure Senator Calvert would agree with me—are happy the National Party does not exist in Tasmania. They sent Senator McGauran down there as the Tasmanian liaison officer to re-form the National Party and to advise them in the state election in early 1983. It was a magnificent triumph! Senator McGauran was down in Tasmania rebuilding the Nationals, and I do not think they got more than 300 or 400 votes in any seat. They might have got a few more votes, but they got less than one or two per cent of the vote. Senator McGauran was sent down to Tasmania to re-form the National Party for the state election. It was an dismal failure. What has happened to the National Party in Tasmania? It is not surprising. I do not know whether Senator Boswell has been talking to Senator McGauran, but what was left of the old National Party—

Senator Calvert—Do you mean Chester?

Senator SHERRY—In fact, I was going to get onto Chester Summerville, Senator Calvert. Chester Summerville, the former head of the National Party in Tasmania, has joined One Nation. That is a sign of the times. I have to admit to some slight embarrassment. One or two former members of the National Party, who were signed up by Senator McGauran, have actually joined the Labor Party. I should not be too embarrassed because Senator Faulkner rightly drew our attention to the fact that the nephew of Mr McEwen, formerly known as 'Black Jack', the great dynamo of the National Party, is now standing for parliament. He is so appalled—

Senator Carr—In McEwen.

Senator SHERRY—That is right. In the seat named after Black Jack McEwen, that dynamo of the National Party. He has been motivated to stand for parliament.

Senator Carr—Which party?

Senator SHERRY—But which party is he standing for? He is standing for the Labor Party! The poor old National Party have gone into hysterics in the last week. Every time they have passed the media at the door of the Senate, they have been making impassioned pleas about the great deal they are delivering for the bush, regional Australia. We have had Senator Sandy Macdonald saying, 'We will not allow more than 16 per cent of Telstra to be sold.' We will be interested to see his vote. We have had Senator McGauran making a lot of noise about it. My colleague Shayne Murphy has referred to a very interesting article in the *Australian Financial Review*—time does not allow me to go through it—written by Finola Burke. Senator Boswell, I urge you to read that article because it really does expose the way in which the Liberal minister, Senator Alston, has conned you. In reality, the amount of money that is to be spent on the package—

Senator Carr—Chicken feed.

Senator SHERRY—Absolute chicken feed. You have been conned, yet again. You have been rolled by the Liberal Party. Your problem is that your supporters see no difference between the National Party and the Liberal Party. Senator Boswell, in your heart of hearts, you know that is true. That is why you have been in absolute panic and overdrive in the last week trying to differentiate yourself from the Liberal Party. But it will not work. People out in rural and regional Australia—everywhere for that matter—are not silly. They know that the National Party no longer represents rural and regional Australia. By selling the remaining two-thirds of Telstra, you sell out their interests, Senator Boswell. You know that is what they are saying to you. *(Time expired)*

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate) (11.53 a.m.)—This seven hours which has been allocated to the parliament to—

Senator Carr—Sell out your heritage; seven hours to sell it out.

Senator BOSWELL—debate the Telstra (Transition to Full Private Ownership) Bill 1998 will be devoted to bashing the National Party. If that is the choice of those opposite, every time they do so, I will get up and defend it. So you will not have seven hours—

Senator Harradine—We have already gone 20 hours.

Senator BOSWELL—We have already gone 20 hours. But if you want to do that, that is okay. I will stand up every time and reiterate our—

Senator Sherry—Have you read the article?

Senator BOSWELL—No, I have not read the article—but I will reiterate the position of the National Party. Senator Carr has raised some very relevant points. Yes, we do have a challenge; we certainly do have a challenge in the bush. We can walk away from that challenge and say that we will not take our people forward; we will not give them the communications that they need; we will not listen to the NFF, the people of isolated children and the country women who have all made representations to a Senate inquiry about their need for communication technology which they want.

And yes, we can get spooked, if we allow ourselves to, with the One Nation invasion coming over us. But that would be the very wrong thing to do—to react against what is not right, what is not in the best interests of the NFF, who represent the farmers through their commodity groups like the sugar group, the united graziers, the wool people, the grain growers. They all meet and they know what they want; they have a communications committee that has put their shopping list to us.

So, too, did the parents of isolated children. About three weeks ago they came down here and said to the National Party, 'Please allow us to educate our kids through this technology that is available—but not to us; we cannot get it.' We listened to them. We listened to the CWA ladies when they came down and made their presentation to the Senate committee. They were unanimous in what they want.

That is what we have tried to get an agreement on—not only with the Minister for Communications, the Information Economy and the Arts, Senator Alston, but also with the Prime Minister (Mr Howard). On three occa-

sions we have been down there trying to get—and we have done so successfully, I believe—a package to go to those in the bush that will take them forward, that will give them the latest communications.

We could walk away and say, 'Yes, we've got to throw the anchor out because the hordes are coming.' But that is not the way to do it. You could try to outflank the One Nation Party by driving out past it further to the right and leading people back into the 1950s. Yes, it has some electoral appeal; it is what you call 'populist politics'. You can do that. It is not hard to do what Pauline Hanson does. Anyone opposite can do it, and anyone on this side can do it—go out, listen to what people tell you, repeat it back to them, and your vote will go up. But it is not leading in the right direction.

This is something that I will continually repeat: the people who represent the bush through the commodity organisations—the United Graziers Association, the Cane Growers Association, the Cattlemen's Union—know what they need out there. So they come down here and make representations to us, and they then expect us to perform. That is what we are doing; we are performing. I will just give the chamber a typical example of our constituents' problems—and you are quite correct, Senator Carr; the National Party do keep in touch with their constituency. A woman rang me. Her name is Wendy—

Senator Hogg—It doesn't matter.

Senator BOSWELL—Well, it does not matter.

Senator Sherry—It does matter.

Senator BOSWELL—All right. Let us just get her name then. Here it is, Wendy Bailey. I have rung Mrs Bailey on a continual basis. She has had a problem; her phone bill is $3,200.

Senator Sherry—You cannot remember her name.

Senator BOSWELL—Of course I remember her name. I have it here, I have written it down and I will repeat it. She writes:

> This package that is negotiated, it will be a big help to us . . . and we are very grateful to them for doing what they have done.

That is just one way that the National Party communicates with its constituents. Mrs Bailey sent me a letter. I gave that letter to the Prime Minister and said, 'Here is a cry from the bush; fix it up.' The response to that from Senator Alston was our increasing the time limit to 12 minutes and reducing the pastoral rate for a local call to 25c. There is the response. That woman is coming back and saying, 'Yes, thank you. The National Party has helped us; it's a big help.'

I am also grateful to Senator Schacht because last night he pointed out that the National Party, while it may have gained this telecommunications reduction in price, was being conned and that it was not in the legislation—and that you do not trust the Liberal Party anyhow because they have disagreement between their factions. I put this to Senator Alston. He said, 'Well, look, if you've got a problem with it, let's put it in the legislation.' I think he has given instructions to his office that an amendment will be brought forward, and I will move that amendment and Senator Ian Macdonald will second it.

Senator O'Brien—It took us to bring it to your attention.

Senator BOSWELL—No, there is a difference. We actually trust people. We have been in coalition for 30 or 40 years, and there is a trust between us.

Senator Sherry—They have dudded you, Senator Boswell.

Senator BOSWELL—There is no dudding us. There is a trust between us. That is totally different from you guys. You do not trust each other. The Left does not trust the Right—in fact, they hate each other—and the middle gets squeezed out all the time. That is the difference. But Senator Schacht is quite correct because I have asked Senator Alston to give us an amendment, and he has agreed to pass that amendment.

We have been going now for 20 hours and there are six hours left of the seven hours. If you continually ask what the National Party have done or have not done for rural people, that is your prerogative, but do not expect me to fold because you put the pressure on. I

have had pressure on all my life. I have had to make a decision in this parliament on whether I try to drive the rural organisations forward and look after the bush, whether I try to give them communications that they can live with and whether I can get them out of the steam-driven communications they have now.

I have had to make a decision on whether I can do all that or whether I have to run scared of One Nation. I have decided that if you show fear you will always be frightened. I am not going to do it. I am not going to try to outflank Pauline Hanson to the right. I am not going to lead my constituents back into the 1950s because there is no future in that. Yes, there are problems in the bush. We know that. I have not rolled over and I will never roll over. I have stood up for the bush in this place on many occasions. I have crossed the floor. I have an agreement with the Prime Minister that he will take the bush into the 20th century in technology. I believe him and I believe that we need to go—

Opposition senators interjecting—

The TEMPORARY CHAIRMAN (Senator Chapman)—Order! Opposition senators know that excessive interjections are disorderly and that remarks in this chamber are supposed to be directed through the chair. Would you please obtain some decorum. No doubt you will have an opportunity later in the day to respond to Senator Boswell's remarks in a formal way.

Senator BOSWELL—We have been in this game for 75 years. We have been in tight corners many times. Yes, we could roll over and say that it is too hard. But what sort of representation would that be if you said, 'It is too hard. We have to be careful of what One Nation does. Let's retreat and don't do what is right for our constituency'?

Senator Schacht, you are correct when you say that we are a party based on grassroots. We are a party that connects with all our constituency through their commodity boards and commodity organisations. We listen to them. They are unanimously saying to us as one, 'Please give us a communications system that will allow us to carry our farming business, that will allow us to connect up with the world markets so that we can see what the cotton price is today in London, England and what the market is for beef.'

Senator Schacht—Have you given them 64 kilobits?

The TEMPORARY CHAIRMAN—Order! Senator Schacht!

Senator BOSWELL—It is all right, Mr Temporary Chairman. They know they are wrong. They know that they want to go back into the 1950s. The National Party is a party for today and tomorrow. It has a great history, a great past. We are not going to look over our shoulder continually. The future is out there. The future is for us. We are going to take our people into the future and not look over our shoulder backwards.

Senator LEES (South Australia—Leader of the Australian Democrats) (12.04 p.m.)—Originally I intended to try to bring this debate back to the preamble, where I think we have been for about seven hours. It was a vain hope, but I thought we might at least try to do that. However, I cannot let some of Senator Boswell's comments go unanswered. I begin by agreeing with him that there were lots of people that came before not only this committee hearing but also the committee that I chaired on the first sale. On the first occasion many people from the bush pleaded with us to listen to them about their appalling communications. I do not think anyone in this chamber will argue with that. It should have been done many years ago. We sat through all of that and then had to deliberate on whether or not selling this huge organisation was the way to fix the problems. I think at best, looking at all we can look at, which are the results of the sale of the first third, we can say that it has not delivered.

The people that came before the committee that I chaired explained everything—from their lack of access full stop to the breakdown problems and all the difficulties they had. They then listened to all the promises that the government made about how wonderful things would be. The government promised that things would get better once Telstra was privatised. In a moment I will go through some of the figures that I mentioned in my speech during the second reading debate. It

does not matter what measurement you take—whether you take the length of time to fix a fault, the length of time to get a phone connected in rural Australia—we have gone steadily and rapidly backwards in the last couple of years.

How this government believes that selling the rest is going to make things suddenly enormously better I do not know. One of the amendments I will deal with in a moment looks at preventing the sale until such time as we get the service levels back up to where they were three years ago—in other words, putting the sale on hold until such time as there is at least a basic service for the existing quality in the bush, and then reconsidering whether or not we do want to sell the rest.

The package, which we do not know anything about—presumably it has at least a billion dollars in it, by the sound of it—may, for some people in rural areas, finally get them a service that is at least reliable. Maybe some people will have better Internet access. Senator Boswell was right, again, when he talked about bringing some people in the bush up to date—in other words, 1998-99.

When this pork-barrelling exercise is over, the money has run out, Telstra has been sold and we are in 2004 or 2005, who knows what is over the horizon? By the look of it—we are on the verge of a whole raft of new technology—the private company is going to make exactly the same decision as it has in the last couple of years: 'Sorry, it's too expensive.'

Senator Alston—That is why you have customer service guarantees.

Senator LEES—And that service guarantee is not worth the paper that it is written on, Minister.

Senator Alston—That is why you have fines, if necessary.

Senator LEES—This is why we have fines! Big deal! Eleven dollars or something for not connecting. Wow! If I were Telstra making $3 billion or $4 billion a year—

Senator Alston—A $10 million fine if necessary.

Senator LEES—You refused yesterday when questioned to even say what was going to trigger the bigger fines. The company is going to say, 'We can pay that.' Of course, we have to remember that individuals actually have to know where to get the forms they need to actually go and complain and then maybe be eligible for some of the payments. So I think that Senator Boswell is very misguided to believe that this really is in the long-term benefit of the people his party claims to represent.

Let us try to get back to the preamble and start looking through some of the amendments that we have, as we are able to do at this time. By the sound of it, the preamble is going to disappear. I am very pleased to note that not just Senator Harradine but also the government seems to now agree that it is basically a political statement, that it has got some real minefields in it and that we simply cannot make some of these outrageous claims about what the benefits of a full privatisation are.

I would like to move on and start looking at what we are trying to do in some of the rest of our amendments. We have, after all, only six hours left and some 50-odd amendments to deal with. I would like to look at the second Democrat amendment, which I understand will be the next one put because a couple of Senator Bourne's amendments, which she will explain shortly, are either lapsing or being moved further down the list. Our second amendment seeks to amend the most undemocratic and, indeed, constitutionally suspect aspect of this bill. This amendment seeks to modify the proclamation date for the legislation so that it falls after the new parliament takes effect, which is 1 July 1999. Remember, as we go to this next election, presuming it is a half-Senate election—if we have got rid of the double dissolution possibilities—the new Senate does not take its place until then.

This amendment assures that we actually test the mandate. In other words, we do not just look to the House of Representatives but we test the mandate in both the House of Representatives and the Senate. We believe that this is essential, because we really do not know how the next parliament will be constituted. If the Howard government is re-elected,

the polls tell us very clearly that it will not have a majority in this House.

We have to ask the government why the value of the Senate vote is discounted by simply putting the proclamation only in the House of Representatives. What happens if, as the polls suggest, the House of Representatives produces a party that does not actually have a majority? Who knows? We could see, hopefully, a couple of Democrats down there. We would, I would think, have Mr Andren back and maybe Mr Paul Zammit as well. We see in the South Australian parliament now a number of Independents in the lower house. We believe that it is simply not good enough to just push it through the House of Representatives. If we are to keep Mr Howard to his promise that Telstra will be sold only if the people approve it, then it must be tested in both houses.

We have had some undertakings from the Labor Party. Perhaps Senator Schacht would like to develop these further in terms of the promises from the Labor Party. They have talked about actually getting rid of this bill. We are seeking to hear, too, further commitments that the Labor Party will not move at any time while they are in government, if that is what the situation is after the election, to put this issue back before us. Also, by testing this issue in both houses of parliament after the election, it gives the opposition—whoever that is—an opportunity to make their points of view as well.

The Clerk Assistant (Procedure) has advised the Democrats that this clause actually breaches the separation of powers enshrined in the constitution. Section 51 makes it clear that this parliament is supposed to make the laws, yet this bill basically leaves the final decision to the Executive Council, to the cabinet, and it therefore breaches the constitution. It is dubious on political grounds, but it is also dubious on constitutional grounds.

My amendment is similar to the one which was accepted by all parties in the digital television bill last week; this is nothing new. It says that the proclamation date must be approved by the resolution of both houses. This will test the mandate properly. The National Party, hopefully, will have had the opportunity to go back to their electorate and have further input from rural people, not just about the sorts of services they want but how they believe they can be delivered. Therefore, as we get further on in this debate, I will be moving, effectively, that we take the date out to 1 July 1999, which is when the new Senate is constituted, and then we make sure that this proposition is put before both houses. Hopefully we will not let the government do what this one is unceremoniously trying to do—that is, to stomp on the rights of the Senate.

I want to touch on a couple of other Democrat amendments which, when we get to those sections of the bill, will speed up the process. The Democrats' third amendment simply opposes the entire clause that lets the Commonwealth sell the rest of Telstra. We will oppose it absolutely. I remind the government here that the long-term picture is not the one that they paint. If you look at the forecast of where Telstra is going—and, yes, you do all your sums and you take off the debt repayments—if you put all the figures on the table, you will see that we will have a $4 billion black hole in the public purse six years out from now.

The next time I seek the call I will read some of the full budget impacts of the Telstra sale because the government conveniently leaves out things such as franking credits. It likes to put on the table only the sets of figures that it wants to talk about. I would also like to look at the enormous pressure that is going to be put on the regulators because of the profitability of Telstra. This is going to be Australia's largest company if this bill goes through, if this government comes back and if it is then proclaimed. It is going to be twice the size of BHP; it is going to be the size of BHP and the National Australia Bank all rolled into one. If this government thinks that it can do better than Jeff Kennett, who has not been able to resist the Crown Casino pressures and keep the regulations strong, I think everybody will be amazed. We have only to look at international examples to know the pressure that companies can bring on.

My colleague Senator Murray will be moving an amendment later on that will stop

Telstra, as a privatised entity, accepting any encouragement to make political donations. One of the worst scenarios that we could see is a very large company that spends a few hundred thousand dollars here, a few hundred dollars there, $10,000 here or there, and so, perhaps for $400,000 or $500,000, keeps political parties happy in a financial sense, and then expects whoever gets into government not to press regulation, because these regulations—these customer service guarantees—will need to be changed over time, as they would if it remained in public hands.

If it is in private hands, the pressure will be to leave it, 'Do not make a fuss. Let us interpret it in the narrowest way we possibly can to maximise our profits,' because the profits of this company, if it is privatised, will hinge on weak regulation—the weaker the regulations, the less service they have to provide to the bush and the bigger the profits. It is a simple balance. It is a simple equation. We can throw into that mix the possibility of substantial donations which, I am sure, will be across the political board. They will be to all political parties to keep everybody onside and everybody happy. For political parties these days, struggling to afford the level of campaign that we will be going into, a $10,000 donation is substantial, and a $100,000 donation is more than a bit welcome.

Let us look again at the customer service guarantee in the bush. It will be pretty easy for new technology—and who knows what it will be beyond the year 2000—to be introduced into the cities. The market is there and the profits are there. That is not the case as we move out—and not too far out. Indeed, East Gippsland, which is not exactly the back of beyond, has no mobile service now. There is very poor access, particularly if we get bad weather conditions out in East Gippsland. That is not an area that anyone is going to be particularly concerned about. A few thousand voters out there are just written off. Some of the southern areas of New South Wales along the coast are popular holiday destinations, but who really cares if the people who have retired down there do not have a service?

It should not just be people who consider themselves rural and remote who should be worried about what is happening. It should also be people who live off the major routes, away from the key capital cities, who require an extra service and, in particular, faults to be fixed. Just one example: the transmitter for the ABC in Albury-Wodonga keeps breaking down. They used to have someone on site. In summer sometimes it was something as simple as putting a fan in front of the cooling systems and keeping them on line. The last time they broke down, it was not for a couple of seconds or minutes, it was for hours. They were referred to someone in Newcastle, and they tried to point out to the intermediary on the phone that Wodonga was not next door to Newcastle. So I believe centres as big as Albury will be looking around in the future for adequate services. We should not just consider that people out around Broken Hill or people north of Oodnadatta are the ones who are going to be hit by this.

Away from the capital cities, there will be extreme difficulties—maybe not within 12 months, Minister; maybe the big barrel that you are going to roll out will cushion them for three years—but let us look to the future. Let us look to the new technology that is undoubtedly over the horizon, and then ask, 'How on earth are we going to bother? How on earth are we ever going to get services out into anywhere other than our capital cities?'

Senator IAN MACDONALD (Queensland—Parliamentary Secretary to the Minister for the Environment) (12.19 p.m.)—I rise to support my Queensland colleague and friend Senator Boswell in the remarks he made in this particular debate. He has made some very sensible contributions, and he has done a hell of a lot of work towards this package for the bush, as has my colleague Senator Heffernan who lives in the bush and represents the bush. Senator Tierney, Senator Troeth, Senator Ferguson and Senator Chapman, my Liberal Party colleagues, are people who represent these areas. Senator Calvert and Senator Crane live in the bush. Senator Eggleston and Senator Lightfoot—

Senator Schacht—I rise on a point of order. It is a matter of relevance. Why doesn't the parliamentary secretary table the list of all the Liberal senators and save his own time in

having to read all their names out? It is irrelevant what he is saying.

The TEMPORARY CHAIRMAN (Senator Chapman)—There is no point of order, Senator Schacht.

Senator IAN MACDONALD—I live in the bush, Senator Schacht. I am one of the few senators in this chamber who lives in a rural town. I know Senator Heffernan does. You would not even know what it was. I think I heard you say that you were born in the East Gippsland area but, my goodness, it has been a long time since you have been in the bush. My Liberal colleague Barry Wakelin represents most of rural Western Australia. He has had a great interest in this bill.

Senator Schacht—I rise on a point of order. I think the senator should be accurate with his information. Barry Wakelin represents the federal electorate of Gray, which is in South Australia not Western Australia, you dope.

The TEMPORARY CHAIRMAN—It is a point of information rather than a point of order.

Senator IAN MACDONALD—Senator Schacht draws attention to the fact that my colleague Barry Wakelin represents most of South Australia—the bush areas where Senator Schacht would never have been. Mr Wakelin has done a lot of work on this telecommunications package, as has my northern colleague Mr Warren Entsch, a Liberal member, who represents the Gulf area of Far North Queensland, the Cape York area and the Torres Strait area. He knows what it is like to have a decent telecommunications system in those remote parts of Australia.

You would not understand, Senator Schacht. You have come into this debate, and you have threatened to go out into the bush in the campaign to let everybody know about it. You say that as a threat; I say it as a promise. Please, please come out. You will not be talking to any of your colleagues out there, because there is no-one in the bush that represents the Labor Party.

I want to tell you this, Senator Schacht and senators, there are a lot of Liberal members who represent most of the rural seats—people like Sharman Stone, who was mentioned before. You attacked the National Party before for not representing the bush, and then you had this ridiculous argument that, because the National Party is supporting this, it has lost the seat of Murray. It was won by a Liberal person, Sharman Stone, who supports this bill entirely, as do all the Liberal members who represent rural seats—Gary Nairn, who represents Cooma down onto the coast, Joanna Gash, Bruce Reid, Mr Ronaldson, Lou Lieberman and Barry Wakelin, whom I have mentioned. He supports these sorts of ideas. Wilson Tuckey really understands the bush and is a Liberal who has represented the bush for ages. Then there is Ian McLachlan, a Liberal, and Judi Moylan.

Senator Schacht, you should understand that these seats, which we won at the last election, were not won from the National Party; they were won from the Labor Party. The Labor Party used to hold a couple of bush seats, but the Liberal Party won them all because we support these sorts of policies. Senator Boswell has done a great job and so has his party. The member for Hinkler and the member for Maranoa are members of the National Party who represent rural seats, and they have had a tremendous input into this. It has come out as a great package.

Senator Schacht, you say your government had an interest in the bush. Your government was the one that wanted to turn off the analog system, which is the only one that is usable in the bush, in the year 2000. You said it was finished—nothing, absolutely nothing. That was your government. You said, 'Turn them off,'—and you reckon you know what the bush is like. You reckon you have some understanding of the bush. You would not have a clue. You think the bush is a couple of trees in your backyard.

You should get out into central Australia—where, incidentally, I am going next week. I am going to drive from Townsville to Perth across the centre of Australia to see real Australians in the bush. You would not understand. You would not have any idea of what it is like being out there. I am taking this opportunity—as well as looking at a road proposal, which is a matter for another de-

bate—and I am going to be publicising this tremendous deal that Ron Boswell, Warren Entsch, Peter Lindsay, Bill O'Chee and I have won for people in the bush. For the first time they can ring their neighbour five kilometres away and they will not have to pay trunk line charges for it. They can get it at the price of a local call and it will be untimed. That never happened under Labor.

I am going to use my trip next week to tell these people in inland Australia, in places where you have never been, what a great package this is. I am going out to do it very proudly and very happily. During the course of that I will be meeting my Northern Territory colleagues, Liberal Mr Nick Dondas and Country Liberal Senator Grant Tambling, because they understand the bush. They, along with Senator Boswell, Senator O'Chee, Senator Heffernan and I, understand that this is a great package for the bush. That is why—

Senator Schacht—I raise a point of order. On the matter of relevance, can Senator Macdonald provide us with an itinerary of where he is travelling so we can publicise where he will be to assist him?

The TEMPORARY CHAIRMAN (Senator Chapman)—Order! Senator Schacht, you know that is not a point of order. That is frivolous.

Senator Schacht—I am just trying to help this man.

Senator IAN MACDONALD—If I had it with me I would table it; in fact, I would incorporate it. Would you give me permission to do that if I come in later?

Senator Schacht—Absolutely.

Senator IAN MACDONALD—Okay, I might do that. Just now, I will tell you about it. I am going from Townsville to Winton through to Towbemorrey—you would not have any idea of where that was—along to Alice Springs across a dirt track that is barely accessible to four-wheel drive. I will be in a four-wheel drive. I will be explaining to people as I go what a great telecommunications package this is.

Senator Schacht—I raise a point of order. On the point of relevance, Senator Macdonald has outlined that he will be travelling through the electorate of Kennedy, which is the electorate of the member Mr Katter, who opposes privatisation. Will you be accompanied by Mr Katter when you meet his constituents to explain your sell-out, Senator Macdonald?

The TEMPORARY CHAIRMAN—There is no point of order. Senator Ian Macdonald is being quite relevant in the comments that he is making with regard to the bill and his intention to promote it in rural areas.

Senator IAN MACDONALD—You always know when the Labor Party are on the back foot because they will do everything they can to interrupt the speaker. Here he goes again. Come on, I have only got 10 minutes. You can interrupt me about another 10 times, but you know that what I am saying is true. You know that what I am saying means that bush people will have the best telecommunications systems available.

Senator Heffernan interjecting—

Senator IAN MACDONALD—They are not like the Labor Party, as my friend reminds me, who wanted to cut the bush off—finish with the analog system.

We have said that we will put in a system which is better than analog but which has the same sort of network. It will be a great system for the bush. People who have an analog system now and who come into the city find that their analogs do not work. Under our new system, announced by Telstra, they will be able to get a handset that they can use in the analog network—an improved analog—and they will be able to switch it over to the digital.

Senator George Campbell—How much will they pay for that?

Senator IAN MACDONALD—You would not understand. You do not care about people in the bush. Senator George Campbell, you would not know. You know what the wharfies are about. You know what all the unionists are about who want to stop Australians having jobs, but you do not understand the real people in Australia, the real people who do productive work for Australia. You know what the unionists do and you know what the wharfies do when they want to stop Australia.

I am talking about people who really keep Australia going. They deserve a better telecommunications system than your government was prepared to give them.

You wanted to cut them off. We are putting them online again. We are improving it and we are giving them the ability to use the same handset when they come into the city. People up my way will be able to use this new code diversion multiple access system out in Hughenden, out in Winton, out in Towbemorrey and in places you would not have even heard of.

Senator George Campbell—They would not recognise you where you live in Townsville.

Senator IAN MACDONALD—You would have heard of Barcaldine because your lot claimed to have started there. But the people in the Labor Party who started your group in Barcaldine would not recognise you now, Senator George Campbell. They would puke. They would puke at the way you people and the unions ran the country. That is where this telecommunications system will be—

Senator Faulkner—I raise a point of order. Can I say that the warning Senator Ian Macdonald has given to the local communities of a four-wheel drive weaving over the roads any time after midday on any day of the week is very useful.

The TEMPORARY CHAIRMAN—That is not a point of order.

Senator IAN MACDONALD—You can always tell when the Labor Party are being hit right in the guts. They always get up and put it about that 'You have been drinking.' They always do it.

Senator Faulkner—I didn't say that.

Senator IAN MACDONALD—I know, when they say it, that I have got them. They know it and that is tremendous. I enjoy them doing it because that shows that we are actually getting to them.

Senator Ian Campbell—He agrees with Senator Wright, because he said that you cannot trust a man who doesn't drink.

Senator IAN MACDONALD—Only in moderation, Senator Campbell, and only when I am not speaking. You know you have got them, and I am very pleased about that. Senator George Campbell would not understand people in the bush.

Opposition senators interjecting—

The CHAIRMAN—Order! I will have fewer interjections on my left.

Senator IAN MACDONALD—Can I ask you to stop the interjections at the same time.

The CHAIRMAN—No. Just talk to me and ignore the rest.

Senator IAN MACDONALD—Madam Chairman, one of your colleagues, Senator George Campbell, is a member of a group that has done its best to ruin Australia, particularly inland Australia. The people whom these telecommunications announcements of the last couple of days will help are the people in central and remote Australia and the producers in this nation.

I congratulate Senator Lees. She is the first one on that side who has spoken about the bill today. She has indicated that she is moving an amendment to do away with the preamble. Senator Harradine has indicated that he supports the amendment to get rid of the preamble. Senator Alston mentioned at 8 o'clock last night that he would accept that amendment, so why have we spent since 8 o'clock last night until now debating an amendment which everyone agrees upon? It just shows to the people of Australia that the Labor Party will do anything to filibuster, to cost the taxpayers money, to keep this chamber going and to make the most ridiculous and contradictory speeches I have ever heard in the last several hours.

Madam Chairman, you, like me, would be concerned at the absolute hypocrisy of those who just chat, chat, chat all the way through. You would be embarrassed, as anyone who might happen to be listening to this would be, at the spuriousness of the arguments from the Labor Party. They are so shallow and they mean absolutely nothing. As I have said, we have all agreed since 8 o'clock last night that this amendment should be dealt with.

Why is the Labor Party continuing with this farce? That is why I think it is so important to support my colleague Senator Boswell and

to acknowledge the work he has done. I also acknowledge the work of Wilson Tuckey, Warren Entsch, Peter Lindsay, Joanna Gash and all those Liberals, joined with their National Party colleagues.

Senator Schacht interjecting—

Senator IAN MACDONALD—Nobody believes Senator Schacht. I guess in the next election you will have such a problem trying to save your own seat that you will not be doing any campaigning anywhere else. I think you are history.

The CHAIRMAN—Senator Ian Macdonald, address the chair, please. Senator Schacht, that is enough interjecting.

Senator IAN MACDONALD—Madam Chairman, your colleague Senator Schacht is history. It is comments from people such as Senator Quirke and others like him which show that Senator Schacht is finished. He will not be coming back the next time that he faces an election, be it in three or six years. I do not quite follow his history, but he is gone. It shows that he has no credibility whatsoever in the Labor Party.

Honourable senators interjecting—

The CHAIRMAN—I will have some silence from both sides. The amount of noise being generated in this debate is totally unparliamentary. Senator Ian Macdonald should be addressing the chair and be heard in silence.

Senator IAN MACDONALD—I see that Senator Faulkner has got his riding instructions from Senator Ray. They are lining up the big guns. Senator Murphy will come in now. Wow!

The CHAIRMAN—Senator Macdonald, there is no need to be provocative.

Senator IAN MACDONALD—Madam Chairman, I refer to a comment you made in this debate yesterday. You said, 'Isn't it terrible all the money that Senator Harradine is getting for Tasmania.' That was a precis of what you were saying. You were rousing on us for that. I do not know whether it is true, but I take your word. You say that we are giving Tasmania a hell of a lot of money. Does Senator Murphy agree with you? Is he angry that we are giving Tasmania a lot of money? Which of the others comes from Tasmania?

Senator Chapman—They are very quiet.

Senator IAN MACDONALD—It is very quiet, isn't it. One of the people sitting near Senator Murphy also comes from Tasmania, and that is Senator O'Brien.

Senator Ian Campbell—You wouldn't know it, would you?

Senator IAN MACDONALD—He has not said much in favour of Tasmania. I want to know whether he agrees with the Deputy President when she criticised us for giving a lot of money to Tasmania. Senator Mackay is also from Tasmania. Does she agree with the Deputy President in that we are naughty for giving a lot of money to Tasmania, or does she agree with Senator Schacht that we should not give Tasmania anything? Which is it? You were giving me some assistance before, but we do not seem to have it now.

I have a lot of important things to do, but I am sure that some of my colleagues will want to carry this on. It is important to acknowledge the amendment that Senator Boswell is going to move. I hope I have the honour of being able to second it and to speak to it when it comes. The whole package will do great things for all Australians, particularly those who in the past, and under Labor particularly, have never got anything. I think we should move on.

We all agree on this amendment. I guess Senator Schacht will get up and move that we put the motion, because we all agree to it. Why we further debate it makes my mind boggle. Perhaps we should move on to the amendments where there is some conflict rather than deal with an amendment that we all agree on. *(Time expired)*

Senator Schacht—Madam Chairman, I raise a point of order. I remind Senator Ian Macdonald that the opposition will give him leave to table in parliament the itinerary for his grand tour through outback Australia in the next couple of weeks. We would be happy to have that published so that he can invite Mr Katter and Mrs De-Anne Kelly to

accompany him on that trip. We will give him leave to table that itinerary.

The CHAIRMAN—Order! There is no point of order.

Senator MURRAY (Western Australia) (12.36 p.m.)—We are now into about the 20th hour of debate. We have spent seven hours on the preamble. In that circumstance, the points have been made again and again. My conclusion at the end of the debate so far is the following: the Australian Democrats, the Labor Party and the two Greens are vigorously opposed to the sale of Telstra, and the Liberal Party, the National Party and the two Independents support the sale of Telstra. The result is that we are going to lose Telstra and that we are going to lose the bill.

There are 50 amendments on the running sheet. Only two of them are Labor's. If we are going to lose the bill, we should do our very best to improve it. I urge everyone who feels passionately about this, including us, to move on with the amendments so that we can do our best to make it a better company for Australians generally.

I wanted to make a contribution to this debate and take up an important comment from Senator Harradine during the debate on the preamble. Senator Harradine did confirm his comments at the time that Telstra was debated in 1996 pointing out that he was opposed at that point to the sale of all of Telstra because it was a natural monopoly. I understand Senator Harradine to now say that things have changed, and that Telstra is subject to intense competition and is no longer a natural monopoly.

I think it would be helpful if he expanded on this statement. While it is true that Telstra has competition in a number of areas, Telstra is still unquestionably the dominant player in the telecommunications market. According to the most recent report I have seen from the IBIS Business Information Bureau, Telstra still enjoys 82 per cent of the telecommunications market, Optus has only 13 per cent and AAPT just two per cent. That is hardly significant competition to Telstra at this time. In anticompetition law and practice worldwide, around 30 per cent is seen to indicate a dominant player.

Even those figures ignore Telstra's strength in key markets. On local calls and exchange line rentals—26 per cent of all telecommunications services—Telstra has a 100 per cent monopoly. On domestic long distance calls, Telstra has 73 per cent of the market while Optus has only 12.5 per cent. On international calls, Telstra has 66 per cent while Optus has 24 per cent. Telstra has 64 per cent of mobile services while Optus has 29 per cent. Telstra has 82 per cent of data services, 74 per cent of directory services, 80 per cent of customer premises equipment and 100 per cent of pay phones, but only 30 per cent of Internet service provision. That is a swag of market power which is extremely dangerous to put into private hands. I would be happy to provide a copy of that IBIS report to Senator Harradine and any other interested senator, if they wish.

This week we saw Telstra obtain another monopoly service with the CSDA mobile announcement. This new technology, new service and new market is a 100 per cent Telstra monopoly, with no scope for switching between carriers. In all, these figures show that Telstra, if not a monopoly player, is certainly close to an effective monopoly in many areas. In rural Australia it is a monopoly player. Most Australians, probably all Australians, know that unless monopolies are in public hands they are a danger. When you have excessive power in private hands, it will be abused.

Telstra still has an absolute monopoly over local calls. There has been a much heralded entry of Optus into this market, but it has not happened yet. Indeed, if Optus is forced to pay the prices demanded by Telstra for access to the network, it never will happen. That issue, of course, is currently before the ACCC, along with other inquiries into various aspects of its operations. There Telstra is fighting tooth and nail, giving some idea of just how hard a fully privatised Telstra will fight. That is natural; it will look after its self-interest, and its self-interest will be to remain as big and as dominant and as much in control as possible. It is only the government and the public sector restraints which can hold back that natural urge.

The Telstra Chief Executive Officer warned in May that, if too many changes were made in favour of consumers and new companies, Telstra may not be able to be floated. Telstra's public relations department has been fighting this and other ACCC inquiries hard. All this is the kind of natural aggression that such a big beast will display. In May, Telstra released a statement warning against further regulation of transmission capacity, arguing that it would be harmful, was unnecessary and would choke further investment. It is warning us yet again of the style that it will adopt, which will be far more vigorous, when it is fully privatised. Even in the most competitive area of telecommunications, Internet service provision—the only area where Telstra is not dominant—it is now on the way to becoming so, with a reciprocal data alliance announced in May with OzEmail. That is hardly a move towards more competition, and comes among continuing claims about Telstra's pricing policies for Internet service providers.

For the Democrats, the picture is coming through of an increasingly aggressive corporate entity which could become more of a bully than a partner in our lives. It will aggressively defend its dominant market share and be prepared to do whatever it takes to expand its market share. That is not competition in the true sense; it is the natural attitude of a monopoly. The only thing standing between Telstra and total market dominance, apart from the ACCC—and the ACCC is testing many of its powers for the first time—is this parliament. We are about to give up that power. I wonder how effective the ACCC could be in controlling Telstra. Judging by the weakness of the British regulators in controlling British Telecom post-privatisation, I am not optimistic that Telstra's market dominance will not grow with privatisation rather than be reduced under competition.

I ask Senator Harradine, the National Party and the Liberal Party and Senator Colston to think carefully about these issues. Telecommunications is the fastest growing segment of the Australian economy. Telstra controls 82 per cent of it now and is very well placed to defend and even increase that share. It is to the credit of the Labor government previously that it was under them that competition was introduced in the telecommunications arena. It is them we have to thank for at least the modicum of competition that exists at present. But now is not the time to give up Telstra from public ownership.

If Telstra is a natural monopoly, particularly in the local class area in the provision of the best basic network, it will take advantage of that position to maximise shareholder returns. Any private company—and any public company—naturally and correctly sees as its principal objective maximising profit and shareholder returns. The Democrats do not have the absolute confidence that the government and the two Independents seem to have that the ACCC and the ACA have sufficient regulatory means, rules and resources to take on Australia's biggest company and win. Telstra and its shareholders should note that, if it is to pass out of the hands of all Australians, this parliament should look carefully in the future at introducing an anti-trust regime and breaking it up.

Senator MURPHY (Tasmania) (12.46 p.m.)—We are debating the preamble of the bill, and I want to refer to the part which says that the sale of the Commonwealth's remaining two-thirds equity interest in Telstra will benefit the Australian community. It is interesting that Senator Ian Macdonald, Liberal senator from Queensland, had to be dragooned into here to defend the National Party leader, Senator Boswell. What I want to know is: where are Senator Boswell's colleagues? Where are Senator O'Chee, Senator Sandy Macdonald, Senator Brownhill and, of course, Senator McGauran? Why aren't they in here arguing the case, to defend Senator Boswell for the deal they have done with this government?

Senator Macdonald was saying that he was going to tour the outback of Australia. The last time he toured the outback was when he was a frontbencher, and he lost his frontbench position. So, if there is going to be another tour around the outback for Ian Macdonald, the outback had better be careful. Of course there is plenty of wide open space out there, but I am sure it will do them no good at all.

The deal that has been done and is being sung on such high moral acclaim by Tim Fischer, the Deputy Prime Minister, is this $150 million deal to deliver a better service. This is what it is really about: a benefit to the Australian community, that some 37,000 households in the remote areas of Australia will get a better service.

I was looking at the *Herald Sun* today and I think nothing more epitomises the view of the bush with regard to that deal than the cartoon on page 24 beside the editorial entitled 'The bush telegraph'. It shows the Deputy Prime Minister, Mr Fischer, with his little toy mobile phone, saying, 'Tim Fischer calling . . . How clear is the success of this Telstra privatisation policy with rural voters?' You then see him, still with his little toy mobile phone, saying, 'Hello?' and the phone is going, 'Beep, beep, beep.' Obviously the people in the bush do not buy it. They never have bought it and they will not buy it in the future.

Senator Boswell said, 'Look, we were not spooked, we were not walking away.' I have to say that if they were not spooked they have certainly let the horses bolt. I want to go back to when this bill first came into the House of Representatives. Did the Deputy Prime Minister raise anything at that time? Did Mr Anderson or any of the other Nationals, including De-Anne Kelly, raise anything in the debate with regard to the full privatisation of Telstra in so far as achieving better outcomes for people in the bush? No; not one thing.

We come to the report that has been referred to by Senator Macdonald. Was Senator Boswell a member of the committee? No. A participating member? Yes. Is there a minority report from the Nationals in the committee's report about the full privatisation of Telstra? No, not one word. There was not one word about what they were requiring, even though a lot of supposed National Party voters gave submissions to the committee. There was not one word. There was no minority report. There was absolutely nothing.

It just goes to show how these people have been conned by the trinketry and the tricks of the minister and the Prime Minister. This is the real trap that the Nationals find themselves in: the only way that they are going to get to deliver to the bush is for the full privatisation of Telstra to proceed. And that is why the people will not buy it. So they have to go out there and urge the voters to vote for them to get the full privatisation up. What a stupid position to be in.

Why have they not done anything about it before? I go back to the preamble where it says 'will benefit the Australian community'. Why wasn't this done before? We have already had a one-third sale. What did the Nationals say then with regard to services in the bush? They said it would bring better services. Why is it that it has taken a One Nation success in Queensland to force these people out of their holes in the ground to try to represent the people that they claim to represent? It took a One Nation electoral success, and the record proves that.

You can go through the *Hansard* in the House of Representatives. Indeed, you can go right back to November and December 1996 when we debated the first one-third Telstra privatisation bill. Did they say anything then? Were the services better then than they are now? No. So why didn't the National Party senators seek these sorts of guarantees then? Of course, they did not even seek a guarantee from the government by way of amendment to this bill as to the deal for the expenditure of $150 million that they have now struck.

It took us to highlight the fact that there was no protection for their deal. There was no guarantee that their deal would benefit the community, be it in the outback or anywhere else. There was not a single line in the bill about that. Of course, Ron ran down to see Richard and said, 'Listen, mate. We need to have something in the bill, otherwise we will be ridiculed.'

The CHAIRMAN—Senator Murphy, would you please refer to people by their correct names?

Senator MURPHY—Senator Ron Boswell and Senator Richard Alston, the minister. Senator Boswell said, 'We need to get something. You've got to give us something more. Not a toy telephone, not a few trinkets, we want something more. We want a little bit

more. Please, Minister, will you give it to us? We're looking silly enough as it is.'

Senator Carr—They will get it, all right.

Senator MURPHY—Senator Carr is right; they will get it. They have already got it once in Queensland. That frightened them out of the burrow like a bunch of scared rabbits. They have gone in every direction. Nothing has epitomised it more. This cartoon may have been Mr Tim Fischer trying to ring his colleagues, because they have gone in every direction conceivably possible. Not even one of them can come in here and defend the Leader of the National Party in the Senate. Not one National Party senator can come in here and defend Senator Boswell for the deal that he has done. Senator Boswell said today, 'We've been in coalition for 30 or 40 years.'

Senator Sherry—Too long.

Senator MURPHY—Yes, too long for most National Party supporters. The National Party really have lost the plot. He said, 'We've been in coalition for 30 or 40 years.' What an interesting scenario. It was just yesterday that Senator Boswell said that over the last week the Prime Minister and the Deputy Prime Minister have actually got to know each other. They have spent 40 years in coalition and have passed one another in the corridor I do not know how many times, but they obviously did not speak, they obviously did not talk about things much, they obviously did not discuss Telstra very often, not even if you go right back to the first privatisation bill.

Where are we at? We have got the preamble in the bill that says the bill will deliver these benefits. The only thing we have seen thus far is this deal that is supposed to deliver to some 37,000 households that are, in essence, west of the Great Divide. In the Queensland election, where did you lose all your seats? It was along the coast. What are you going to do about the National Party voters there? How are you going to win them back, Senator Boswell? Are you talking to the minister right now—

The CHAIRMAN—Order! Senator Murphy, would you please address the chair and stop talking to other members of the Senate.

Senator MURPHY—Is Senator Boswell going to try to win them back with another deal? Is he going to try to extend the deal? What the Deputy Prime Minister has said is really a question of integrity as well. The Deputy Prime Minister and the Minister for Communications, the Information Economy and the Arts, Senator Alston, were big on announcements yesterday. They announced the expenditure of $176 million, but Telstra had already planned to spend that. That was already in their budget. It was already partly spent. How much of that is going to be spent in the bush? The report says $5 million to $6 million. I have to say that the Nationals are doing really well here! They cannot even negotiate. They cannot even get 10 per cent of the money spent in the bush, and they say they are performing. Senator Boswell said in here this morning that he was performing. Is that his best performance? I have seen some performances like that, and do you know where I go to see them? Punch and Judy, the puppets. Here we have the National Party puppets. That is what we have got. The minister and the Prime Minister are there with Senator Boswell and Tim Fischer. They have got them beating one another around the bush. That is all they have ever been doing.

The poor old National Party voters, particularly in Queensland, had no alternative. They have been deserted by those they elected to represent them in this parliament. Is this deal going to deliver anything to them? Not one little bit. All it does is provide for a few people in the back blocks, and that should have been done after the sale of one-third of Telstra. It should have been done for the people then, because we talked about delivering a community benefit at the same time. But there has been no community benefit.

Senator Ian Macdonald raised with me the issue of Tasmania. Tasmania was supposed to get $58 million, but this is very interesting because the money is very hard to track through the estimates process. As I said, what has essentially happened in Tasmania is that, prior to the one-third sale, 1,450 people worked for Telstra in Tasmania. We have got far fewer than that now and the number is going down. It would seem to me that the

only thing the money is being used for is to pay for the shipment of Telstra jobs across Bass Strait to Victoria. If that is what the money was intended for, so be it, but we should not mislead the Tasmanian people. I do not want the Tasmanian people misled again with regard to what is going to be the outcome of this piece of legislation.

It appears, for all intents and purposes, that Senator Harradine has said he will support this legislation. Senator Harradine is, in his words and the words of others, a man of principle. He is a man of principle on the basis that he says so himself. He has spoken on a number of occasions about mandates that governments have. If Senator Harradine is going to support this legislation, I think the Tasmanian people have a right to know what he will be doing when we go into the election. Will he be supporting the sale of Telstra or will he not? That is a very clear and unequivocal question.

Senator Harradine says that, if this bill is passed, it does not necessarily provide for the sale of Telstra. You could argue that it is an enabling piece of legislation, but if this legislation is passed before the next election and the coalition win that election with sufficient seats in the House of Representatives to form government but not the numbers in the Senate—but they are highly unlikely to win government again, given the stuff-ups they have made—then this bill will still become law because the Prime Minister just has to ring up the Governor-General and say, 'Proclaim the bill.' That is why we are debating this bill right now. That is the question that Senator Harradine has to answer and has to make clear to the Tasmanian people. I also want Senator Harradine to tell the Tasmanian public whether part of the deal he has done to make him support this bill relates to Liberal Party preferences.

Sitting suspended from 1.00 p.m. to 1.45 p.m.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (1.45 p.m.)—I wanted to begin my remarks by referring to the comments of Senator Andrew Murray earlier in this committee stage of the debate. He expressed concern that there were at least 50 amendments to be dealt with as part of this legislation. At least 41 of those are Democrat amendments, and we are very keen to turn our comments to debate some of those amendments. Once again, on behalf of the Democrats, I reiterate the lunacy of the time that has been allocated for this debate not only on this particularly important piece of legislation in relation to the privatisation of Telstra but also on the remaining legislation—namely, the copyright bills, which deserve more than two hours apiece in debate later this afternoon.

The lunacy of this debate is that, even if we treat this legislation as enabling legislation or dealing with the so-called hypothetical scenario in relation to the sale of Telstra, we are actually not being given enough time to debate or to discuss what we would consider an appropriate regulatory framework for this legislation. So, even if the government—and it looks like the government has the numbers to pass this piece of legislation—has the so-called will of the chamber, if not of the community, to support the sale of the remaining two-thirds of Telstra, we are not being given the opportunity to debate how we could improve or better the bill in some way, or certainly insist that there be an appropriate regulatory framework within the legislation to make sure that the needs of consumers and customers are dealt with.

That is a concern that Senator Andrew Murray raised earlier, and it is one that I reiterate, as will my colleagues throughout this debate as we try to get on record some of our amendments and the rationale behind them. I understand those amendments will be moved later on today by the government on our behalf—again, with minimal debate, and I think that is very sad. It is a shameful debate and a shameful day.

First of all, I would like to draw attention to issues raised in the debate on the second reading by Senator Brian Harradine when he claimed that massive job losses in Telstra were caused by the former government, the Australian Labor Party, and Kim Beazley. I am not quite sure where those statistics or that particular argument came from, but I suspect

it came from the Minister for Communications, the Information Economy and the Arts (Senator Alston). As Senator Harradine and perhaps others in this chamber know, we do not always rely on Senator Alston for accurate and factual statements.

Senator Schacht interjecting—

Senator STOTT DESPOJA—Particularly where the Labor Party's performance is concerned.

Senator Kemp interjecting—

Senator STOTT DESPOJA—Do not worry, we have our own concerns with the former government's policies, but we would like to put some facts on the record for the purpose of this debate in relation to job losses and Telstra, in particular the privatisation of the remaining two-thirds of Telstra and what that means for employment or unemployment. So we want to place on record the history of telecommunications deregulation and Telstra's work force.

All of these figures come from the IBIS Business Information and the Telstra annual reports. We do note that the deregulation of telecommunications in this country was launched by Kim Beazley back in 1991, with the selling of Aussat to became the basis of Optus. From June 1990 to June 1994, we saw massive slashes taking place in the work force. Kim Beazley and the former government slashed the work force of Telstra by a quarter from 87,000 to 65,000—a loss of around 22,000 jobs. But then Telstra started to put workers back on again, rising to 76,500 workers in June 1996.

By then, it was becoming apparent that Telstra was heading for privatisation, that people—certainly under this government—were keen to see Telstra privatised, at least partially. Of course, that is when a lot of financial commentators started saying that staff and jobs had to be shed if it was going to be more competitive, so-called. There was a claim that, essentially, it was overstaffed and, therefore, bodies needed to go.

BZW Australia, for example, who produced the first analysis of what sort of a body count was needed at Telstra if it was to be an attractive buy, suggested that around 7,000 staff needed to be cut between 1996 and 1998 to deliver a 27 per cent profit increase. Then, the day that Telstra announced a record profit—a $2.3 billion profit—it also announced that it would shed 22,000 workers.

The Democrats acknowledge that Frank Blount is not necessarily a cutter of staff—in fact, he put 10,000 new workers on. But the criticism of the Telstra staffing policy came from the task force scoping study, commissioned by the finance department to prepare Telstra for sale. As the *Age* reported in September 1996:

> The task force has been worrying not just about Frank Blount's known reluctance to cut, but his instinct to build . . .

That clearly identifies that, if you are going to be competitive, staff have to go, that the bottom line is clearly about profits and competition, not necessarily about the protection of Australian jobs and workers. The article went on to say that the setting of a 22,000-person headcount target, if you like, by Blount contradicted his attack on 'management by headcount'. Frank Blount also noted that Telstra was engaging in a significant change in industrial relations policies, clearly because of a change of federal government. Blount's comment was, 'Everyone knows about it, they write about it, so I may as well say it: a Labor government's different from the current government.'

So the picture that we see is that, without the pressure of privatisation, without the criticism of the scoping study task force appointed by the Minister for Finance and Administration (Mr Fahey) and Minister Richard Alston, Frank Blount would not have changed a management practice of, I believe, a lifetime and, therefore, retrenched 22,000 workers. He would not have moved in that direction had he not had the pressures of a looming privatisation, of changing industrial relations policies and of that scoping study.

It is not as though Telstra is losing market share. Optus has not challenged Telstra's market share in the way that was presumed. They are not as effective a competitor as was presumed. Telstra has 82 per cent of the largest growing market in Australia. Optus has around only 13 per cent. But retrenching

is the very first action taken by privatised Telstra. Telecom New Zealand reduced its work force by two-thirds from 24,500 to 8,500 in its first eight years as a private company. British Telecom is another example. It cut staff by 120,000 or 45 per cent from 1981 to 1994 as it was being privatised. Telstra management is now boasting that its retrenchments are ahead of schedule—18,000 staff of the now enlarged 25,000 target are gone just two years into a three-year program. And people are boasting about this?

During the last Telstra debate, I note that Senator Harradine expressed deep concern about the impact of Telstra job losses, particularly the impact on regional Australia. I draw to the attention of Senator Harradine and the chamber figures that were released quite recently in a return to order from Senator Vicki Bourne of the Democrats in relation to Telstra staffing levels. These figures show that in the year to March 1998 a quarter of all staff leaving Telstra came from regional Australia.

Senator Schacht—Twenty-five per cent.

Senator STOTT DESPOJA—That is about 3,000 of the 12,000 separations.

Senator Schacht—Where were Senator Boswell and the National Party?

Senator STOTT DESPOJA—That includes 248 Telstra workers who had to leave in Tasmania—one of the states for which Senator Harradine presumably is very concerned, as he represents it—and 617 in regional Queensland. I will take on board Senator Schacht's interjection. I wonder how Senator Boswell felt about that particular notion that those two regional areas were suffering the adverse impact of job losses and job reductions in the Telstra work force.

Senator Harradine's argument in relation to privatisation having no impact on Telstra employment is simply wrong. The facts and figures dispute that very premise. The evidence is there that quite clearly if Telstra was not sold there would be a lot more Telstra workers in regional Australia, a lot more faults would be cleared on time, a lot more connections would be made on time, and a lot fewer workers would be on the dole queues under this government. If you think that the 25,000 job losses we are seeing now are somehow the end of the job losses that we will see in Telstra, then you are indeed naive, because the facts suggest otherwise. The experience in both New Zealand and Britain show that shareholders will demand that tens of thousands more jobs go in order to boost shareholder values.

I remind everyone, in particular Senator Harradine, that the day BHP announced it was closing its Newcastle steelworks, a loss of 10,000 jobs, the stock market cheered and the BHP share price rose. The day Patrick sacked 2,000 waterfront workers the share price of Lang Corporation leaped through the roof. So there are demands from shareholders if we are treating a company as simply a company that is making profits and not necessarily looking after consumer and client needs, not just in the bush but all over Australia. Private shareholders demand body counts. Telstra had to deliver them in order to be an attractive float prospect. Telstra in the future will be expected to deliver thousands more to the insatiable demands of the share market. So if people in this chamber back the sale, the loss of 10s of thousands of jobs will be on their heads, not just in regional and remote parts of this country but all over Australia.

I end with the point with which I began, that is, once again, the lunacy of this debate, not just the concocted timetable in which we are operating but the fact that even if this government gets what it wants—and it is looking very clear that the government will get the numbers in this place to pass this legislation, whether you call it enabling or hypothetical legislation or whatever you want to call it—we are not being given the appropriate and adequate time in which to debate in detail the amendments that are before us. I remind the Senate that 41 of those amendments are from the Australian Democrats. We not being given the opportunity to not only develop a regulatory framework in this legislation that will hopefully improve it but also ensure that consumer needs and the needs of all Australians are protected and improved under this bill. I look forward to debating in more detail some of the other amendments

that the Democrats will move if we are given the opportunity.

Senator HOGG (Queensland) (1.58 p.m.)—In view of the comments that were made by Senator Boswell in this debate earlier, I feel that I have to respond. Before so doing, I think it is worth commenting on the point just made by Senator Stott Despoja—that is, the issue of jobs and jobs in Telstra. I have it on fairly good authority—and this might interest the Democrats—that the near 2,000 jobs that were to go in Telstra have been put on hold at the direction of Telstra management. They were told not to shed any jobs in rural and regional areas for the next four months.

One wonders why that directive has gone out. It will be interesting to hear the government deny it. I am told very reliably that this is what has happened. The government has given the directive that none of these 1,783 jobs, to be precise, are to be lost over the next four months. That is a very cynical approach, indeed, to the issue of employment, particularly at this time in the run-up to the election and while debating this bill in this chamber.

Turning to what Senator Boswell had to say, one must feel sorry for Senator Boswell because one does not know whether he is really in touch with what is happening in Queensland. If one looks at the performance of the coalition parties in the recent Queensland state election, one sees the real answer as to why we are seeing what is happening on this bill in this chamber. Clearly, the coalition, and in particular the National Party, was devastated at the last election in Queensland. One only needs to look at the figures to see that. I will come to that in a few moments.

The cat was let out of the bag many months ago, in the first instance, when the Prime Minister failed to kill off One Nation. Of course, One Nation has not only established itself but been legitimised by the actions of the coalition in Queensland. The Prime Minister missed the opportunity to say that the coalition would put One Nation last in the Queensland election—that was undoubtedly done for cynical reasons—and they are now wearing the consequence, which is that the Liberal Party is less than a cricket team in the Queensland parliament.

What has happened to the National Party? It has been decimated. The vote of the National Party in Queensland has been ripped asunder because of the way they sidled up to the One Nation party. Their federal colleagues are now trying to get them out of that hole by pork barrelling. Clearly, this is something that will be rejected by the electorate when this government faces the electorate in the not too distant future.

The performance of the Queensland coalition government was pathetic in its own right. They have failed to understand, firstly, that were rejected by the people of Queensland because of their performance, and, secondly, that many of their supporters failed to find any faith or any trust in continuing their support of the National Party in Queensland. So what did they do? They deserted the National Party. They went across and they voted for One Nation.

If you listened to Senator Boswell, you would have taken the view that all of this was out in the very remote, very distant, parts of Queensland. But if one looks at some of the electorates one finds that National Party people who were in electorates within 50-60 kilometres of Brisbane, not even as much as 80 kilometres away, were affected by the impact of One Nation—the very cat that they let out of the bag.

It is interesting to look, for example, at the seat of Lockyer. Those who know Lockyer will know that it is a rural-cum-semirural area. It is interesting to look at the electoral results in Queensland on a polling booth basis. In some of the booths there, dramatic changes took place for the National Party because they had done themselves in.

Look at Boonah—they went from 69.92 per cent of the first preference vote down to 30.13. No wonder they are here pork barrelling, trying to get this bill through to try to win some of those votes back. The government have got the problem that no-one believes them. They have deserted them. This is a vain attempt to win back some of that support. Look at Laidley—61.62 per cent down to 23.11 per cent of the first preference

vote. In both instances, the One Nation vote was high. Senator Boswell can put across whatever view he likes, but he cannot make out that these places are isolated and remote. Boonah and Laidley are relatively close to Brisbane.

Look at some of their stronger booths and you will really understand why the panic set in. At the booth of Rosevale they went from 92.25 per cent of the vote down to 36.62 per cent of the vote. No wonder the National Party are worried. That is in the seat of Lockyer.

Go to the seat of Crows Nest in the so-called National Party heartland—which, coincidentally, was won on Labor Party preferences because Labor put One Nation last; that was our policy and we saw it all the way through—go to one of their polling booths, where you would hardly put anyone on to hand out how-to-vote cards because in 1995 they got 95.11 per cent of the vote, and you will see that that dropped to 57.4 per cent in 1998. The disillusionment out in the country is widespread, and not just on the issue of Telstra. Pork barrelling on Telstra will not resolve the problem for the government. In my speech in the second reading debate yesterday I mentioned an article by Paul Pickering in the *Age* of 7 July. He said, and I think it was very well put:

> Surely it did not need Pauline Hanson to remind National Party backbenchers that it is the state that has provided and maintained infrastructure in the bush.

The people in the rural and regional areas trust the state. They are looking to the state to do that. In the state of Queensland, they were deserted by the then National Party dominated government. They deserted the National Party in droves. These people were not west of the Dividing Range; these people were along the coastal strip. What we are hearing today from the National Party and from Senator Boswell does not add up. They have lost votes everywhere: they have lost them in their heartland, they have lost them in the areas that they duchessed over a long period of time. Clearly, those people have faith and trust in the state providing infrastructure. The article in the *Age* goes on to say:

> They simply needed to look to their own past to understand that the only way to guarantee a continuing cross-subsidy for rural telephone services is through public ownership.

What the National Party is doing here today—and some of my other colleagues have alluded to this quite clearly—is putting forward its own death sentence. If it cannot rely on the figures that are there already in the bush in Queensland, then what can it rely on? It is no use for the National Party to come in here and talk up the fact that it will pork barrel and that that will resolve the problems in the country—because the belief in the country has gone.

As for the deal that the National Party claims to have done, through Senator Boswell, with the Liberal Party, we have already seen here today an amendment tabled on behalf of Senator Boswell. That amendment says 'to avoid doubt'. Whilst that is not pertinent here, one wonders what other things the National Party has overlooked in its deal. What faith, what trust can the people of Queensland and the people of Australia put in the National Party: little or none? The answer is none, because it has blown its chances, it has blown its credibility

The new party that they have established and given credibility to in the state of Queensland—'they' being the National Party and the Liberal Party—is One Nation; that has been done not by the Labor Party but by the coalition parties. Whilst Senator Boswell and Senator O'Chee in this chamber have rightfully condemned the One Nation Party and its policies, they have been absolutely unable to convince their colleagues in Queensland, as we saw in the state election, to put One Nation last. They are now trying to shut the gate after the horse has bolted. What they have is an electoral calamity. The Australian public should understand quite clearly that the only reason for their pursuing this bill now and not in some months time is so that they can try to duchess some of the support they have lost out in the rural and regional communities.

The fact that the government seemingly issued an instruction yesterday to Telstra management to put a hold on the cut to rural and regional jobs speaks volumes: hold the rural and regional job cuts for four months—

Senator Gibbs—And then sack them afterwards.

Senator HOGG—and then sack them; sack them after we have had an election. In this day and age people see through this sort of cynicism. They are fed up with it. You wonder why they are fed up with politicians. When you see that sort of performance from the National Party, it leaves one in no doubt at all as to why people have deserted the National Party in droves and, unfortunately, the National Party has just started to wake up to it.

The way to redress the problem is not to hasten this bill through. The government could have put this bill on the *Notice Paper* and debated it from 10 August. But no, the government wants it there so that it can call the election within the next few weeks. Meanwhile, what do we see? We see National Party supporters leaving the party in their droves.

Senator Boswell tried to create the impression that there is a large mass of people still warmly embracing the National Party out there in its heartland. If they are, then the figures belie that, no matter what electorate one looks at. This is the case even in close city electorates, like the seat of Redlands.

People throughout the rest of Australia might think Senator Boswell is talking about remote places, as I said earlier. Look at the seat of Redlands, a bayside area within 15 to 20 kilometres of the central part of Brisbane. What do we find? Just look at the figures. Kimberly Park: in 1995 the National Party got 53.26 per cent, and in 1998 it dropped to 36.73 per cent. Mount Cotton: in 1995 it got 51.39 per cent, and in 1998 it dropped to 34.95 per cent. Shailer Park: in 1995 it got 48.05, and in 1998 it dropped to 33.15. Thornlands: in 1995 it got 44.16, and in 1998 it dropped to 30.84—and that is in a near metropolitan area which was a National Party seat and still is a National Party seat for one reason: the distribution of One Nation preferences.

It was One Nation preferences that got the National Party across the line—and just across it—in the seat of Redlands. We are not talking about people who are disenfranchised. We are not talking about people who are remote, who are living in desolate places. We are talking about people living within 15 to 20 kilometres of the central part of Brisbane. These people who previously, for whatever reasons, supported the National Party have deserted them. So Senator Boswell should not come in here and paint a picture that we are talking about people in remote Queensland alone, because we are not; we are talking about people right throughout the state of Queensland. *(Time expired)*

Senator ABETZ (Tasmania) (2.13 p.m.)—The Labor Party has submitted this Senate and the people of Australia to a spray of accusations and rhetoric against the Liberal Party, the National Party, Senator Harradine, Senator Colston, and anybody else that it could think of on the way through. Its economic use of the truth has finally persuaded me to partake in this debate. The people of Australia will undoubtedly remember that the Labor Party gave an iron clad guarantee—as Ralph Willis put it—in relation to the sale of the Commonwealth Bank. Remember the Commonwealth Bank?

The Commonwealth Bank was sold by the Australian Labor Party. On 31 October 1993 the then Treasurer was asked:

> So unlike before, this time your commitment is iron clad?
>
> Ralph Willis: Absolutely yes.

So that is the credibility with which Labor comes to this debate on privatisation: promise one thing before an election, and then do another thing after it. That was with the Commonwealth Bank. Labor did exactly the same with Qantas.

This is one of the few times that I would even bother quoting the new Labor candidate for Dickson, the former Democrat leader, but this is a very telling point. She said this: 'I think Labor in opposition won't sell Telstra, but I am more worried about Labor in govern-

ment.' It is a very telling comment, isn't it? In opposition they will try to defend the indefensible, yet their actions in government speak so much louder than their rhetoric in opposition. Cheryl Kernot did put her finger on it when she said, 'If Labor remains in opposition, they will vote against every privatisation that comes along but, as soon as they get into government—like they did with Qantas, like they did with the Commonwealth Bank, like they did with the Commonwealth Serum Laboratories, and the list goes on—they would privatise them all.'

Indeed, at the time Mr Keating was asked on the ABC's *Lateline* program whether it mattered if Telstra was publicly or privately owned, and Mr Keating said, 'Of its essence, no.' Now all of a sudden the Labor Party have gone very quiet, haven't they? When they are reminded of the record of the Australian Labor Party on privatisation, those opposite realise that they do not come to this debate with clean hands. The significant difference is this: when we privatise something, we do not use it to pay for recurrent expenditure; we use that money either as another capital investment in our country or to pay off the huge debt.

That brings me on to another point. Before the last election, what did Mr Beazley, the then Minister for Finance, promise the Australian people? Indeed, that promise was repeated by people such as Senator Faulkner and Senator Ray who partook in this debate. They gave us the solemn assurance 'The budget is in surplus.' We now know that that was absolutely and utterly wrong; we were left with a $10.5 billion deficit. That has now finally been admitted by none other than the shadow Treasurer, Mr Gareth Evans, and the new Labor star, Cheryl Kernot. She also admitted the fact of this $10.5 billion deficit.

Therefore, it is vitally important that we as a nation address the problem of debt. That is what we are doing with this sale. It is to pay off the $96 billion worth of debt that accrued up until Labor lost government in 1996. With the sale of the remaining part of Telstra, we will be able to repay 40 per cent of that debt. The recurrent expenditure by Australian taxpayers on servicing that debt is in the billions of dollars each year. If you pay off the debt, you will not have to keep on paying the huge interest rates on servicing that debt.

If it comes to credibility, before the last election in my home state of Tasmania, the Labor Party circulated a nasty little number—that is the only way that it can be described—in the form of a letter addressed to 'The Resident' that was circulated in the electorate of Lyons by the Labor member. It was in the form of a fake Telstra bill asserting that the Liberal government would sell 33 per cent of Telstra. This is the allegation that they made. They said, 'How much your telephone bill would rise in Lyons if John Howard was allowed to sell Telstra.' They had the map of Tasmania with towns marked on it and with a price underneath them. They claimed that in Queenstown the telephone bill would rise by $1,250. If you cross over to St Marys on the east cost it would rise by $910. Smack bang in the middle of Tasmania is Oatlands which would increase by $680. Ouse, $950; Deloraine, $680—and so the nonsense went on.

Senator Harradine—May we have a copy of that?

Senator ABETZ—Yes, Senator Harradine, you may have a copy of that. What the electorate of Lyons in Tasmania has now come to realise is that, whilst they were very scared—indeed, my office was inundated with phone calls—the interesting thing is whether these messages were correct. I tried to contact the people in the electorate two days before election day, which was impossible, to try to disabuse them of this.

But I do not have to any more now, because one-third of Telstra has been sold. The people of Queenstown now know they have better telecommunications facilities than they ever had under Labor and, what is more, the price has not gone up one cent. Indeed, it has gone down. So much for the big Labor lie of a $1,250 increase in Queenstown, for instance, and trying to scare people in remote areas that they would be facing increased costs in telecommunications if the one-third sale of Telstra went through. That accusation has been completely and utterly debunked by the experience of the electors of Lyons. They now do not rely on me to tell them that that

is untrue. They can now read their own Telstra bills and know that the document circulated by the Labor member for Lyons—only three days before the election so it could not be effectively answered—was wrong. It was false; it was misleading. Of course, the dire predictions of that document never, ever came into being.

Can I quickly turn to some spurious comments made by Senator Hogg in relation to One Nation and somehow the coalition's role in One Nation. I am not sure how it is relevant but, seeing that we were allowed to hear from Senator Hogg about One Nation, let me just remind the chamber and the people of Australia that at the last election in the electorate of Brand, which is Mr Beazley's electorate, who did he put before the Liberal candidate on the how-to-vote card? None other than the candidate that was standing for Australians Against Further Immigration. And in Kalgoorlie, where the member is Graeme Campbell—most people describe him as 'Pauline Hanson without a dress' because they have exactly the same policies—Labor put Mr Campbell at No. 2 on their how-to-vote card. That was their second choice in Kalgoorlie.

After the last federal election there was a by-election in Lindsay. The Labor Party, in their desperation to win that seat, put the Shooters Party first and Australians Against Further Immigration before the Liberal candidate. Now they claim that they come to the issue of the allocation of preferences with clean hands. They could have done so had Mr Beazley, in his own seat, put the Liberal candidate ahead of the Australians Against Further Immigration candidate. But they did not do so. They could have come with clean hands had they put, in Kalgoorlie, the Liberal candidate before Mr Campbell. But they did not so. They could have done so if, in the Lindsay by-election, they had put the Liberal candidate before the Australians Against Further Immigration candidate and the Shooters Party candidate.

Senator Cook—Will you put Hanson last?

The TEMPORARY CHAIRMAN (Senator Chapman)—Order! Senator Cook, you know that interjections are disorderly.

Senator ABETZ—Isn't it amazing? It really does hurt the Labor Party when their record is repeated to them.

Senator Cook—Say it now.

The TEMPORARY CHAIRMAN—Order! Senator Cook, you know that excessive interjection is disorderly and all remarks in this chamber should be directed through the chair.

Senator ABETZ—Thank you, Mr Chairman. What got me into this debate was having to listen to the spray of nonsense from the other side over the past two days. I wanted to set on the record the Labor record in relation to the allocation of preferences—thanks to Senator Hogg's contribution—but, more importantly, the Labor Party's behaviour in relation to privatisation. Its record in government is in stark contradistinction to what it is now saying in opposition. I join with Cheryl Kernot—it is not often that I would do so—the lady that the Labor Party is now parading—

Senator Stott Despoja—Another defection.

Senator ABETZ—I do not do it very often, Senator Stott Despoja. I do not think, whilst she was your leader, that you joined with her very often either. In fact, didn't she sack you with a fax once? One of the better decisions! That aside, one of the few occasions on which I do agree with Cheryl Kernot was when she said:

> I think Labor in opposition won't sell Telstra, but I'm more worried about Labor in government.

That sums it up in a nutshell, doesn't it? It was a very concise statement, very pithy and also very true—indeed, indisputably true. When you look at Labor's track record you find they have privatised everything and have then squandered the money. That is not something we will do.

Senator Carr—No, you are going to try to buy the votes of the National Party.

Senator ABETZ—No, we are going to pay back the legacy of debt that you left this country, Senator Carr. That is what we are going to do. We believe that if there is one important social justice issue in this country it is not to live in a profligate way now and force the next generation to pay off the debts

and the money squandered by government. We have to learn to live within our means.

I dispel one other assertion that has been made by Labor—that somehow the Liberal Party has not been true on the election policy that we would sell only one-third of Telstra in this term of government. We will not sell another single share of Telstra until after the next election. That is a solemn guarantee. We are going to have the legislation ready and, if the people of Australia accept us as the ongoing government, we will start the process after we are re-elected. If Labor gets elected they have the option not to proceed with it. But mark Cheryl Kernot's words:

> I think Labor in opposition won't sell Telstra, but I'm more worried about Labor in government.

After the next election the people will have a choice on the sale of Telstra, with debt reduction by the Liberal government, or a dishonest sale of Telstra—it will take place anyway, according to Cheryl Kernot—with the money being squandered and Australia's debt position worsening even further.

The Labor Party do not come to this debate with clean hands in relation to privatisation, election promises and the allocation of preferences. You name it, their record speaks for itself. Their actions in government speak so much louder than their empty rhetoric in opposition.

Senator HARRADINE (Tasmania) (2.28 p.m.)—I will speak for only five minutes in response to a couple of comments—one by Senator Stott Despoja and one by Senator Murphy. I refer to Senator Stott Despoja's argument, in response to my argument that the drop in jobs in Telstra was predominantly caused by the deregulatory environment and that deregulation was agreed to by the Labor Party and the government. I normally do not say anything in this chamber unless it is backed up by fact. I have had this matter studied and have the details of it. This is from an impeccable source. In summary, the fact of the matter—

Senator Schacht—Are you going to name your source?

Senator HARRADINE—A senior member of the Parliamentary Library staff. The upshot, in summary, is that telecommunications is a very high growth industry. Whilst its services are very capital intensive, the companies involved, particularly Telstra, are significant employers. But, as the industry becomes more capital intensive through elimination of manual exchanges and reduced dependence on traditional copper wire infrastructure, it is to be expected that employment growth will ease or actually decline. That is in the carriers. Of course in the service industry it is a very big growth area.

Senator Schacht—Did he say 27,000?

Senator HARRADINE—If you listen, you will understand that I am giving the summary of what I have been advised. You will recall that this has probably to do with the fact that the Telstra cable rollout program has been largely scaled down over the last 18 months. But to go on to the summary, the easing off in Telstra's employment growth since 1996 is the response to deregulation, to the extent that Telstra has lost market share in the long-distance markets. It is too early to say what impact privatisation has had on Telstra employment, but the predominant influences have been the impact of deregulation and the labour shedding effects of technological change.

Senator Stott Despoja also mentioned the added impact of the workplace relations legislation on employment in that particular industry. I agree; I voted against the workplace relations legislation. But guess who voted for it? The Australian Democrats. Led by who? Cheryl Kernot. And who is Cheryl Kernot now? Labor has her as a candidate.

As to Senator Murphy's continuous misstatements—he got the $160 million wrong; it was $183 million that flowed to Tasmania—he now says that I may be voting for this legislation because of some preference deal with the Liberal Party. Well, I have actually heard it all! I say this quite deliberately: in all of the elections I have stood in that I can recall, I have distributed my preferences half to Labor and half to Liberal. Maybe I should be more selective in future.

Senator ROBERT RAY (Victoria) (2.32 p.m.)—I should at the outset inform the committee—and I am sure it will be a great

relief to them—that I am the third last speaker on the preamble from the Labor side. I will be followed by my leader.

Senator Calvert—We have a speakers list, do we?

Senator ROBERT RAY—We do on our side.

Senator Calvert—Obviously it has been all worked out, has it?

Senator ROBERT RAY—Yes, absolutely. It is absolutely in an orderly fashion, for the Liberal Party Whip. We will have Senator Faulkner, then we will have Senator Schacht sum up and then we will proceed. I am not trying to preclude other people from speaking to the committee; I just thought that I would at least put our side.

One of the things we have been trying to do in the committee stage is examine what are the unwritten, or written, protocols that we have not seen and that are associated with this legislation. We have the legislation, then we have an understanding out there somewhere as to what will be done, especially in rural Australia, as a result of this legislation but not included in this legislation. This has forced us into a fairly vigorous evaluation of the role of the National Party of Australia—what role they have played in this and what position they will be in to try to enforce agreements that may have been reached, albeit that those agreements are in a very vague form.

It has been regrettable that we have had to reflect on the fact that the National Party of Australia in this federal parliament is a bunch of weak, vacillating backsliders—people who have no ability to enforce agreements with their senior coalition party. It is a shadow of a party now over what it once was. Essentially, that exists because of the personnel that the National Party of Australia has in this particular parliament. One need only look at the intellectual dwarfs and lightweights that exist in the National Party of Australia—

Senator Brownhill interjecting—

Senator Carr—How often has he spoken?

Government senators interjecting—

Senator ROBERT RAY—Loquacious Brownhill has said more words in that one interjection than in any other than one speech this year. Congratulations! That interjection was your second-longest speech this year. Congratulations! Have a look at his colleagues in New South Wales. The National Party of Australia has 10 seats in the current House of Representatives. Four of those people are retiring at the next election, putting the cue in the rack because they don't want to stick around for the massacre that is going to follow. Mr Sinclair is getting out, Mr Hicks is getting out, and on they go: Mr Cobb is departing and, finally, Mr Sharp is departing. Four out of 10 of them are jumping ship, so I will ignore them because they will not be around to enforce the deal done.

Who else have they got left? They have Mr Anderson. What would he know about the bush these days? Mr Anderson has moved to Canberra. Mr Anderson lives with his family in Canberra. I do not mind that. For a senior minister with the family arrangements that he has, I think that is not a bad idea. But why not change your nominated residence to Canberra and be honest with the rural voters of New South Wales? They would understand why he moved to Canberra. They would understand why he is no longer in the bush.

Government senators interjecting—

The TEMPORARY CHAIRMAN (Senator Chapman)—Order! Would Government senators please observe the standing orders. You know that excessive interjection is disorderly. You will have an opportunity to respond in debate if you choose.

Senator ROBERT RAY—So Mr Anderson is no longer much of the bush. We have Senator Brownhill, who is constantly interrupting me.

Senator Harradine—Mr Temporary Chairman, I raise a point of order. I do not know whether there is anything in the standing orders about hitting below the belt, but I believe that reference to Mr Anderson is totally unfair. If Senator Ray knew of Mr Anderson's circumstances in relation to his disabled child, he would not have said that.

Senator ROBERT RAY—On the contrary. I said that I thought he had legitimate reasons to be in Canberra. What you then do, Senator

Harradine, is change your home base. That is the point of it.

Senator Heffernan—Paul Keating did, didn't he?

Senator ROBERT RAY—I also think Mr Keating was right to move here. I have never criticised a politician for moving here, but don't pretend that your home base is in rural New South Wales, when it is not.

The TEMPORARY CHAIRMAN—There is no point of order in the matter raised by Senator Harradine.

Senator ROBERT RAY—Thank you Mr Temporary Chairman. Moving through the ranks, we have Mr Causley, the member for Page—a failed New South Wales minister. What is his full-time job?

Senator Faulkner—Bagging Fischer.

Senator ROBERT RAY—I have only ever heard him on one occasion hit the headlines—bagging Mr Tim Fischer. Well known for his loyalty is Mr Causley—constantly undermining the Leader of the National Party. Then we have Mr Fischer, with his toy phones, running around the country, promising everyone whatever they want because he is in a total and absolute panic.

Senator Calvert—What has this got to do with the sale of Telstra?

Senator ROBERT RAY—Thank you, Senator Calvert. We are looking at the ability of the National Party of Australia to enforce the arrangements it has made with your party. Through you Mr Temporary Chairman, to the government whip, he knows that the Liberal Party is going to do over the National Party. He knows that they are going to come crawling and grovelling back into coalition, because they lack the intellectual rigour and the intestinal fortitude to put the views of their own constituents.

This is the great tragedy. We all know that the Queensland branch of the National Party is a corrupt and rotten organisation. You could never make that accusation against the New South Wales branch of the National Party. They have been the intellectual backbone of the National Party around Australia. They have also stood for decency far more than any other National Party branch around Australia. But, unfortunately, even though they have those two qualities, they now stand for absolute mediocrity. Therein lies the tragedy; their federal representatives are simply not up to the mark. Their federal representatives cannot represent them any more. They are only interested in cushy deals in government—in being obsequious in the coalition government—and not properly representing their constituents.

Moving to the uglier side of politics, why don't we consider the Queensland branch of the National Party. This is the branch where the President, David Russell, ignores their federal representatives—ignores their views on where preferences should go at the next election. He wants to undo the very good gun laws brought into this country—he wants to junk them. He wants to junk the basic economic policies in this country, all because of the backsliding attitude he expressed during the last Queensland state election. If you are looking for a scapegoat—if you are looking for someone who delivered disaster at the last Queensland election—it was the National Party of Queensland, both at their organisational level and their parliamentary level. Give credit where credit is due—there is a lot of uneasiness in the federal branch of the National Party. At least give them credit for that.

But what has been their overall attitude? First of all, we have Mr Katter. He does not believe in this particular piece of legislation; he has said so publicly time and time again. Then we have Mrs Kelly, the member up north; she has also stated several times publicly that she does not support this piece of legislation. So every time the people opposite get up and criticise us for our attitude, we have some allies in the National Party in Queensland that would not reinforce that view.

I personally have never heard what Mr Marek's views are on Telstra. I think he is too busy helping with race relations in his own seat—and offering out boxes of biscuits and all the rest of it—to bother expressing a view. Then we have Mr Neville, the member for Hinkler. I have not heard his view. I did

hear his views on cross-media ownership, where he took a very honourable position—indeed, I have to say, a courageous position. If it wasn't for Mr Neville, the member for Hinkler, I suspect the cross-media ownership rules would have changed in this country. I have not heard his views on Telstra, so I will say that, with him, the jury is out.

Senator Calvert—He voted for it.

Senator ROBERT RAY—Senator Calvert intervenes to assist me to say that he voted for the bill, but I do not know whether that was out of loyalty to the coalition or out of personal choice. Then we have the two great esteemed senators from Queensland. What credibility do they have? Remember the great statement that Senator O'Chee made to the ethnic councils in Brisbane? If One Nation won one seat, he would walk backwards from Brisbane to the Gold Coast. That means it is eight or 10 trips that he has to make. Why don't we give him leave now, and he can start his journey walking backwards now?

Senator Carr—He can start from Canberra.

Senator ROBERT RAY—He could start from Canberra indeed. So Senator O'Chee generally has very little credibility. But we all feel some sympathy for the Leader of the National Party in the Senate, who comes from Queensland. He has been most concerned about this piece of legislation. He has expressed that concern—

Senator Faulkner—Not concerned enough to do anything about it.

Senator ROBERT RAY—No, I will have to come to that—in sadness and in sorrow rather than in the heat of the moment. He has clearly been distressed by these processes, but the fact is, when push came to shove, Senator Boswell gave in. I am critical of him for giving in—and I say that so that he can hear it—because he has been conned. He has been made promises that will never be delivered. Senator Alston's modus operandi is to find out, without everyone else knowing, what Telstra is going to do anyway, and then he offers it up.

Senator Faulkner—The only people he cons are in the National Party.

Senator ROBERT RAY—No, not the only people Senator Faulkner, there are others. He works out, 'Look, $200 million is due to be spent in Queensland in the next year, it hasn't been announced, I'll get the boys in and tell them I am going to give them $200 million. It's already in the forward budget of Telstra.'

Senator Carr—It's in the business plan.

Senator ROBERT RAY—In the business plan, as Senator Carr says. And what happens? They fall for it, hook, line and sinker. What we have here is a bankrupt New South Wales branch intellectually, albeit with their traditions of some intellectual rigour in the past. They have produced some great national leaders in Anthony and Sinclair over the years—I cannot bring myself to say Charles Blunt so I will not.

Senator Faulkner—He's part of the new tradition.

Senator ROBERT RAY—He is part of the new tradition I think. So they basically do not have the herbs in this particular debate. But the National Party in Queensland, with its long tradition of gerrymandering and graft—of the deduct box and all the other practices that have gone on there—have behaved in their normal backsliding way, in which they have given in to the coalition just so they can retain their positions or, potentially, get up the greasy pole of politics. It is very humiliating.

If you think that story is sad, if you think that story is unfortunate, go to the rest of Australia. The National Party are not represented in this parliament at all from Western Australia, South Australia or Tasmania. Their last outpost is Victoria. What a marvellous set of representatives the National Party sends up from Victoria.

We talked earlier on about empathy with the bush. Do you know how close the two McGaurans get to the bush? Just down the road at the Flagstaff Gardens in East Melbourne—that is their idea of the bush. They both live in Melbourne and both no longer have any affinity with the bush whatsoever. The two McGaurans represent 66 per cent of the National Party. They are known in Victoria as the photo finish: not a half a head between them.

Peter McGauran was not even in the National Party when he was approached to run for Gippsland. Two days later he was endorsed. Then he was told that his Mercedes was not suitable for going around the electorate. So he bought a brand new Fairmont—cash on the spot—the next day, just to be more suitable to the electorate. Julian McGauran got into this place on a separate Senate ticket. Why was he offered it? Because dad was going to pay all the campaign expenses. That is how he got in here. It was not through ability or through anything else; they put up the campaign capital so that he could be elected. They ran a very good campaign, and he did get in here.

Senator Harradine—I raise a point of order. We have been going for 25 hours and the opposition has not dealt with the details of this legislation in this committee. I submit that what Senator Ray is saying now is out of order and not consistent with examination in the committee stage of the bill.

Senator Faulkner—On the point of order, I notice now that Senator Harradine is coming to the defence of the National Party. We have had the Liberal Party and now we have Senator Harradine. We will never see Senator Colston down here and we will certainly never see the National Party defending their own party in this chamber. Senator Harradine knows that is not a point of order; it is an abuse of the Senate's procedures and I would ask you to rule him out of order.

Senator Brownhill—On the point of order, I believe that Senator Ray, for whom I did have some admiration maybe about 10 years ago, has actually shot himself to ribbons. The taxpayers are paying this parliament to be here today to debate a very important bill, the Telstra bill, and I do not think that Senator Ray has made many comments about it at all in his speech. I would ask you to bring him to order and to bring him back to the point.

Senator Schacht—Further to that point of order—

The TEMPORARY CHAIRMAN (Senator Chapman)—I think I am in a position to rule on the point of order, Senator Schacht.

Senator Schacht—I would like to speak on the point of order.

The TEMPORARY CHAIRMAN—I am ready to rule, Senator Schacht. Senator Harradine's point of order is relevant. With regard to the preamble, which is currently under debate in the committee stage, it is important that senators make their remarks relevant to that preamble. I would remind Senator Ray of the requirement that his comments be made relevant to the bill.

Senator ROBERT RAY—Thank you, Mr Deputy Chairman, for your wise guidance. I will finish on this note. The real point about the preamble, just to explain it to Senator Harradine as slowly as I can—

Senator Harradine—I'm voting against it.

Senator ROBERT RAY—Yes, we understand that. But just because you vote against something does not mean we cannot have a say. You can walk in here and gag us five times but we are still permitted—humbly, on the one or two occasions that you permit us, the representatives of four million voters—to occasionally say something, if you do not mind.

The point is that the preamble is important because it is the one occasion on which we can express our view to say, 'We know what is in the bill. We know there are other matters being determined offshore. If we are told precisely what matters are being determined offshore, we can then better evaluate when we go through the rest of the bill clause by clause.' That is the point. If the National Party of Australia are the only guarantor we have, we are entitled to go to their credibility to see whether they can cut the mustard to enforce whatever secret deal has been made that we are not being told about; hence our rather abrasive but very accurate assessment of this pathetic excuse for a political party that sold out their constituents and betrayed their history. *(Time expired)*

Senator BROWNHILL (New South Wales—Parliamentary Secretary to the Minister for Trade) (2.50 p.m.)—I have never seen a filibuster being operated like the one the Labor Party is operating on this bill at this particular time. Before I start my few remarks

on this, I would like to state my pecuniary interest in Telstra.

Senator Faulkner—I bet you can't do it in 15 minutes.

Senator BROWNHILL—Would you ever like to close your mouth and talk a bit of commonsense for a change?

Senator Faulkner—No.

The TEMPORARY CHAIRMAN—Order! Senator Brownhill, it is out of order to address senators directly. Your remarks must be directed through the chair.

Senator BROWNHILL—Through the chair, could I ask the Leader of the Opposition to keep quiet so that he can actually listen for a change? I have never heard anyone talk so much, say so little and listen so few times in the time I have been in this place listening to him.

I am a great user of Telstra as a telephone service. As far as my pecuniary interests are concerned, I have no knowledge of any shares that I own in Telstra, as my shares are all held through a power of attorney.

Senator Robert Ray—You are not on the computer, I can guarantee you that.

Senator BROWNHILL—You would have told me already if I had any, I would imagine.

Senator Robert Ray—You are not on the register.

Senator BROWNHILL—My wife and my children may have shares in Telstra, but they are all adult children and run their own businesses and that sort of thing.

I saw the height of hypocrisy here this morning when the Leader of the Opposition did not allow prayers to be said before the debate even started this morning. It was something that could so easily have been done. Even Senator Ray would agree that it could have been done by agreement among everyone. For the Leader of the Opposition to have—

Opposition senators interjecting—

The TEMPORARY CHAIRMAN (Senator Chapman)—Order! Opposition senators' interjections are disorderly. I ask them to abide by the standing orders of the chamber.

Senator BROWNHILL—It does no credit to opposition senators led by Senator Faulkner. When I came into this place, I was told a couple of things by the likes of former senator John Button, who led the Labor Party in the Senate when it was in government with distinction and a lot of decorum. He always played the game properly. He did not lead Labor senators to the sin bin as much as these people should have gone to it in the last little while. Former senator Gareth Evans was actually not that bad a person. He played it tough, but he played it a bit better than the current Labor Senate leader now is.

It is time we got this debate back to the Telstra bill. After 13 years of Labor mismanagement, the Australian taxpayers were left with about $96 billion of debt by the Labor Party. The interest on the debt is over $8 billion. That money could be spent on health, roads and education, et cetera. The Howard-Fischer government committed themselves to using the proceeds of this Telstra sale to wipe out 40 per cent of that debt. Isn't that good? Why do you not want that to happen? Why did you create the debt in the first instance? Why did the Labor Party really want to perpetuate that debt on the Australian people? It is one reason why Telstra needs to be sold. I want it to be sold. I have always fully supported the sale of Telstra.

The Australian people flocked to the sale of the first third of Telstra. Something like 1.5 million people have bought shares in Telstra. You cannot tell me that they are all wrong. More people will own it and benefit from it, including both the users and the investors; that is the most important thing about this bill. There will be cheaper services from Telstra, and that will happen. Give it time to happen. By law, Telstra is required to reduce the price of a basket of its main services currently by 7.5 per cent in real terms, and you know it. Why not admit it and get on with the debate?

Labor, including those opposite, says that Telstra should not be sold as it is a monopoly. This is untrue. It is not a fact. This is an intensely competitive industry. Telstra has Optus, AAPT and Primus and other competi-

tors. It is the real world out there, you monopolists.

What about the rural safeguards and the universal service obligations, which state that all Australians must have access to the standard telephone service and pay phones regardless of where they live in Australia? The sale will not change this. There will be subsidised connection costs. By law, residential connection costs must decrease every year by one per cent in real terms. As to local price call gaps, the Howard-Fischer government has introduced a scheme to ensure that local call prices in regional areas do not exceed the average local call cost in the major cities. This will stay no matter who owns Telstra.

Thanks to the Howard-Fischer government, the most remote 17,000 Telstra customers now receive a rebate on their pastoral calls of up to $160 per year. Last year, the government spent $250 billion on a regional telecommunications infrastructure fund to ensure that rural and regional phone users have access to the latest technology. To date, 93 rural and regional projects worth $49 million have been approved.

There is also $60 million additional to the RTIF from the social bonus, including $20 million for remote island communities such as the Torres Strait islands and Christmas Island. But you people do not care about them either. The customer service guarantee states that the level of service will not be affected by the sale of Telstra. This is a legislated standard binding all telecommunications companies. Get the facts. Talk a bit about the facts instead of having a diatribe against the National Party.

Why are you so worried about the National Party that you want to have a diatribe against us the whole time? You condemn Senator Boswell for the job that he has done. He has done a great thing for rural communities. If the service does fail, the customers are entitled to compensation from the company. The government has introduced legislation to strengthen that guarantee.

What about untimed local calls? These are here to stay. Under the previous government, the only guarantee covered residential customer calls. This government has extended this guarantee to cover voice and data calls for residential customers and voice calls for business customers. An amount of $150 million is provided to abolish Telstra's pastoral call rate and provide untimed local calls in extended zones in remote Australia. That was announced just a couple of days ago. As to the price gaps, currently Telstra cannot increase the price of untimed local calls above 25c for local residential and business calls and 40c for local public phone calls. Look at a few of the facts and figures on what is happening rather than have a diatribe all the time.

Why does Senator Schacht not make some comments about the telecommunications ombudsman, for example? He has been a good debater over the years. Why filibuster and go through this diatribe? Labor should also take into account what we did with the CDMA in the analog-digital changeover, which was also announced during the week. The sale of Telstra will take our telecommunications systems into the 21st century in the way I want, living in a country area.

You people all talk about what you will do for the bush. None of you have ever lived in the bush. None of you have ever known what happens in the bush. You claim that you know everything. Go out and spend a bit of time there. Go and live there. Go and work in those areas and you will find out what happens there.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (2.59 p.m.)—Once upon a time—

Senator Lees—Mr Temporary Chairman, I raise a point of order. I have been seeking the call now for just on an hour. What are your reasons for continuing to ignore this end of the chamber?

The TEMPORARY CHAIRMAN (Senator Chapman)—I am not ignoring that end of the chamber. Senator Faulkner had previously indicated his intention to seek the call. I have given him the call. You will receive the call in due course, unless Senator Faulkner wants to cede.

Senator FAULKNER—I do not mind ceding.

Senator LEES (South Australia—Leader of the Australian Democrats) (2.59 p.m.)—I thank Senator Faulkner. We have had quite a number of Labor Party speakers and, as we have seen, government speakers. I would like to answer a couple of the comments made by Senator—my mind has become a total blank.

Senator Faulkner—That's right, Senator Blank.

Senator LEES—I do not mean any disrespect. I apologise, Senator Brownhill.

Honourable senators interjecting—

Senator LEES—With due respect, I meant no disrespect.

Senator Brownhill—Mr Temporary Chairman, I raise a point of order. Whether somebody remembers somebody's name or not is irrelevant. Let us get on with the debate instead of having this hilarious mob of jackasses on the other side here behaving in the way that they are.

The TEMPORARY CHAIRMAN—There is no point of order. Before you proceed, Senator Lees, I ask both opposition and government senators to maintain the decorum of the chamber.

Senator LEES—There is a series of senators whose comments I would like to pick up. Senator Brownhill is quite right; we need to get back to the debate. It was not only Senator Brownhill who said this but there were some earlier comments from Senator Boswell regarding this whole idea that we will be better off as far as debt is concerned if we retire some of the public debt. That is a nonsense. Australia's net public debt is the second lowest in the developed world, the second lowest in the OECD. The only country that has a lower public sector debt is South Korea. Our problem is our current account deficit. If we go ahead and sell Telstra, particularly looking at the amount that you will let go offshore, all it will do is increase our problems because of the repatriated profit to overseas companies. If Senator Brownhill read the transcripts of the committee hearings, he would find that our net public worth will fall if we sell this. Keeping Telstra in public ownership, if we look at our total worth, is far better for this country, particularly for future generations.

I want to try to get back to some of what we should be debating in this bill. Because I suspect that, by the time the guillotine comes down, we may never have got past the preamble stages, I have been progressively discussing Australian Democrat amendments. We do have a large number of amendments to this bill. Presuming that it is going to be sold, we want to make sure that what is sold is going to be reasonably workable. It is by no means going to be reasonable in terms of the situation as far as rural people are concerned. That point has been made more than enough this morning.

I want to run through, for the benefit of those who are continuing the filibuster, what we are trying to achieve in our amendments. To start with, one of our amendments looks at preventing Telstra from being sold until the Australian Communications Authority has certified that it has restored the levels of service back to 1996 performance. In other words, we want to ensure that they are repairing our phones when they break down and that they are putting on new services. We seek to put a hold on the sale, if it has to go ahead, until we have at least got services back to where they were before the first one-third was sold.

Secondly, our amendments require the indicative share price to be approved by parliament. This is Democrat amendment No. 5. We have seen time and time again that when shares are sold in a public entity there is a huge windfall gain to those who are buying the shares compared with those of us who do not buy. It is appalling that this government is so intent on selling that it is basically going to do it in a rush. Let us look at what happened when the first third was sold. It was sold for $3.30 per share. Within a day, the price shot up to $4. At the moment, the shares are just under $6. This is great for the 10 per cent of Australians that can afford it, but what about the rest of us? What we have now is an $11 billion windfall going to those who bought in—and that is the first third. Imagine what we could do with $11

billion in our public hospital system, in our schools, in our roads, et cetera.

We should look at the way that the Department of Finance handled previous sales. A wide range of stockbrokers have had some involvement, but none of that ever seems to register on the department. HSBC James Capel was one firm saying that it had to be at $4 per share. Look at what was happening in New Zealand with its float. An amount of $4 per share was again indicated. The finance department set an indicative range the first time of $2.80 to $3.40—well below any reasonable estimate. I have not heard anything from this government to explain the $11 billion windfall that it handed over with the first one-third sale. It must never happen again.

Senator Schacht—Their mates the stockbrokers got it.

Senator LEES—It has not just happened with Telstra. If we look, Senator Schacht, at what Labor unfortunately did with the Commonwealth Bank, those shares were sold at 58 per cent less than they were worth. By the time the government received its final instalments, those shares were worth $2.8 billion more than what the government sold them for. In both cases, the finance department and its advisers delivered windfall gains to 10 per cent of Australians at the expense of the rest of us. In other words, we have seen the community ripped off time and time again. It should not happen again.

We need to move on. One of the amendments I mentioned before, which Senator Murray will be moving, is to prevent Telstra making donations to any political party. As we have been discussing, regulations are going to be critically important. If we are going to see a situation where $100,000 goes here and $100,000 goes there to different political parties, the incentive will be to keep on the right side of Telstra. But its profits are almost totally dependent now on regulation. We have to go into this debate now presuming that it is going to be sold. Senator Murray will develop the arguments as to why we should not have political parties involved at all with any potential donations from what will be Australia's biggest company.

Let us look at Democrat amendment No. 10. This is another accountability measure. The Department of Finance management of the first sale of Telstra, as I said, was an accountability disaster. At the very least, we believe that it demands that any decision involving public money and public revenue must be made by senior public servants. The way this bill is structured at the moment, basically anybody can be involved. It simply allows cabinet to appoint anyone. Your stockbroking firm could handle the sale. It could be handed over to one of our banks. We are arguing that it really could be a junior public servant with absolutely no skills whatsoever. So the Democrat amendment is trying to get at least back to the situation in the current act, which is that people are appointed on merit from the senior ranks of the senior executive service. I do not believe that something as important as this sale should be delegated any lower than that.

Amendment 11, which I discussed in my speech on the second reading, deals with foreign ownership. We believe that Australians are becoming more concerned and more aware of the dangers of foreign ownership when it is not necessary and when it has nothing productive to offer. If we are trying to set up new businesses and industries, there may be a case for encouraging foreign ownership up to that 49 per cent level and getting them to work jointly with Australians.

This is an established company. We do not need to hand over half, a third or whatever of the additional profits. I would just like to put on the record what happened with the first tranche. Foreign investors were allocated about 19 per cent of shares. Most of these were re-sold within a month, delivering windfall capital gains to foreign investors at the expense of the Australian taxpayers. The total windfall gain to foreign investors was around $1 billion. As one example, the Bank of Ireland was allocated the fourth largest shareholding in Telstra last December. It lasted in the market less than three weeks. It stayed on the register less than three weeks, and it went out pocketing $26 million in profit. Why are we letting that happen? Where is the commonsense? Where is the

logic in handing $26 million to the Bank of Ireland for an investment in Australia that lasted less than three weeks? I am sure they would have been very pleased, but there is absolutely no benefit in that for us.

We are asking this government to think yet again. We are asking the opposition and we are especially asking Senator Harradine to really look at why we have to privatise Telstra when the company is established and it is an extremely valuable company. If we have to privatise it, then let us at least leave the windfall gains and the profits here in Australia. As I said before, public debt is not the problem. It is the second lowest in the OECD; indeed, it is about two-thirds of what the average is in the OECD.

Senator Sherry—It is half of Germany's and the UK's.

Senator LEES—If we want to look at some of the countries, Senator, it only about a quarter of Italy's debt. I am not suggesting for a moment—

Senator Sherry—Don't worry about Italy. It's Germany and the UK.

Senator LEES—Germany and the UK are comparable and you are quite right, Senator, that it is only about half. The problem is not our public sector debt. It is our Bankcard, if you like—our balance of payments. If we sell offshore, the profits follow the sale. That ticks over on our current account deficit and up it goes. There is no logical reason; there is no economic reason.

Senator Calvert—Is that the $10 billion debt we inherited from the Labor Party?

Senator LEES—If you do not know what the current account deficit is, Senator, I am not going to explain it to you now. I have been through some of the past records. We believe that if again we have privatisation done in this way—organised by the department—the level of foreign ownership we are looking at is quite unacceptable.

I will finish by speaking to our Democrat amendment No. 16, which seeks to modify the membership of the Telstra board by adding two independent directors. We would like to see one of these elected by the employees. Look at what has happened to Telstra. There have been 20,000-odd retrenchments in that organisation, and morale is at rock bottom. If you look overseas—and perhaps I can use the example of Germany again—companies that have an elected member on the board are highly successful. The relationship between the establishment in the company—

Honourable senators interjecting—

The TEMPORARY CHAIRMAN (Senator Crowley)—Order!

Senator LEES—Thank you, Madam Chair. The relationship between the workers in the company, and the board is extremely important. As has been found overseas, one director nominated by—indeed elected by—the work force is extremely important.

Looking at all the promises that have been made to the National Party, we believe there also should be a director with experience in the bush, in other words, someone who has genuine credentials—

Senator Schacht—Not a National Party director, elected by them?

Senator LEES—We are arguing, Senator Schacht, that it should be somebody from rural Australia, nominated by the President of the Australian Local Government Association. I think it is extremely important that the government starts putting some amendments down on the table that reflect some of the deals that have been done with the National Party. If we wanted to spend another couple of hours on this debate—hours which we now do not have, looking at where we are—we would go through the promises that we know have been made and try to legislate for them, because it does not seem that the National Party is going to be coming in here with its own set of amendments. I believe that should be a real consideration of this government. Remember how big this organisation is going to be. It is going to be twice the size of BHP—the same as BHP and the National Australia Bank.

Senator Calvert—How many countries in the world have government owned telecommunications?

The TEMPORARY CHAIRMAN—Senator Calvert, that is enough, thank you.

Senator LEES—This amendment does not interfere with the Telstra board's obligations to shareholders, but it recognises that Telstra also has responsibilities to its employees. It also has significant responsibilities now to keep up with service obligations that have been put upon it—service obligations that are going to eat into its profits and be resisted tooth and nail. As Telstra, with only one-third privatised, has been showing us with a steady deterioration in service over the last 18 months, they cannot be trusted. Having somebody on the board who is specifically watching what is happening in rural Australia is at least a small step in the right direction.

I go back to an earlier amendment—and I commend this in particular to Senator Harradine—and that is that we put a requirement into the sale that, until they get service levels back up to where they were, we do not sell. Until Telstra can prove on the ground that they can fix our phones and get them connected within the required time, we simply do not sell.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.14 p.m.)—I want to respond to a number of the issues that were raised by Senator Brownhill and others in the debate, and I will come to those. I was not surprised that Senator Lees forgot Senator Brownhill's name in this committee stage of the debate.

Senator Carr—He is forgettable.

Senator FAULKNER—It is not so much that he is forgettable. That was only Senator Brownhill's third speech in this calendar year. He has made three contributions, one of which was 20 seconds in length. I am not surprised that his name was forgotten.

Senator Brownhill—Madam Temporary Chairman, on a point of order, just as an explanation: if you have a portfolio when in government, as Senator Faulkner well knows, you actually speak on issues pertaining to your policy area.

The TEMPORARY CHAIRMAN (Senator Crowley)—There is no point of order, as you know. I call Senator Faulkner.

Senator FAULKNER—I know which senator in the chamber from now on will be known as Senator David Dolittle. I will come back to that, and I will come back to the National Party.

Senator Calvert—What a comedian! Why don't you give up your day job and go on the stage?

Senator FAULKNER—I do not want to just talk about a political party that is irrelevant. I do not want to just talk about a political party that is dominated by the Liberal Party. I do not want to just talk about a political party that is intellectually, morally and politically bankrupt. I do not want to just talk about a political party that has gone AWOL. I do not want to just talk about a political party that is out of touch and not up to it in this country. I do not want to just talk about a lacklustre political party.

Senator Boswell—On a point of order, Madam Temporary Chairman: I draw your attention to a ruling made by the previous occupant of the chair, who ruled Senator Faulkner's continued attack on the National Party as being out of order. The previous chairperson drew Senator Faulkner's attention to the bill and ruled him out of order on relevance. Madam Temporary Chairman, I ask you to make the same ruling on the basis of consistency.

The TEMPORARY CHAIRMAN—Senator Boswell, I believe the previous judgment was not exactly as you have suggested. It was to require the senator to address his remarks at some stage to the preamble, which is the question before the chair. Senator Faulkner has just started, I hope he will do so.

Senator FAULKNER—Thank you for that ruling, and I will. Let me assure the committee that, if I am not unduly interrupted, mine will be the second last Labor contribution on the preamble to the bill. If I am unduly interrupted, I might have to speak again.

Let me say that I am not just speaking about a political party that is the most embarrassing now in this nation. I am not only going to speak about the National Party. I did not mention the National Party, but Senator Boswell was right because I was going to refer to them. All those descriptions do apply to the National Party. I want to speak about

an individual as I address the preamble. I want to speak about someone who is venal. I want to speak about someone who is unscrupulous. I want to speak about someone who is mercenary. I want to speak about someone who is contemptible and despicable. I want to speak about someone who is the most useless and abominable representative the federal parliament has ever seen. That person is a person who last night skulked into this chamber, slimed into the chamber quite slowly to collect his TA cheque. That individual is Senator Malcolm Colston. I want to talk about him, too.

The TEMPORARY CHAIRMAN—Senator Faulkner, some of your remarks are unparliamentary. I urge you to be cautious about what you might further say about Senator Colston, your colleague in this place.

Senator FAULKNER—If there is anything unparliamentary, I will withdraw it. Let me say that I want to speak about Senator Colston because I want every—

Senator Alston—On a point of order: Senator Faulkner just said, 'If there is anything objectionable, I will not pursue it,' or words to that effect.

Senator FAULKNER—No, I said that if it is unparliamentary, I will withdraw it.

Senator Alston—Senator Faulkner knows full well that he is not entitled to cast aspersions on other senators, let alone engage in that vitriolic diatribe that he is about to embark on and which, if he is not restrained, will presumably continue. There can be no possible basis for allowing that sort of bile to be spewed out in this chamber.

The TEMPORARY CHAIRMAN—There is no further addition to the point that I have already ruled on. I understood Senator Faulkner's words to mean to the extent that he had said anything unparliamentary. I remind you again, Senator Faulkner, that you may not cast aspersions on your colleagues in this place.

Senator FAULKNER—Let me say that this is a very important point as we debate the preamble of the bill. The votes on this bill and on the preamble are tainted. They are tainted because of Senator Colston. They are tainted because not only did Senator Colston rat on the Australian Labor Party and the people of Queensland who elected him to this place, not only was Senator Colston bought for the deputy presidency of the Senate in 1996 and not only was he bought—

Senator Alston—On a point of order: there is no factual basis for any of these aspersions. They would be utterly defamatory if said outside the chamber. They are clearly not addressing the preamble in any shape or form. They are simply a very personal and very vicious attack on a member of this Senate. Madam Temporary Chairman, there can be no possible basis on which you could regard them as anything other than casting the most serious aspersions on the individual senator. This is not an attempt to debate policy. This has got nothing to do with the preamble. This is simply the Labor Party getting its own back in the way that it knows best. We know how it operates down in the bowels of the town hall. We know what happened to Peter Baldwin. No doubt, Senator Faulkner thinks it is a badge of honour if you can survive the Baldwin attack.

The TEMPORARY CHAIRMAN—Order! There is no further point of order at this time. I will be listening very closely to Senator Faulkner. He has been reminded and I will recall it to his attention should he stray again. I call Senator Faulkner.

Senator FAULKNER—I do understand why the government are trying to cover this up, why they do not want these things said in the chamber, but we are debating the preamble of this bill. I say that the vote on the preamble of this bill and the bill as a whole is a tainted vote. The vote in this chamber will not reflect the will of the Australian electorate, and it will not reflect the Australian electorate because the Howard government has done a slimy backdoor deal with Senator Colston to buy his support. A deal was done to upgrade a staff member of Senator Colston's to ensure that the one-third privatisation of Telstra went through this parliament. The will of the electorate is not reflected in these votes on the floor of the chamber. We know, anyway, that we are debating a preamble and a bill that Mr How-

ard, the Prime Minister, categorically stated in 1996 would not be a matter brought before this parliament because he gave one of his non-core commitments, one of the Howard-type promises not to fully privatise Telstra. That is the breach of promise of this government. That is the breach of promise of this Prime Minister.

Many have been involved in this massive sell-out, not only Senator Colston, who did his deal yesterday in Brisbane with Mr Howard—and we are entitled to know what they discussed, what promises were made by the Prime Minister, what was offered up to get this tainted vote again for the government. I also want to know, as we move to a vote on the preamble to this bill and the full privatisation of Telstra, what was promised to Senator Harradine. Why is he going to vote in this way? I think we are entitled to know that before the preamble is put to the parliament, before the preamble is determined by this committee, before the bill passes this particular chamber.

I want to know why Senator Harradine has had this massive change of heart. He has always opposed cutting off debate before, but every time he has been in a stitch-up with the government, gag after gag after guillotine after gag, he has done anything to stop debate, anything to get in this massive fix with the government on Telstra. But there, of course, is the rub. It would not matter what Senator Colston did in this vote on the preamble or on the bill, it would not matter what Senator Harradine did, if the National Party, the representatives of the bush, were willing to stand up and be counted on behalf of their constituency.

Once upon a time, the National Party was the Country Party. Once upon a time, it was led by people with the political fortitude of Black Jack McEwen, Doug Anthony and Ian Sinclair. We did not agree with those people. We had a fundamentally different political, ideological position. We had a different view of the world, a different approach to politics, but they were tough. They, at least, were consistent. They, at least, argued hard for their constituency. They, at least, stood up for people in rural and regional Australia. They stood up for the bush.

Since they have departed the scene—in Mr Sinclair's case, he is about to depart the scene—they have been replaced by a new leadership in the National Party, personified by Charles Blunt, personified by Mr Tim Fischer, personified by Senator Ron Boswell. That is the new leadership of the National Party, the new leadership that has just rolled over, turned turtle, on a principle that they have stuck with all their political lives—that is, every Australian should have a stake in the ownership of our telecommunications carrier in this nation.

Would Senator Boswell or Mr Fischer—two-minute Tim—have the guts to stand up? Of course not. They are not the Country Party any more. They are a pale and weak imitation of a once strong political force in this nation, and they ought to be ashamed of what has occurred.

Senator Kemp—What a bore! You are just a bore.

Senator FAULKNER—Senator Kemp does not like it. Of course he does not like it. He knows it is true, but he is on the winning side. Senator Kemp is on the winning side. He is one of the Liberals who are winning in this particular political battle.

What about De-Anne Kelly from the House of Representatives National Party, the member for Dawson? In the *Canberra Times* on 3 July, she said:

> There is certainly going to be a much bigger National Party footprint on Coalition policy.

The only footprint in the coalition—

Senator Carr—Is on the forehead—right on the forehead!

Senator FAULKNER—It is not on the forehead, Senator Carr. The only footprint is a great big hobnailed boot right up the backside of the National Party from the Liberals. That is the only footprint we have in this debate. You ought to be ashamed of yourself, Senator Boswell, for this really gutless sell-out on behalf of the people you claim to represent.

Senator Brownhill—Madam President, I rise on a point of order, and it goes to relevance. You ruled earlier about relevance, and I think that Senator Faulkner is becoming quite irrelevant. He has been irrelevant for the whole debate. He has become even more irrelevant in the last few minutes.

The TEMPORARY CHAIRMAN (Senator Crowley)—I do remind Senator Faulkner, once again, that he is addressing the preamble to the bill, and I call that to his attention.

Senator FAULKNER—As I was saying, the vote on the preamble to this bill and the bill itself could be influenced by the National Party. What about New South Wales National Party senator Sandy Macdonald? The *Financial Review* of 1 July stated:

> NSW National Party Senator Sandy Macdonald said last night his "initial preference"—

that is, his initial preference—

> was for the Government to sell just 16 per cent of its remaining Telstra shareholding, allowing the Commonwealth to retain majority ownership.
>
> . . . . . .
>
> Senator Macdonald told the *Australian Financial Review*: "If gradualism is what people in the bush want, then we will push for it."

Senator Carr—He didn't push very hard.

Senator FAULKNER—He has not pushed for anything. These are just weasel words. He is not even here. He is not even actually in the Senate today to do anything. He is not pushing for anything.

Senator Brownhill, in that pathetic contribution he made to the debate, is the only National Party senator, apart from Senator Boswell, to actually have a go. Senator Brownhill could not go the distance. He could only make a seven-minute speech in a 15-minute time allotment, and it was only the third speech he has made in 1998, one of which was of 20 seconds duration. This is the sort of representative the National Party has in this place. This is the sort of person that, on votes on the preamble to this bill and the bill, the bush people are depending on to stand up for their right, to protect their interests.

Mrs De-Anne Kelly referred to the Prime Minister's remarks on the Telstra privatisation in the *Sydney Morning Herald* as 'central to the government's profile'. Mrs Kelly apparently agreed with that, and she said:

> But the profile is regarded as harsh and ugly by many people who feel their concerns are being ignored in the bush.

It is a harsh and ugly profile. People in the bush are not stupid. They know that these characters do not care. They know they cannot mount a fight. Senator Brownhill can make one seven-minute speech, one of three speeches in a year on their behalf, and that was some prepared screed he had been given by the Liberal Party to read out. At least Senator Boswell has a go, and I will give him credit for that. He has had a bit of a go in the debate—a fairly ordinary performance but, nevertheless, he has had a go.

Senator Brownhill—I rise on a point of order. You still have to bring the Leader of the Opposition, 'Mr Iggloo', back to the point of relevance.

The TEMPORARY CHAIRMAN—Senator Brownhill, you know it is unparliamentary to name a colleague other than in the proper way.

Senator Brownhill—I withdraw 'Iggloo' because that is only a trade name for him.

The TEMPORARY CHAIRMAN—Senator Brownhill, would you withdraw that remark please?

Senator Brownhill—I withdraw 'Iggloo'.

Senator FAULKNER—I did not ask him to withdraw anything he might say about me. That is only the fourth contribution he has made in the parliament in 1998. This is what you are dealing with—no-hopers. He can call me what he likes. He will go down from this day onwards fingered as 'Senator David Dolittle' of the National Party from New South Wales. You know deep in your heart that the National Party has betrayed its past.

Senator Ian Campbell—Madam Temporary Chairman, do you intend to call the Leader of the Opposition into order in relation to his reference to Senator Brownhill?

The TEMPORARY CHAIRMAN—I certainly should, Senator. I also wondered if any of you would want to do that. Senator

Faulkner, would you please call your colleagues by their proper title?

Senator FAULKNER—Yes, I was referring to Senator David Brownhill. How does it feel for the National Party members and constituents to know deep down inside that they have been sold out by their Senate representatives, led by Senator Boswell? How does it feel for them to have been betrayed on this vote on the preamble and the bill. How does it feel to have their past betrayed, the great gene pool of McEwen, Anthony, Sinclair—the greats of the past from the Country Party. Once upon a time, there was a Country Party. How does it feel to have let them down so badly?

It will give me no pleasure when the National Party—Senator Boswell and his colleagues—are wiped out in the next election. It will give me no pleasure to see that, because I am concerned that in some places they will be replaced not only by the Labor Party but also, it is quite possible, by another more odious political force—and we have always said more odious. The One Nation Party will move up on the rails and take their seats. We do not want to see that.

But I tell you this: what has become more clear during this debate is that there is only one political party in this country that will stand up consistently for people in regional and rural Australia. There is only one political party that will stand up for the people of the bush. There is only one party that will not sell out on Telstra. There is only one major political party in this country for whom a vote at the next election will guarantee that Telstra will not be privatised, that will stand up for the bush, that will stand up for regional and rural Australia, and that is Labor. That is all Senator Boswell and his cronies have demonstrated in this debate—that Labor will protect the interests of the bush, and these sell-outs, these gutless, lacklustre, no-hopers from the National Party are a finished political force in this country. *(Time expired)*

Senator MURRAY (Western Australia) (3.33 p.m.)—We are debating the first of the Democrats 41 amendments, which relates to the removal of the preamble which the government, the opposition, Senator Harradine, the two Greens and the Labor Party have all agreed should go. However, we are still on this matter. Whilst dealing with this matter we should refer to a section which says that legislation providing for comprehensive community and regulatory safeguards has already been enacted. That may sound like a protective device for consumers, but there is a danger that the interest of Telstra in the regulations, which government will continue to pursue, may result in their being tempted to exercise undue influence on the political process.

At schedule 2, after item 21, the Democrats do intend to move amendment No. 9 on sheet 1124. That directly relates to the preamble in this sense. It relates to the fact that Telstra must not make political donations. The amendment says:

> Telstra, or any Telstra body, or any director or employee of Telstra or a Telstra body on behalf of Telstra, must not make, directly or indirectly, any donation, gift or related payment to any political party, candidate or member of parliament within Australia.

Why would the Australian Democrats be moving that amendment, and why is it relevant to the preamble? It is relevant to the preamble because it sets the tone for this bill, and the bill does provide for making Telstra particularly interested in the actions of political parties in this place. Our amendment will seek to introduce yet another fundamentally important accountability measure. It will ban Telstra directly or indirectly making any donations to any politician or political party. We think that would be fundamentally essential to the better functioning and the continuing better functioning of our political process.

Telstra, if it is privatised, will be Australia's biggest company. It will be twice the size of BHP or NAB. As such, it will have enormous financial strength. Anyone who thinks that Telstra will be some passive, gentle giant which will be nice to all Australians is not understanding the aggressiveness that comes from a monopolist. As a private company, with directors dedicated to making a profit for their shareholders, its commercial and competitive aggressiveness will increase fourfold, as will its desire to make more money.

Telstra's profitability depends totally on the extent of regulation provided by this parliament. If this parliament imposes service standards or universal service obligations or infrastructure requirements, Telstra's profitability will be affected. The Democrats do not think that Telstra will take that lying down. We expect this place, once Telstra is privatised, to be inundated with Telstra's lobbyists against any form of regulation, wanting to argue and confine and read down every single clause of the Telecommunications Act that imposes a duty or obligation on them.

I do not think Telstra will be backward about coming forward in the donations department. We have seen in Victoria, where the Crown casino monopoly depends entirely on the nature of regulation and revenue rules, just what can happen when a government and a captive company get too close. Telstra will be in a similar category. This will be Australia's biggest company, but it does control 82 per cent of the market, which is a substantial and aggressive near monopoly. The only thing standing between Telstra and monopolistic profits will be the powers of the regulator, which is the Australian Communications Authority, and this parliament. That is why, more than any other company, Telstra must be precluded from being involved in the political process.

We will be seeking this unusual amendment later on. It is set by the preamble, which says that regulation is vital to this company. We say that, if you have such a large company, you have to be careful of its political power. As a company, it will be too big. The direct impact of our decisions on its profits will be too direct. Accountability will demand that Telstra not be a political player. It must be precluded from making deals with politicians or political parties. It must be banned completely from making any donations or gifts. It would be an unusual ban, but Telstra's dominant position, size and unique regulatory position are unusual. I urge the government and Senator Harradine to show good faith by regarding this amendment favourably—to keep Telstra out of the political arena once it is privatised.

Senator MARGETTS (Western Australia) (3.39 p.m.)—We are debating the preamble of the bill to amend the Telstra Corporation Act 1991. We are looking at the Telstra (Transition to Full Private Ownership) Bill 1998. The Greens (WA) were prepared to debate each of the amendments put to this bill. We expressed a deep concern, as did many people in the community, that bringing the bill on at this particular stage was totally out of touch with what the community was saying and that the outcomes were not going to be good. Despite all of that, the government decided they were going to do it anyway. The beginning of the preamble says:

> The Parliament of Australia considers that Australians should be given the further opportunity to invest in Australia.

That is, we will take what you own, sell it for no—and it can be proved—actual net benefit to the Australian economy and throw you back a few crumbs to make you feel a bit better. At the end it says:

> without the inhibitions imposed by government ownership.

Basically, right from the very beginning, you have the ideological stand that 'government equals inhibitions; private equals good'. It is the old 'four legs good; two legs better' from *Animal Farm*. Basically, it is ideology put into preamble. The preamble is a nonsense. Further on, it says:

> The sale of the Commonwealth's remaining two-thirds equity in Telstra will benefit the Australian community with the majority of the proceeds of the sale applied to the retirement of government debt . . .

Figures have already been given in this second reading debate that show quite clearly that it is a false accounting tool, that, in the end, Australia will be worse off by the loss of revenue, tax revenue and so on that is normally gained through such a successful operation. Basically, we have a situation where there is no real social bonus. It is a beads and trinkets effect. The reality is that the beads and trinkets will be thrown around during this election campaign, spending people's own money. It is a bit like saying to someone you are going to buy them a birthday present, asking for the money to do it, then buying them something really small and saying,

'Aren't I a good person?' That is basically the process we are likely to see during this election campaign.

The next paragraph looks at the legislation authorising the sale not having effect until after the first general election for the House of Representatives. That creates quite a few problems. We would have preferred that it pass through both Houses of parliament. There are amendments to be considered, but nobody really thinks that the government is going to take many of these amendments seriously at all because the deal has been done.

We have an amendment proposed by Senator Harradine that, in effect, says, 'The faster you proclaim this legislation, the better.' How does that create any protection? Basically, it is a threat on the government: if you happen to be re-elected and you do not proclaim really quickly, you will have to put the legislation again. It is not an inhibition. Basically, it stops the ability to deal with a very strong message coming out during the election campaign. If, for some strange reason, this government were to get over the line in one way or the other, or in a very odd coalition at the end of the process, the impetus is that they should proclaim it as quickly as possible. If the coalition gets back in, that does not mean that they would actually put it to a vote necessarily. It just means they would give it a tick and proclaim it as soon as possible—no matter what the numbers were in the parliament and no matter what was said to them by the community, and not just by rural and regional Australia.

These concerns are not simply those of rural and regional Australia, though obviously rural and regional Australia feels more strongly in relation to competition policy and the new so-called competitive environment. They feel that they cut out. We have already heard the way the National Party were used in the committee stage processes to savage and monster people from the bush who gave evidence to the inquiry and expressed their concerns about the lack of consultation and the lack of accountability as a result of the privatisation in each tranche.

However, here we see the accountability of the parliament being threatened by the executive; it is undermining the legislative function of the parliament. We would have liked to give serious attention to an amendment. But there is no point now in having these kinds of amendments because the deal has been done.

We believe that pushing through with an unproclaimed bill in this fashion—'Don't worry, there's an election in the meantime; don't worry, we'll look for a mandate'—is a nonsense and a travesty. It undermines the legislative function of the parliament and erodes the accountability of the executive to the parliament. Basically, it means that the executive is not accountable. If we come back after the election, after the government has said that it is going to listen to the Australian people and the Australian people quite clearly tell it about Telstra during this time, the executive will not have to deal with it. Nothing in this legislation says that it will have to deal with that opinion which might be clearly expressed during any election campaign.

The open proclamation is at odds with the legislation handbook and the current drafting rules. It is inconsistent with the concerns about open-ended commencement provisions expressed by the Senate as long ago as 1988 and which are now reflected in standing order 139. It is at odds with the conclusion of the forward estimates in the 1998-99 budget papers. They are not saying the same things in relation to the proceeds of the Telstra sale; so that means that the last budget was incorrect.

It wastes significant public funds. We certainly have seen the spending of significant public funds already in forcing the Senate to deal with something which we were promised would not happen. Not only do we have to look at the cost to the Senate, but we have to look at the cost of the Senate inquiries that have taken place—the two Senate inquiries in particular. Add to that the three still outstanding inquiries: the digital data review, under subsection 481 of the Telecommunications Act; the AMPS regional coverage, under section 5103 of the Telecommunications Act; and also—and most importantly, because it

has been mentioned on a number of occasions—the Australian Communications Authority inquiry on review of the customer service guarantee.

So much of this debate now, and even in the previous tranche of this legislation, was dealing with the customer service guarantee. We still have an inquiry outstanding on the customer service guarantee. Yet although public funds have been put into that inquiry, we also have had public funds involved in two Senate inquiries at which strong concerns have been expressed but which the government has ignored. All of that has been ignored in this dingy process.

Returning to the substance of the bill, a lot has been said—and it is in the preamble—about telephone services being reasonable and about guarantees. Quite frankly, it has been established by many people in inquiries that the penalties are not necessarily enforceable and, on occasions, the amounts of penalties do not mean that people will comply. We have no real concept, as with many aspects of competition and privatisation we have seen lately, of how public interest is applied.

Let us go back to the basic question, if we are talking about preamble: what do we have a Telstra for? I would contend—and perhaps it is a naive concept—that a telecommunications company is there to provide telecommunications services. People expect that, when governments provide those services, there is some element of integration of public policy and public interest into that provision.

Yet, all throughout the preamble, we look at the gleeful benefits of commercial flexibility and profitability. Then you have to ask: profitability for whom? The answer of course is the shareholders. We have had very strong arguments during all of the inquiries in relation to what happens under corporate law, and that was argued strongly during the first tranche.

But we only have to look back in the *Hansard* to see the false assurances we were given at that time. We were told that we were overreacting, and that this simply did not mean there was to be a next tranche and that the rest would be sold off. We know that was not true. We know that was not true because Senator Harradine made the same argument, Senator Alston made the same argument—'What are you making this fuss about? It's only the first tranche. This isn't the selling of the whole of Telstra; it is still in majority government ownership.'

Here we go. We are in the same parliament, the same Senate, and we are arguing now about the legislation for the sale of Telstra. Senator Harradine has said, 'That does not mean it has to be sold.' We know that. But he has told the government that, if it does not proclaim this legislation straight away on getting back into government—if that is to happen—it will lose it.

So it does not really matter. According to that amendment, the government does not have to come back into this place to see whether or not the public view is still the same. It does not have to listen to anything that is said on this issue during the election. If the government happens to scrape together a mangy coalition as a result of all of this, if it happens to scrape over the line, whatever the community says during that election campaign means diddly-squat—nothing—because the bill will be proclaimed.

Senator Harradine has assured us that it will be proclaimed, because he has put a penalty in which will apply if it is not proclaimed immediately. The government will lose the legislation if it does not proclaim it immediately. No matter what else comes out in these other inquiries, no matter what comes out with the community, no matter what comes out in public polling; no matter what, there is a penalty if this government, in the event it gets over the line, does not proclaim this bill immediately.

I do not believe there is any point in our going through the detail of what is wrong with the legislation or what is right with the amendments that have been proposed. The deal has been done. To the detriment of Australia, and not just of regional and rural Australia, the deal has been signed. In the end, I guess it will be one of those issues on which members of the community will have a chance to speak, and they will do that by way of their vote during the election campaign.

However, as the government knows, in election campaigns there are many things that the community comments on. Mandates are a false concept. This process is a sham and a disgrace to the parliament. But more than that; it is a disgrace not just to the parliament but to the people of Australia.

The TEMPORARY CHAIRMAN (Senator Crowley)—I call Senator Stott Despoja.

Senator Stott Despoja—I am happy to defer to Senator Harradine for three minutes as requested.

The TEMPORARY CHAIRMAN—Well, the next person on the rough list that I have in the back of my head is Senator Schacht.

Senator Boswell—Madam Temporary Chairman, don't we go from side to side? I indicated to you and you then indicated back to me that I would be the third speaker. There have been two speakers—

The TEMPORARY CHAIRMAN—You would have been, Senator Boswell, but I looked for you and you were not in the chamber at that time. I do appreciate that you are on the list.

Senator Boswell—You said that I would be two speakers away. Now two speakers have been heard. I will defer to Senator Harradine—

The TEMPORARY CHAIRMAN—Senator Boswell, if other senators concur with that, I am happy to call you.

Senator Harradine—Just very quickly—

The TEMPORARY CHAIRMAN—Senator Harradine, what are you standing for?

Senator Harradine—Have you called me?

The TEMPORARY CHAIRMAN—No, I have not, Senator, I am sorry. I have called Senator Stott Despoja and I have indicated that there are four other people.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (3.53 p.m.)—Madam Temporary Chairman, I will take the call. I was willing to defer to Senator Harradine provided that the call could then come to me, but I do not think that is the wish of the chamber—

The TEMPORARY CHAIRMAN—That is between you two senators. I am happy to concur that way.

Senator Murray—Go, Senator Stott Despoja.

Senator STOTT DESPOJA—'Go, Senator Stott Despoja,' says Senator Murray. I would like to take up Senator Murray's comments. Once again, in the time available to us, the Democrats will be addressing the amendments that we have before the chamber. Again, I remark on the inadequate time that has been allocated in this debate not only so that we can adequately and comprehensively debate whether or not we want to deal with the privatisation of Telstra, but also so that we can deal with the 50 amendments that are before us.

I believe that 41 of those amendments were to be moved by the Australian Democrats. People should know the reason why we want to move so many. In the limited time available, we have to ensure that if Telstra is going to be sold—whether you call this enabling, hypothetical or other legislation—and the numbers are certainly looking that way, then we are at least trying to develop some kind of framework and regulatory environment that is accountable, as Senator Murray has remarked in his amendments, so that we have workable legislation before us. For that reason, the Democrats will be moving amendments and not simply filibustering on this bill. But I remark again on the lack of time available to debate such an important issue.

Senator Abetz interjecting—

Senator STOTT DESPOJA—I will take the injection from Senator Abetz who remarked in his earlier speech that we do not necessarily have to deal with this because it is not until the next election, et cetera. So why are we here on a Saturday afternoon giving this bill the tag of urgency which not only does not allow us time to develop debates on the rationale and detail that a bill of this nature and a bill that is this important deserves, but also does not give us time to investigate those particular amendments before us?

I will deal briefly with Senator Harradine's comments in response to my earlier remarks about the consequences of privatisation on employment and specifically unemployment. Senator Harradine, I take your point that deregulation of the telecommunications industry played a role in seeing jobs lost in that sector. Certainly, the deregulation process was launched by Kim Beazley in the former government.

But I put on the record once again that, while that deregulated environment did result in job losses, this did not preclude jobs being created. We saw jobs originally slashed from 87,000 down to 65,000 from June 1990 to June 1994. We saw those 22,000 jobs being lost, but then we saw the number of jobs rising to 76,500 by June 1996. What we then saw was job losses in the light of looming privatisation—this is in 1996. When it became clear that Telstra was going to be privatised and that profit was the key issue on the agenda, we saw the pressures and the push come from financial commentators. We saw this run directly contrary to the agenda of Frank Blount who, we have acknowledged, is not necessarily a cutter of staff. We note that the pressures of privatisation, along with the pressures outlined in the scoping study conducted by the work force that was appointed by Minister Alston and Minister Fahey, changed a management practice that Frank Blount had used for his lifetime so that, contrary to increasing staff numbers, he was looking to cut them. This was in the interests of the bottom line—profits, shareholders interests, privatisation.

We can see a direct link between privatisation and job losses specifically in rural areas. I draw the Senate's attention to a submission presented to the Senate Environment, Recreation, Communications and the Arts Legislation Committee on this topic from the Communications, Electrical and Plumbing Union. In that submission they point to not only a reduction in jobs—in particular a lot of outsourcing of work that was no longer considered either appropriate to or profitable for the telecommunications carrier—but also a direct reflection on rural areas as a consequence of privatisation. We have seen rural and remote areas losing jobs and losing services.

I turn my attention in the time remaining to the amendment that was previously circulated in my name relating to Internet access, a key issue that has not been explored to the necessary degree in this debate and, guess what, we are not going to have enough time to explore it in the detail that I believe is required. The amendments, which I understand will now be moved by the government on behalf of the Democrats, will change the Telecommunications Act 1997 to exclude B-party charging of Internet service providers, or ISPs, by the carrier.

In February this year, the Australian Bureau of Statistics released statistics on household use of information technology. These statistics demonstrate that just under three million—2.9 million—households in Australia now have a computer. That is about 42 per cent of all households in this nation. They also found in February this year that 850,000 households had access to the Internet, which is 13 per cent of all households.

Senator Crane—Did you include mine?

Senator STOTT DESPOJA—I think I am including yours, Senator Crane. We will make sure that statistic is included. Indeed, I would hope that most senators in this place have ready access to the Internet so that they can hear the concerns and read the e-mails from their constituents when they come to them directly and so that they can respond to them personally, I hope, too. An additional 470,000 householders indicated that they would be connecting to the Internet by February 1999.

In April 1998, the report entitled *Electronic commerce in Australia* by the Department of Industry, Science and Technology showed that 1.5 billion of the 21 billion transactions in Australia in 1997 were electronic. That has a value of—believe it or not—$16 trillion. This report also showed a dramatic increase in the number of commercial users and a significant presence of ISPs as hosts of active business websites. On the shopping front, this report also found steadily increasing on-line shopping, with 43 per cent of regular Internet users having shopped and a further 30 per cent who are willing to try. Clearly, an in-

creasing part of our consumer interests and certainly our household life.

What was most significant was the finding that the amount of time spent on-line by dial-up users was closely related to the pricing plan of ISPs. These findings clearly show that the cost of access has a direct effect on the amount of access. However, as a hurdle to participation on-line, cost was listed third behind lack of defined need and availability. That is worth noting.

The Australian Democrats strongly believe that the Internet should be accessible and affordable for all. Access to the Internet is fundamentally important to the whole new communications environment that we are endeavouring to discuss here. For this reason, we believe that the costs of access should be limited to ensure they are not a barrier to access. We think cost goes to both access and availability. That is one of the reasons that we are moving amendments to the legislation today.

As the scope of on-line services grows, access to them will become an ever more pressing issue. The Internet already offers a means for accessing information which is vital for enabling participation in our society. For example, information on government services, policies and activities is already readily available on-line. The relevant minister has announced increasing awareness programs and, of course, created a single point of access for the Commonwealth.

There are plans for leading the delivery of government services via the Internet and increasing the levels of education on-line—things that we strongly support. The projected growth of health and educational services will also contribute to the growth of the Internet as a critical tool for students and families, and our broader community. These are all significant steps, but they all depend on availability and access and, of course, they are all very closely associated with costs.

The cost of accessing the Internet is, therefore, rapidly becoming a factor for an ever increasing number of families. In time, this is likely to become a cost that is virtually unavoidable—much like the telephone, if you like, in our society. The parliament, therefore, in this debate today on our telecommunications legislation, has a duty to ensure that access to the Internet remains affordable. Putting safeguards in place now is one way of ensuring that we do not create an information underclass in the near future. We do not want a society divided into the information rich and the information poor. We must have this equity, and this is closely associated to costs. Moreover, preserving low cost access to the Internet is also an important means of entrenching the dynamic growth in the industry.

Despite the efforts of the Democrats, under the Telecommunications Act 1997 business customers will not be guaranteed ongoing provision of untimed local calls for data. This means that business users may be forced to accept timed charges for the Internet and other data calls. This decision, which rests with the telecommunications carriers, would add significantly to those costs already faced by small businesses and their consumers and add an unnecessary barrier to access to and availability of the Internet. Fortunately, residential customers, charitable bodies, welfare organisations, et cetera, are guaranteed ongoing provision of untimed local voice and data calls. This means that these customers are able to connect to an ISP in their local call zone for the purpose of accessing the Internet at the cost of an untimed local call.

Telecommunications carriers, however, are not prohibited from charging ISPs a separate timed levy for receiving calls, known as B-party charging. This opens the way for all customers, including residential customers and charitable bodies or welfare organisations, to be indirectly charged on a timed basis for accessing the Internet. The Democrats oppose this. We do not believe an imposition of this kind of charge is warranted. If ISPs are charged a timed levy for receiving a call to connect to the Internet, they will be forced to pass these additional costs on to their customers, presumably through increased fees. It could also be used by larger telecommunications companies to crush their competitors. The minister for communications has said that the government will not allow B-party charging. This is a decision the Democrats welcome. However, the government has not ruled

in legislation that such charges will not be allowed. So what we are looking for now is a legislative guarantee.

The purpose of the amendments before us, originally circulated and moved by the Australian Democrats, is to preserve the status quo by preventing carriers from charging the receiver of a telephone call where the receiver is the provider of an Internet service and where the call is for the purpose of connecting to the Internet. I consider this, as do my colleagues, a significant issue and worthy of commitment by government and amendment to the Telecommunications Act. We have set out figures demonstrating the rapidly expanding on-line economy and the considerable value of this area to Australia's economy and society. A significant barrier to this on-line economy is the cost of access and this amendment will go a long way towards fixing this.

I have outlined the rationale behind the amendment. I am sorry that it has to be done so speedily in this environment, when we have another 40-odd amendments being moved by the Australian Democrats, but it highlights what a farce this whole process is.

Senator Kemp—It highlights the amount of time the Labor Party has wasted on it.

Senator STOTT DESPOJA—I accept that acinterjection. Certainly, there has been filibustering on both sides. On the one hand, there has been a lot of filibustering from the opposition, which has given undue publicity to the likes of One Nation and has had a good go at the National Party—which is not something that I personally object to—and, on the other hand, from the government there has been a lack of information. And that is the problem. We have an important piece of legislation before us with a mammoth array of amendments and we have no idea what deals have been done. We cannot debate the specifics of what is before is. We cannot debate the specific impact, adverse or otherwise, of the deals that may or may not have been done in any part of Australia—regional, rural; who knows?—because we have no accountability with this legislation.

What the Democrats are aiming for is reasonable debating time on legislation and amendments, and not just in relation to this piece of legislation, because we know we are moving on to two rather important copyright bills after dinner and we have been allocated two hours apiece. It is absolutely ridiculous. I do not know how this chamber can operate as a house of review, a proper house of scrutiny, without allowing adequate time for analysis of government and opposition parties amendments.

Once again, I reiterate our concern, on behalf of our party and the many members of the community who have been ringing our offices, e-mailing and faxing us today saying, 'Why on earth are you here debating this legislation? Why is this being rushed through by the government when you are not even allowed to debate the amendments?' Do you know that Senator Vicki Bourne, our whip, calculated that at this rate the amendments are allowed less than 10 minutes each for debate. We have to do it in the preamble stage of the bill because there will be no other opportunities, as I understand it, available. That is a sham. That is an absolute sham and the Democrats resent it. But we will continue to try to fulfil our role as expert legislators, even if the rest of you are going to filibuster.

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate) (4.03 p.m.)—Senator Stott Despoja was quite right when she referred to the Labor Party as continually attacking the National Party. We have been around for 75-odd years, and no doubt we have been under some heavy pressure in those years, but we can take it. But today, I think, the parliament sank to the lowest depths when Senator Ray and Senator Faulkner, but mostly Senator Ray, went through a list of the National Party members and attacked their integrity, ability and honesty, which had nothing to do with anything in particular other than to denigrate the National Party.

It was in complete contradiction to Standing Order 193, which should have been picked up, I add, Mr Temporary Chairman, by the chair and the person who was previously in that position. But I did not come in and claim parliamentary protection, because I think that is the coward's way. If you can see a head, you can kick it. You have been kicking plenty

of heads, and that is okay. I will come back at you. In the whole of this world, in the whole of this universe, there is only one country left now that has a publicly owned telecom—that is, North Korea.

Senator Schacht—If you like Albania, go there.

Senator BOSWELL—Albania, Cuba—they have all gone over. We have heard about the great icons of the National Party—the Anthonys, the McEwens and the Pages. They were great icons; they were men of their day. But they did not look over their shoulders. Their policies were the ones which pushed and brought Australia forward.

Senator Schacht interjecting—

Senator BOSWELL—But you cannot lock yourself in a time warp, Senator Schacht. This party has been relevant for 75 years because it was prepared to move with the times.

Senator Schacht interjecting—

The TEMPORARY CHAIRMAN (Senator Chapman)—Order! Senator Schacht!

Senator BOSWELL—If there is not a message in saying that North Korea is the last country in the world that has a public telecom, if that does not give you the message, then I do not know what will. Nothing will, because you are a party that is committed to socialism, although you broke away and sold Qantas and a few other items. If you cannot get the message, if the phone is not ringing for you that Albania and Cuba have finally sold out, then you have a particular problem.

Let me assure you that the $160 we are offering in the form of a rebate plus the extension of a four-minute call to a 12-minute call gives people in the bush 2½ hours of free calls a week. So they are not doing too badly. They are getting 2½ hours a week when they can ring up their local community centre for nothing. That is on top of 25c for 12 minutes. If that is not a good deal for the bush, I do not know what is. It is a great deal for the bush. If you can not understand that, you do not understand the bush.

As for making the farcical claim that the Labor Party can stand up for the bush, you will go down in the annals of history on your sell-out of the bush on native title. You have completely disconnected yourselves from every rural worker, every person who works in an abattoir, every blue collar worker, every person who works in a sugar mill or a cotton gin—you walked away from them. You said, 'We don't care about you. We don't care about your jobs. You are sort of non-persons; you are non compos mentis.' You just walked away from them. So don't you ever go out into the bush and say that you represent them.

Senator Schacht—We will be out there in the bush telling them of your sell-out.

Senator BOSWELL—If you do that, you will be a laughing stock out there.

Senator Heffernan interjecting—

The TEMPORARY CHAIRMAN—Order! Senator Heffernan, you should know that it is disorderly to interject when absent from your own seat.

Senator BOSWELL—We heard a complete denigration of not only members of parliament. I suppose most of us here when we get into this game can take the rough and the tumble and live with it. It gets hurtful occasionally, but you can stand up and it does not worry you. But you started moving onto party officers. People like David Russell, your president and the presidents of the state Liberal and National Party branches give their time because they believe they are doing something for Australia. They do not get paid. They get a lot of flak. They are always in trouble, but they take it on as a community interest. I have had my disagreements with David Russell on many occasions, but I do not want to see those people denigrated in this House. The most thankless job that you could ever ask anyone to do is to be the president of a political party. You are open to all sorts of flak. But to then bring up their names in here under parliamentary privilege and attack their character and ability is stretching things too far.

We could go through your previous leaders one by one and ask how they got $3 million houses. I have been in business all my life, and I ask myself: how on earth can you afford $5 million worth of real estate? How can Mr

Keating and Mr Hawke afford it when they have basically been on union salaries all their lives and then parliamentary salaries? But I do not do that sort of thing; I walk away from it. I discourage people that bring in those sorts of rumours because it denigrates this place. It lowers the tone of the place and it says to the people out there, 'You know, you really shouldn't trust parliamentarians.' But you have made an open go of it today, and you should be condemned.

I reiterate: for a party to be relevant, it has to change. It cannot lock itself into the 1950s. When McEwen brought in protectionism, yes, it was great. We all lived well. We all had a quarter acre block and lived in beautiful three-bedroom homes with fireplaces, and that was on fairly modest wages. We cannot lock ourselves into that. That is when we had six million people and 180 million sheep. We rode on the sheep's back and the sheep underwrote the Australian economy. Those days are gone; these are different days.

Then we moved into the Anthony days. He changed with the times. He was a man relevant to the needs of that day, and he was a great leader. So was McEwen and so was Page. They were great leaders, and they took the party forward. But we cannot go back just because McEwen or Anthony or Page said that this was the way to deliver telecommunications. That might have been right—it probably was right—in those days, but we cannot lock ourselves in. We have moved forward. Telecommunications are a major requirement. It is what people in the bush want. They have a steam driven technology at the moment, and we have to get them forward.

Senator Schacht—That is after 50 years of your representation, Ron.

Senator BOSWELL—It is after 13 years of your representation of stripping the bush and sucking the equity out of their properties with 23 per cent interest rates. You deserted them in droves. You drove the bush into the ground. You should be ashamed of yourself, and if you ever go out there, Senator Schacht, please do not tell them you are an ex-country boy. They may forgive people for ignorance, but they will never forgive people who are brought up in the rural communities and then rat on them.

Mr Temporary Chairman, we face a difficult decision. I am not enjoying this for one minute, but I have to make a decision. I have thought this through, and I have even prayed about it. I have to make a decision whether I take this National Party constituency forward—take it into the future—or say, 'I am going to leave the technology where it is at the moment.' There will be only one chance—probably never another chance. There is a huge amount of money required to put that latest telecommunication infrastructure out there. This is going to be the only chance to do it. We are going to have to do it. We are going to have to bite the bullet. People cannot live out there without this communication.

As I said, gone are the days when you sent your cattle down to the local abattoir—or your milk into the local cooperative—and hoped for the best. Everything now is communications. Everything is sold on forward pricing. Everything is locked in. Therefore, not only do people require it but it is absolutely essential that they maintain their contact with the rest of the world. You cannot deny that.

Some of the people are saying, 'Look, we have had Telstra out there, and the service cannot get any worse.' I know that. I cannot see that the service can get any worse than people being without a phone for three weeks or a month. What we have proposed in the community customer service obligation is that there will be a $40 fine. That is probably less than I would have hoped for. I argued with Senator Alston that it should be up to $100 every day, but that should come off your phone bill.

We have now given people 2½ hours of free phone calls—increased it from 25c for four minutes to 25c for 12 minutes, and then put another $160 over the top of that, which works out, in my calculations, to about 2½ hours of free telephone calls to their local service community for a week.

Senator Schacht—You could amend it, Ron. Move an amendment.

Senator BOSWELL—Thank you, Senator Schacht. I spoke to Senator Alston, and he is prepared to lock that in under an amendment in the legislation today. I trust the Liberal Party and I trust Senator Alston, but—

Senator Schacht—You shouldn't.

Senator BOSWELL—I think we are beholden to you. You should not only trust people but you should lock those things in. Senator Alston has agreed that I can move an amendment, and I will be delighted to do it. I hope that you will second the amendment and express your concern to rural Australia too.

Let us just get back to where we are. It is so easy, it is so comfortable, to sit out on the sideline and say, 'Let it all go past.' But is that really what regional and rural Australians want? Or do they want to pick up a fax that works? Do they want to connect to an Internet that will give them overseas prices? They do not want to connect only when the sun is up because it is charging and energising the batteries, and it will not work when there is a bit of overcast weather. That is taking your chance. They do not want that. What they want is something that everyone else in the rest of Australia has—a reliable telecommunications service that is affordable and can connect them to anyone they want to reach.

Senator Hogg—Why haven't they got that now?

Senator BOSWELL—After 13 years in government, you should not be asking me. After two years in government, we are trying to give it to them. You had 13 years in government where you never gave it to them, and all you ever did was suck the equity out of their properties, bankrupt them and destroy them. No wonder they gave you such a serve out in the bush. That is what they want—what everyone else in Australia has, and what everyone else in the cities expects. They just want the same. I say to them: this is your only chance—probably your last chance—to get it. If you want the National Party to get you all these things that you required in your NFF, isolated children, sugar and UGA resolutions, then this is the opportunity to get it. You may never have another opportunity.

Senator SCHACHT (South Australia) (4.22 p.m.)—As indicated by some previous speakers, unless there is undue provocation on this particular preamble amendment—and we take a broad definition of that—I will be the last speaker for the Labor Party. In view of the fact that the government has gagged the debate and limited it so that many of the amendments proposed by various parties might not get debated before the government guillotines the vote later this afternoon or earlier this evening, I will take briefly an opportunity to mention a couple of the opposition amendments.

First of all, we make it clear that, no matter what amendments are moved to this bill, the bill deserves to be defeated outright on the third reading and should not go through this parliament by the time it finishes sitting today. We make that very clear. No amendment, no matter how good its purpose, will overcome the major deficiency of this bill, which is to privatise Telstra and to do it in a way that means the Prime Minister—if he can scrape back into office at the next election—can privatise Telstra after the next election with no reference back to the parliament after the people have voted. That is what the Prime Minister is up to. No matter how good these amendments are, they will not overcome the evil of this bill.

I want to reiterate that, in the first week of the election of the Beazley Labor government and the first week of the sitting of that new Beazley Labor government in this place, we will repeal this legislation to make it clear that Telstra will not be further privatised by any government, particularly a Labor government. I also want to point out what the two amendments we put forward in the debate relate to, although I suspect the government will oppose them.

Firstly, even with a fully privatised Telstra, we believe the power of the minister to direct the board in the national interest must be maintained. Why? Because, for the foreseeable future, Telstra will provide 85 to 90 per cent of the telephone connections in this country for 10 million Australian households. In the bush areas of Australia, it will provide 100 per cent of those. When it is providing

that essential service we believe, from time to time, the minister should have and use the power in the national interest. So we will move an amendment to have that power maintained even if, unfortunately, Telstra is fully privatised.

Our second amendment, because of the near monopoly of Telstra, is to maintain parliamentary scrutiny of this organisation. In the last 12 months the minister, Senator Alston, has written on behalf of Telstra to the Senate Environment, Recreation, Communications and the Arts Committee, which oversees Telstra, asking that they be excused from attending a number of the hearings of the committee where questions can be asked by senators from any political party about the operation of Telstra. I have to say the response was unanimous; even Liberal senators did not want to give up the right to ask questions of Telstra. So we told Telstra and the minister to go jump. All members of that committee—Labor, Liberal, Democrat and National Party—said no. Telstra must turn up at parliament, face the music and answer the questions about what they are doing in Australia because of this near monopoly position.

Telstra and its Chief Executive, Mr Frank Blount, are saying, 'Of course, when we are fully privatised, we only have one group of people we are responsible to, and that is our 1½ million shareholders'—not to the 18 million Australian citizens who all rely on Telstra for some form of telecommunications. He does not want public or parliamentary scrutiny because some of the questions that may be asked, even by Senator Boswell from the National Party, may be embarrassing to the performance of Telstra. We believe that those are very important amendments.

I also want to turn to a couple of things that Senator Harradine has raised. He said that the job losses in Telstra would have occurred irrespective of the privatisation process, because of technological change, et cetera. By the end of this year, 27,000 jobs will have gone from Telstra over the last two years. It is the biggest single downsizing in corporate history in Australia—27,000 jobs. No other company or public service has sacked as many workers as Telstra has in the last two years.

Some of those jobs, I concede, may have gone because of technological change. But the real reason is that this has been driven by the senior management who say, 'We want to prove to the financial analysts both in Australia and overseas that, on the measures that show we are a profitable and efficient company, we have the employee ratio per connected telephone line down to the same level as it is in America.' That is the reason why it has taken place. It is so that, when they get down to about 50,000 people rather than 75,000 people, they will be able to say, 'We have the same number of employees per telephone line connected as they do in the United States.'

What they fail to mention is that, in continental Australia, which is the same size as continental America, we have 18 million people whereas they have 268 million people. That is the fundamental difference. That is why you cannot compare Telstra and its operation in Australia with an operation in an American market or a western European market or a Japanese market. Japan has 130 million people in an area a little larger than the size of Victoria. That is why we argue that Telstra is an essential service to all Australians in our vast continent and, in particular, why people outside the major cities have to be treated equally.

Senator Harradine, that is the reason why the jobs have gone. It is because the management of Telstra want to be able to get a pat on the back from the international analysts, the stockbrokers and the share owners for having the number of employees, on average, down to the same level as an American telecommunications company. We do not think that is going to deliver the service to the bush. That is why, in the last 12 months, there has been on average a 15 per cent decline in the bush in fixing telephones, in connecting telephones and in fixing pay telephones when they break down. It has declined in the first full year of privatisation. You cannot tell the Australian people that full privatisation of the service is going to make it better, because it will not. They will contin-

ually sack and reduce staff to make the place look more profitable and to improve the bottom line.

Mr Blount has been honest about this. He says already that they are only concerned about the bottom line and the profit. If that means 27,000 workers lose their jobs, so be it. If that means people in the bush take longer to get a telephone connected, so be it. He is only driven by one thing, and that is the profit. No matter what legislation we try to fix on the side here, it will not work.

In the end, the only way you and the community can guarantee getting Telstra to do things in the national interest is through this parliament and through the minister—in this case a weak minister who does not have the guts to tell Telstra anything. That is why Frank Blount today, in the paper, is quoted as saying:

> 'You know, this Government has not even said boo to me.'

What a damning indictment! Yesterday this same minister was in here saying that he was hairy-chested because he told Telstra what to do. He said that they did not like him because he argued with them. Well, Frank Blount has killed him today. He has knocked him right over and said, 'He doesn't even say boo to me.' What a weak, spineless minister, when this organisation has to provide communications to all Australians no matter where they live.

Senator Boswell has been in here complaining that we have been unfair on him and the National Party in claiming that they have sold out the bush on the deal. He is not the only one. Senator Harradine and Senator Colston have done it, as my other colleagues have said. It was astonishing last night to see Senator Colston come into this place. He had apparently been away to Brisbane to meet the Prime Minister. He came in here through the back door and slowly walked around and got to his seat. He was there for a few seconds and then went out that door. He was in the place for about two minutes. Why did he do that trick? He wanted to claim the $145 per night TA to come back to Canberra. That is the reason; there can be no other.

Senator Colston did not speak, and I do not believe he voted. He went to Brisbane to see the Prime Minister. No wonder politicians get a poor reputation when that sort of attitude exists. Senator Colston voted for the parliament to sit all day yesterday—he voted for us to sit here—but he was not here himself because he went to see the Prime Minister. He then came back just in time to claim the TA.

Senator Harradine—Mr Temporary Chairman, I raise a point of order. I believe that what Senator Schacht is saying is a reflection upon a senator. It is well known around this place that Senator Colston is quite ill. He went to Brisbane yesterday for a longstanding appointment with his medical adviser. It was quite a serious one.

Senator SCHACHT—What—the Prime Minister?

Senator Harradine—I do not know personally about that, but I did read in the press that he also saw the Prime Minister. That is an unfair reflection upon an honourable senator.

The TEMPORARY CHAIRMAN (Senator Chapman)—On the point of order: I believe that the comments Senator Schacht made are unparliamentary. I am not aware of any requirement that you have to walk into the chamber to be eligible for the travel allowance, in any case. It would be appropriate if Senator Schacht withdrew.

Senator SCHACHT—You get paid, so even more money is at stake. If it is a reflection, I withdraw, of course.

I now turn to Senator Boswell's remarks. Senator Boswell has come in here three times today defending the National Party deal. Each time he has come in, he has become weaker and weaker and more embarrassed and self-humiliated. I cannot recollect any other National Party senator—I may be wrong—all during today jumping up and speaking. They may have been gagged or they may be too embarrassed to speak et cetera. Senator Boswell then claimed great credit for an amendment circulated in his name. He said, 'Senator Schacht, yesterday you said that we did not lock up the new arrangements for

lower call charges in the outback areas in extended zones et cetera.' He said, 'As a result of what you have raised, I saw Senator Alston, the Minister for Communications, and he has agreed to an amendment, which has been circulated.'

That is the whole point. Yesterday we examined the deal over the new call charge rates for outlying areas in the outback. If I could point out that there was a fundamental flaw in the deal and Senator Boswell could not point out the weakness in his own deal in the previous three weeks of negotiations with the Prime Minister, for goodness sake, what else have they given away in the deal they have not yet announced? This is extraordinary.

The amendment on this piece of white paper is the final death notice of the National Party. It shows that they cannot negotiate. They have to rely on us in opposition reading the bill in a matter of a few seconds to point out the error, the gap, the obvious. Senator Boswell was listening to me, and I could see him starting to frown. He got up, went around and spoke to Senator Alston with a worried look on his face. He clearly knew that we had hit pay dirt and that he had not locked up the deal. Now they are scrambling to get the deal locked up and to make an amendment on that part of the deal.

I again point out to Senator Boswell that the only thing he has so far announced is $150 million expenditure over the next two or three years for capital works in the bush. Telstra spends $800 million each year every year on capital works in the bush, and even with all that there is a deficiency. So $150 million extra over the next two or three years will not make much difference.

To get $150 million, Senator Boswell has put his hand up to sell a company worth $40 billion that is paying a dividend of $1.5 to $2 billion per year every year to all Australians by way of revenue. What an extraordinary deal. I hope his accountant can do his taxes better than this. How could you sell a company worth $40 billion that already provides up to nearly $2 billion in dividends to get in return a one-off $150 million payment in three or four years? That deal could have been fixed by changing the community service obligation to provide a charge on all the carriers.

Telstra laughed, took the money and said, 'Thank you very much.' That is our complaint. If that is the negotiating ability of the National Party, no wonder it is being chopped apart out in the bush. That is why we have said that today is the day in which the National Party died across Australia. The one thing the bush wants is to keep Telstra in public ownership to provide the ongoing delivery of goods to them.

Senator O'Chee—Your socialist principles never let you understand.

Senator SCHACHT—Senator O'Chee is the man who said that if One Nation won one seat in the Queensland election he would walk backwards from Brisbane to the Gold Coast. He now has to walk backwards 11 times to the Gold Coast.

Senator Crane—Mr Temporary Chairman, I raise a point of order on relevance. I cannot see how what Senator Schacht has been saying for the last minute or so has any relevance to the discussion before us. Could you ask him to come back to what we are dealing with.

The TEMPORARY CHAIRMAN—Senator Schacht was responding to an interjection. It might be helpful if honourable senators remembered that interjections are disorderly and allowed the debate to proceed.

Senator SCHACHT—And I was responding to the remarks of Senator Boswell in his recent contribution and pointing out why we make it clear that this is the day that the National Party died. The good old boys of the old Country Party handed themselves away. Unfortunately, as Senator Faulkner said, their seats will go to a party more odious than their own, which is the One Nation party. In a number of instances the seats will go to the Labor Party, because at this coming election we will be the only party campaigning in the bush as a national party aiming to win seats in the House of Representatives to stop the privatisation of Telstra. That will be a defining issue. When we see the National Party decline into irrelevance in Australia, it is all

their own work, and they deserve to be condemned for it.

Senator HARRADINE (Tasmania) (4.38 p.m.)—I will be very brief. We are still on the preamble after 27 hours. There have been a few people address the actual clauses in the bill but, significantly, those people have not been from the opposition. I feel that it has just been a gerrymander.

Senator Carr—We know about gerrymanders. We got 4,000,000 votes and you got 30,000.

Senator HARRADINE—I mean a filibuster. Senator Carr knows the gerrymander.

Senator Schacht—You voted for the gag and the guillotine. Don't tell us about filibusters.

Senator HARRADINE—Quite so, and I rarely do that. I did it on this occasion because it was a shameful filibuster. Something needed to be done about it.

I want to refer to a couple of things. First of all, I remind the chamber that I am voting against the preamble. I do not know what all the argument is about. Secondly, Senator Margetts seemed to indicate a concern about an amendment of mine which would ensure that this legislation will not remain on the books unless it is activated within a period of a couple of months after the next election. The whole point about this piece of legislation, as I understand it, is that it is enabling legislation. It is not actually selling either a tranche of or the whole of Telstra. It is enabling legislation, which the government has given an undertaking will not be proclaimed until after the next election.

Senator Quirke—Do you mean they are not going to flog it off?

Senator HARRADINE—You say that you will be in office, so there will be no problem. Or will there? That is one reason that I have moved that, unless it is proclaimed within two months of the first sitting of the new parliament, it goes off the books; it is repealed. Senator Margetts expressed a bit of concern about that. I was doing that specifically because as a legislator I do not agree with unproclaimed legislation just laying on the books ready for the opportune time to lift it out and to proclaim it. I do not think that is good legislation. The Clerk Assistant (Procedure), Rosemary Laing, had pointed this out to Senator Lees and other honourable senators. That is all that means. There is nothing hidden in it. It is only an attempt to put a brake on the executive.

I want to again make a point about Senator Stott Despoja's arguments about the reason for the loss of jobs in Telstra. I mentioned this before. In response, Senator Stott Despoja indicates that the source of her information was the submission by the CEPU to the committee. Even the CEPU would not say that they were disinterested observers. My material was obtained from a disinterested, very senior officer of the Parliamentary Library.

Senator Murphy—You are voting for something that could allow a minority government to have passed into law something that will not be representative of the people's vote.

Senator HARRADINE—You do not want to hear the truth, do you. Senator Stott Despoja has not taken into account the easing down of the cable roll-out. But that is a relatively minor point. I repeat, for everybody to hear, what this disinterested expert, a senior officer with the Parliamentary Library, has said.

Senator Schacht—This is repetitious. You have already told us this.

Senator HARRADINE—It is repetition, but I am responding to Senator Stott Despoja. There are people who have not heard this. The summary of all of the material is that telecommunications as a whole is a very high growth industry. It reads:

> While its services are very capital intensive, the companies involved, particularly Telstra, are significant employers. As the industry becomes more capital intensive through the elimination of manual exchanges and reduced dependence on traditional copper wire infrastructure, it is to be expected that employment growth will ease and/or actually decline. There has been easing off in Telstra's employment growth since 1996 in response to deregulation to the extent that Telstra has lost market share in the long distance markets. It is too early to say what impact privatisation has had on Telstra employment, but the predominant influences on Telstra employment have been the

impact of deregulation and the labour shedding effects of technological change.

As I indicated before, deregulation was, rightly or wrongly, a policy of the Labor Party and of the current government. I want to advert again to a point I made previously, which is a point that was also made by Senator Stott Despoja and by the CEPU, and that is the effect that the workplace relations legislation is having on employment. Who voted against that anti-worker legislation? I did.

Senator Schacht—We've heard this.

Senator HARRADINE—Who voted for it? I do not think they would have done it now—the Democrats. Under whose leadership? It was Cheryl Kernot's. That anti-worker legislation went on the books because of her, and she was rewarded with being a candidate for the Labor Party. Well, there you go.

I have a couple of things to say. Senator Murray has appealed to us to do something about political donations—that Telstra should be banned from making political donations. I agree with that and I will be supporting that amendment, as it is tidied up. I think that is only reasonable for the next five years.

There is another amendment that I would like to support, and that is in respect of members on the board. However, part of the amendment says that the member should live 300 kilometres from the capital city. In my state of Tasmania, that would rather limit the number of candidates.

Senator Crane—You'd be well out to sea.

Senator HARRADINE—It would actually go to the Nut, beyond Stanley. I just raise that point.

Senator CRANE (Western Australia) (4.47 p.m.)—I would like to make some comments on this legislation before us and on the behaviour that we have seen here for the last 27 hours. We are still on the preamble and have not yet got to the substance of debating the amendments before us. It is not often that I will stand up in this place and promote the position of the Democrats but, in this particular case, this filibuster has been all about stopping those Democrat amendments being put on the table and finding out where you people stand on them. You do not want to declare yourselves. Why you have not declared yourselves is absolutely beyond me. You have had plenty of opportunity.

I want to deal with some of your policies in terms of this, but my next point is that you people do not understand. I say this as a person who comes from a remote area. Not so long ago I had to pay $8,000 to get a telephone line to my place, and I know that the technology we will need out in the bush will come from the skies. Unless Telstra gets the capital base to finance that, it will be forced out of the competition stakes, and you people have to realise that. The people out in the bush put a lot of capital into what they do, and they realise that Telstra needs a capital base and they need satellites circling around to send us down the signals for digital faxes and all the other things that are required if they are going to get the same technology as you get in the city. They need technology that will not be interfered with by electric fences. How many people on the other side of the chamber have heard of an electric fence? Not very many of you. How many of you know the devastation they cause when you put in telecommunications equipment? You would not have a clue. You do not understand the situation.

I am going to try to explain a couple of things, to people listening here and to people in the gallery, as to why telecommunications has to be advanced, and I speak, as I have already said, as someone who comes from a rural area. The particular thing that I want to address is the unbelievably silly decision to phase out analog that was made a couple of years ago by the previous Labor government. You should listen to a little bit about the phasing out of analog and their performance. Mr Beazley, the current leader, was minister for communications and he never had a clue. We were told it was state-of-the-art technology.

Senator Schacht—You voted for it.

Senator CRANE—I got it wrong the same as you did.

The TEMPORARY CHAIRMAN (Senator Calvert)—Senator Crane, I ask you to direct your remarks to the chair. I know there

are a lot of disorderly interjections coming from the other side, but please address your remarks to the chair.

Senator CRANE—Thank you. I was provoked and I apologise, Mr Temporary Chairman. I shall not get it wrong. Just calm him down a little. When he is a bit excited that is how he behaves. I want to tell a story about what Mr Beazley did to us—

Senator Schacht—Mr Temporary Chairman, I raise a point of order. We are debating a bill, not having *Grimm's Fairy Tales* related to us by Senator Crane. I would ask him to stick to the bill.

Senator Alston—Mr Temporary Chairman, on the point of order, yesterday we were regaled by Senator Murphy, at half past 11 at night, with a full 15 minutes about some retailer in Launceston who had a few problems with his phone.

Senator Schacht—This is a story.

Senator Alston—This was a story, and it went on and on. At no stage did it have anything to do with privatisation. After we had allowed him to trot it all out and put it on the record, and after others had spoken, he got up for another 10 minutes to say how important it was and how much he wanted it answered by me. We spent half an hour on a story tale last night. I would have thought if Senator Crane has something to say that is relevant to the preamble—

The TEMPORARY CHAIRMAN—You are debating the point of order. There is no point of order. There has been wide ranging debate from both sides and there have been a lot of stories told from both sides. In this particular case, I would like to hear what Senator Crane has to say.

Senator CRANE—This relates to why this bill must go through and why those of us who live in regional, remote and isolated Australia should have the opportunity to access the same services and the same conditions—or I should say similar conditions; we will never get the same—as our city cousins, no more, no less. This is about what happened with the analog system and the change to digital, which is part of this, and why we must not make the same mistakes again. One of the things those of us who live in remote and isolated Australia need most of all is our little dish alongside our homestead or home so we can get that message from the skies to do all those things that can be done in the cities. That is why this must happen.

Senator Schacht—You don't have to privatise Telstra to do that.

The TEMPORARY CHAIRMAN—Order! Senator Schacht, you are continuously interjecting. You were last night. You are today. Will you just give him a go, please?

Senator CRANE—Thank you. Ever since I have been in this place, Senator Schacht has been one of those people who enjoys shouting. It seems to be something he practises and he comes into this chamber to do it. I am not sure why, but that is the way he is. He will not be here for much longer, thank goodness.

Let me go back to what I was talking about. I well remember the day when we got the analog service. For the interest of those people here and for those people listening, we live 100 miles, in round figures, out of Esperance. We got our first mobile car phone and, for 50 miles from Esperance or the airport, you could press the button and talk. The call would go through. You could talk to your family. You could talk to the local business. You could ring up your office in Perth. You could do whatever you liked.

Then along came this great deal! This is why we have to have progress and overcome these problems. This is what the CDMA, announced by us on Thursday, is all about; it will address those problems. So along came this deal. They said, 'Kick out analog. You'll all be better off with digital. It'll be the answer to your prayers.' It will be absolutely wonderful stuff! You got into your car at Esperance, pressed the button and away it went beautifully. But, all of a sudden, when you came to the top of a hill and started driving down, you could not hear anymore. You would be talking away and all of a sudden your phone would go, 'Brp, brp, brp,' and you would not hear anymore. So you would drive down the hill and come up again, pressing the button all the time and, bingo, on it comes again. I remember one particular time when my son was talking to me—

Senator Schacht—Winston, what's this got to do with the privatisation of Telstra?

Senator CRANE—This is why we have to get this right and why the Labor Party got it so wrong. I got three-quarters of the way up the next hill, and I said, 'Hold on, Paul. I've been out of range. I'm only a couple of miles from the Esperance airport, but I've been out of range for the last couple of kilometres. Will you start again?' And he said, 'What was the last thing you heard?' This is the type of system that the Labor Party gave us, and now they are trying to prevent progress by preventing those people who live out in the areas that I talk about—and I include myself in that—from getting the same access. This is an unbelievable performance. It is a performance of a party which has no appreciation and no understanding of the problems and the difficulties of second-class communication.

Senator Forshaw—Rubbish.

Senator CRANE—They have no concept whatsoever. The further you go away from the city centres, the worse it gets and the more difficult it becomes—hence our response yesterday in terms of pastoral calls to fix one of the greatest social injustices that this country has ever had in its history since Federation. At long last, that is being addressed and there are other things that will be addressed.

We need Telstra to have a capital base to carry out a modern, proper system and, once again, that is coming out of the skies, because that is where it will come from. A lot of us never had TV until it came out of the skies into a little dish that was put there and paid for by ourselves. We will not get these other facilities until that happens. Unless Telstra is privatised, unless it gets its capital base, it will fall behind. It will become irrelevant. All the other companies circling the world will take over.

I heard somebody over the other side, I am not sure who, earlier say, 'Rubbish.' That proves more than ever that they know nothing about what they are talking about. They need to get out there and try it some time. They need to get out on one of the old pedallers and get their legs going so they can talk to their next-door neighbour. They have never experienced that; they do not know what it is like. They do not know what it is like to actually have to drive 50 miles to get to a phone to ring up their doctor. They have never experienced that. I doubt whether one of those on the other side has ever had to walk outside their house to ring their doctor. I doubt that very much.

Senator O'Brien—Well, you are wrong there.

Senator CRANE—Maybe I am wrong, but there would be very few, and you would not know.

Senator Forshaw—And everyone on your side does?

Senator CRANE—Yes.

Senator Forshaw—Do these multimillionaire aristocrats like McGauran have to do that? What a load of rubbish.

Senator Abetz—You mean millionaires like Paul Keating.

Senator CRANE—That is not rubbish; that is a fact of life.

The TEMPORARY CHAIRMAN—Order! There are too many interjections from both sides of the chamber. Will you please control yourselves? I call Senator Crane.

Senator CRANE—I am going to conclude my comments in this debate by telling the chamber what some of the people in Esperance, my major home town, have said about the changes by the Labor government to wipe out the analog system and go over to digital. They said to me straight out—and senators want to note this—that the Labor Party's idea of progress was to reduce a service that gave you 50-miles coverage from Esperance back to 12-miles coverage from Esperance. They reduced a service that you could use up hill and down dale for that distance without any problems at all to one which cut out when you drove down the valley. Then it started until you got towards the top of the hill and, by the time you had gone over the top, it had cut out. Do you know what they said to me? They said, 'If that's the Labor Party's idea of going forward, we think it's walking backwards very fast. In fact, we think it's drowning.' That is what they said to me.

The filibuster that has gone on in this place for the last 27 hours has been aimed at nothing more than preventing proper debate on this legislation and preventing the amendments that are before the chamber at this time from being dealt with. The performance of the Labor Party would have to be the worst that I have ever seen in this place in the eight years I have been here. I think it is a pitiful disgrace and the Labor Party ought to be ashamed of themselves for what they have done and how they have pulled this place down. I hope the bit that I have contributed makes the Australian public realise how the Labor Party are deceiving them.

Senator EGGLESTON (Western Australia) (5.00 p.m.)—I too would like to join Senator Crane in making a few remarks this afternoon about the impact of the sale of Telstra on regional and remote areas. Unlike the people on the other side of the chamber—who have rabbited on all day about regional and remote Australia but who generally come from electorates deep in the heart of metropolitan cities and would not know anything about remote and regional Australia—I do know something about remote and regional Australia because I come from the north-west of Western Australia, which is not only regional but also remote and the distances are very, very big.

I know what people in these areas think about the proposed sale of Telstra, and I can say here to the chamber and to the people of Australia listening on the broadcast that people in remote areas support the sale of Telstra because they know that the sale of Telstra is going to bring better and improved telecommunications services and it is going to bring them the benefits of competition. People in regional and remote areas feel that they have been let down, particularly by the previous government in terms of the technology provided to them for telecommunications. This government is certainly going a long way towards improving the level of services provided to remote areas.

A few weeks ago, I attended the Kalgoorlie central conference of the Liberal Party in Exmouth, where there was a very long debate about the need for improved telecommunications services in the regions of Australia. People in regional Australia want access to fax. They want to join the modern world and have fast fax. They want to be able to access the Internet and all that has to offer. There is no doubt that this sale of Telstra is going to bring them those sorts of services through improved communications. It was the Labor Party which proposed to leave them back in the Dark Ages, a little better than the days of pedal wireless, because none of those services are there at the moment and all of those deficiencies can be sheeted back to the record of the Keating government.

One of the questions that has been constantly asked today by those on the other side is, 'Why sell Telstra?' The answer to that is that we no longer have governments around the world owning telecommunications companies. As Senator Boswell quite clearly pointed out for the information of the Labor Party senators here today, the only country in the world which owns its national telecommunications service today is North Korea. North Korea would have to be one of the most backward and least developed of all the Third World countries of the world. From the amount of fuss that has been made on the other side today about the proposal to sell Telstra, it would seem logical to conclude that the ALP would like to keep Australia back to the standard of the Democratic People's Republic of Korea, with their probable pedal wireless level technology.

Senator Abetz—Even Fidel Castro has got one.

Senator EGGLESTON—Even Fidel Castro, as Senator Abetz said, has got a privatised telecommunications company. What does privatisation of telecommunications bring? It brings competition. Competition brings better and cheaper services, and the people of the metropolitan areas of Australia are already benefiting from the large number of private competitive companies now operating in the telecommunications market, whereas the poor old people of regional Australia have no such competition.

Senator Cook—They have a private monopoly under you.

Senator EGGLESTON—They have a private monopoly which, in its partially privatised state, has not been doing as well as it should, but full competition will bring benefits to the people of regional Australia. It is said that the privatised Telstra will not provide good services to people in regional areas, but the level of service provided in regional Australia, as it is throughout Australia, will be protected by legislation through the government provided customer service guarantee.

Senator Cook—Joke.

Senator EGGLESTON—Senator Cook says that is a joke, but let us just listen to what that joke actually involves. This joke—the customer service guarantee—means that every person in Australia using a telephone from Telstra or any other telecommunications company will be protected by a customer service guarantee which will ensure that the level of services provided to all Australians will not be affected by any further increase in private ownership of Telstra or by the fact that any other communications service is privately owned. The government is, in other words, setting a level of service as a minimum which must be provided to people all over this country. If the level of service provided does fall below the legislated standard in any area, including the most remote areas of the Kimberley, since Senator Schacht has referred to them, customers will be eligible for compensation from the telecommunications carrier. The coalition government recently introduced legislation into the federal parliament which is aimed to strengthen that customer service guarantee.

This means that the Australian Communications Authority will be able to enforce customer service performance standards and fine companies up to $10 million for breaches of those standards. There are not going to be, I would suspect, too many breaches when a few $10 million fines are thrown around. One could almost predict with 100 per cent certainty that, after the first $10 million fine or anything like it is imposed on a telecommunications company, the companies concerned will honour the customer service guarantee. The fines are so heavy, the penalties are so great and the bad publicity which will flow from having such a fine imposed on them will be so bad for the company's business that they will ensure that in future the customer service guarantees are met.

Some people have asked today what the benefits of the privatisation of Telstra will be. The first was mentioned the other day when Mr Tim Fischer, the Deputy Prime Minister, announced that there would be untimed local calls in what used to be called the pastoral zone, which meant that areas in remote Australia between stations and small towns would no longer have to pay for timed calls to call each other, but would enjoy the same benefits enjoyed by people in the cities. Even though the areas between these stations and small communities are very large, they would have untimed local calls as people do in the cities. That is a major benefit and it is the first one of several which will be announced in coming days and weeks about the benefits to regional Australia of the sale of Telstra.

Also announced was that the cost of a call from these remote communities to a regional service centre would be reduced by more than 60 per cent. That means that calls to remote towns from pastoral stations, roadhouses, mining camps and such will be now at a new preferential or standard rate of 25c for 12 minutes. That means that these people will now be able to call in a doctor, contact the police or some other essential service, or just order groceries from a supermarket at a very low rate. That affects some 37,000 households and farming families all over Australia, a major benefit—and that will only happen with the sale of Telstra. It is one of the first benefits which will flow from the sale of Telstra and will mean that the government will allocate $150 million to enable this service to occur.

Senator Crane has referred to the absolutely disgusting event which occurred a few years ago when the Keating government decided to phase out analog phones, which was an enormous disadvantage to the people of regional Australia. Again this week, the federal government has announced a plan to get around the legally binding agreement which the Keating government made with

total disregard to the interests of people in regional Australia to phase out analog and just have digital services in this country. The federal government will sponsor through Telstra the establishment of a new mobile phone service altogether, which will mean that people in remote, regional and country Australia in general will have the benefit of being able to continue to use analog phone services with their broader coverage.

Finally, the general benefit of the sale of Telstra will be that the government of Australia will be able to reduce the debt of this nation by some 40 per cent. After 13 years of a federal Labor government, Australians were left with the legacy of a Commonwealth government debt of some $96 billion. That is a measure of the total financial irresponsibility which the previous Labor government exercised while they held the reins of power in this country. The most compelling reason for the sale of Telstra is to reduce that debt, which will be of enormous benefit to the people of Australia. One does not need to hear any more or any other reason beyond that to justify the full sale of Telstra in the national interests of this country.

Senator MURRAY (Western Australia) (5.12 p.m.)—Earlier when I was sitting here I sent a pleading note to the chair. I must confess to the Senate that what I was pleading for—without any expectation of achievement—was for the dinner break to be moved from 6.30 to 7.30 p.m. to 7.30 to 8.30 p.m., because at 7.30 the Bledisloe Cup begins. Having spent 18 years in the front row, I have an attachment to the game and I will regret being down here for this debate.

Senator Abetz—Don't bother, Andrew. We can do without you. You watch the cup.

Senator MURRAY—I am reminded of the words of that marvellous Australian comedian, Andrew Denton, who is a very funny man. He made the following remark about New Zealand, 'I don't care. I don't care, as long as we beat New Zealand.' I feel the same way, but I would care more if I could watch it.

As senators will remember, we are dealing with the preamble. There are still 40 other Democrat amendments to deal with. In the preamble there is a particular statement that I wanted to relate my remarks to. It says:

> Telstra's Chair, and the majority of Telstra's directors, will be Australian citizens.

When a company moves out of public hands into private hands, effectively control goes into the hands of its senior management and its board. As we have remarked several times in this debate, and as other senators who are contributing to the debate have remarked, this is going to be a very powerful corporate beast, twice the size of the next largest Australian company. In that sense, you have to be particularly careful about the powers and ability of that board to deal with matters of its corporate responsibilities appropriately.

In relation to that element in the preamble, I will be moving circulated amendment 1105, which refers to the issues of corporate governance, and which envisages a corporate governance board. As senators would know, this is not a new idea. Some companies in Australia do have such boards, although senators would be aware that the Corporations Law itself does not refer to boards; it just refers to directors. The concept of a corporate governance board is between a body that conducts the normal operational and managerial functions of a main board and another board which deals with accountability issues.

This may seem a somewhat dry topic, but when we are talking about how a company of that size will be managed and how it is going to disburse its power and moneys, we have to realise that we have to be sure that the directors are governed by the company constitution under the most accountable and democratic system possible.

Company directors have extensive powers regarding the management of a company's business and internal organisation. Some of those internal management powers which may be termed corporate governance powers include the following. Envisage the average board as having a majority of executive directors and a minority of non-executive directors. This is what those people with a material interest in the matters at hand can determine. This is what the Telstra board members can determine. They can decide their own remuneration. So those members of

the managerial class and directors class sit around that board and decide how much they are going to be paid. I bet some workers would like to have that same ability. They can appoint and remunerate auditors and other experts. But the auditors are the people who are supposed to be making sure they are accountable. So they can appoint the people who are supposed to be their own watchdogs. What happens if the auditors fail? So there is a direct conflict of interest there.

Those directors can adopt any accounting practices they see fit within accepted accounting standards. Those directors can nominate themselves for re-election. It is like us all being able to fix up our own pre-selections. I think there may be one or two who can, but most of us cannot. They can appoint casual vacancies for directors, so they can perpetuate themselves. They can initiate changes in the corporate constitution. They can control the conduct of shareholders' meetings and voting procedures.

In instances where the interests of the shareholders do not coincide with the interests of the directors and the management of the company, the directors of the main board, having those powers, can make decisions which may lead to some very serious conflicts of interest.

Directors also possess the power to manage conflicts of interest with related parties. Shann Turnbull, who is somewhat of an expert in this area, in the *Australian Financial Review* on 14 November 1996, in an article entitled 'Dictatorship of the boardroom', stated:

> Many of our largest companies have directors who represent shareholders with related party trading interests. Examples are Arnotts, Cadbury Schweppes, Caltex, Coca-Cola Amatil, Coles-Myer and Qantas to name a few.

Existing practices concentrate powers with directors and provide them with absolute power to manage their own conflicts of self-interest and it can result in corruption and corruption of their duties.

I am not suggesting that the Telstra board as it is presently constituted is of that kind, but I am saying it is going to be given extraordinary powers. The fact that the members are Australian citizens is going to be a great advantage, but the fact that this board is not constrained sufficiently is to the detriment of the proposed new operation.

A sure way to increase the independence and accountability of a company is therefore to have two boards, one concerned with managerial and operational issues—which is the main board—and one solely concerned with governance issues. The former should quite properly continue to have directors elected relative to shareholdings. That means those people with a financial weight have it reflected on the main board, but to protect minorities, minimise conflict of interest issues, avoid board capture and ensure accountability the corporate governance board should be elected by shareholders—in other words, by the shareholders en masse as opposed to those who have the most shares.

I am talking here of two classes of board, one having the main power and comprising the directors who are elected relative to shareholdings—so there might be a few very large shareholders controlling the board, as they do at present—and the other being the governance board, the accountability board, elected by shareholders. We believe that that creation, which has been developed in other countries and is already in practice in a number of companies in this country and worldwide, will result in a favourable creative tension within the company and will enable the boards to resolve very difficult issues of conflict of interest.

In listed companies such as Telstra, a separate board should exercise these internal governance powers, leaving the main board directors to concentrate on the management of the company's business operations while the second board would provide the valuable introduction of a system of checks and balances into corporate governance procedures—a separation of powers, in other words. This proposal has the added virtue of introducing a greater measure of self-regulation. The Australian Democrats believe this is a much less costly method of arriving at a remedy for conflict of interest or any issue of malfeasance.

The proposal we are putting here is a proactive one designed to prevent problems.

There are those who argue that the stock market is the proper arbiter of these things, but the stock market acts after the event and if things are going wrong in the company it means the shares will decline in value and the shareholders are therefore punished because there is not an appropriate constitutional mechanism to prevent these matters.

Independent directors, as presently constituted, are often anything but. If not recommended in the first place by the other directors in the control group that they are supposed to be independent of, they can be subject to board capture anyway unless, as is fortunately sometimes the case, they are exceptional individuals.

The corporate governance board proposal will both simplify and reduce the role, responsibilities and workload of Telstra's main board directors as well as increase their credibility by removing the powers which permit the perception or actuality of a conflict of interest. This should thereby improve the accountability of directors and the internal governance of companies and lead to better business management decisions by directors. Ultimately, this re-establishes the balance of company governance in favour of shareholders rather than management.

When we look at that preamble and those sections on page 2 we should refer to the powers and functions of Telstra's corporate governance board that I have itemised at 7D on my sheet 1105. The functions of the corporate governance board would be: to determine the remuneration of company directors; to appoint auditors and determine their remuneration; to review the appointment, remuneration and functions of independent agents, such as valuers, who provide material information to shareholders; to appoint persons to fill casual vacancies of directors; to determine whether amendments should be made to the company's constitution, whether at the request of the company's directors or on the board's own initiative; to decide issues of conflict of interest on the part of the company's directors and determine how those conflicts will be managed; and to control the conduct of general meetings and determine voting procedures. That list of functions would deal with the major accountability issues which main boards at present find conflict with their own duties in the management and organisation of the company.

It is essential in our view that the separate governance board be elected on the democratic basis of one vote per shareholder than one vote per share. We have gone on in that amendment, which we hoped we will get to when this preamble is finally dealt with, to express how the preferential election of directors and the annual election of directors can enhance the power of shareholders. My great fear, as reflected in this preamble—and I doubt it is from a lack of willingness; I suspect it is from a lack of foresight and a lack of understanding—is that the government is going to end up giving too much power to a few individuals who will then distort the operation of this company and it will not work even as a company owned by shareholders in the full interest of all Australians.

I should point out that the Australian Democrats wish to also indicate with regard to the preamble that there are a number of areas which we have hoped that our amendments would deal with if this committee gets to them. Those amendments include maintaining the ministerial power to direct Telstra and to request reports. In terms of what I have been saying, it is important that there is an outside authority capable of doing that. We also wish to include in Telstra's universal service obligations low cost access of untimed calls to the Internet. Senator Stott Despoja spoke about that earlier.

We wish to strengthen the universal service obligations on Telstra's definition of standard telephone service to include high speed digital services. We wish to increase the powers of the Australian Telecommunications Authority to review and upgrade the universal service obligations and customer service guarantee to include new telecommunications services as they come online. We wish to extend the option of untimed local calls to a wider category of metropolitan and rural customers than that which is presently offered by the government. We wish to provide for civil damages as well as pecuniary penalties

against Telstra for breaches of performance standards.

The Australian Democrats have accepted that the numbers are against them on this bill. We have been utterly opposed to the privatisation of assets in this country over many years—two decades, in fact—and we continue to be opposed to the privatisation of Telstra. But if the numbers are against us, this committee should endeavour through amendments to at least make the new Telstra capable of serving Australia as well as possible. It is in that regard that we would like the committee to please give due attention to our amendments. They are the bulk of the amendments before you. It is obviously your privilege and ability to either agree or disagree with them, but they certainly should be heard.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (5.25 p.m.)—I want to deal with the matters that Senator Murray has raised in this debate on the preamble. It is probably one of the longest preamble debates in the history of the free world. Senator Murray and the Democrats have approached this debate in a constructive way. It is clear that senators from the Labor Party have decided that they do not want to go into any of the detail on the substantive issues of the bill and have decided, in a petulant and almost tantrum like way, to spend the day jumping up and down—

Senator Boswell—Abusing the National Party.

Senator IAN CAMPBELL—Abusing the National Party, as Senator Boswell says. Senator Murray, these matters that you have raised in your latest intervention in the debate are matters that you and I have debated in the Corporate Law Review Bill debate that took place three weeks ago, my diary tells me—it seems like a few years ago now. I am a little bit perplexed as to why, when the Senate had agreed and I think you had agreed, matters such as the corporate governance board concept—very much something that has been promoted by my friend Shann Turnbull—and some of these other corporate governance concepts would be referred to the Joint Statutory Committee on Corporations and Securities—

Senator Murray—I raised it because it is a single company.

Senator IAN CAMPBELL—I thought that would be your response, Senator Murray, so I will quickly put on the record—because I think it is important—that the government has agreed in the debate to refer these matters to the joint committee. These matters are a radical departure from company structures in Australia and a fairly radical departure from company structuring in the world—I think the only exception might be Germany, but I stand corrected there—

Senator Murray—United States.

Senator IAN CAMPBELL—Well, not quite so. Commentators in the United States of America tend to look to Australia in relation to corporate governance structures at board level. We lead the world in the appointment of non-executive directors to boards. We lead the world in the percentage of our public companies that have non-executive chairmen. We lead the world in many respects even on matters such as directors' remuneration. We were one of the first countries to require in our law disclosure of directors' remuneration. So I do get a little bit frustrated when people in Australia start saying that we are behind the eight ball when almost all international commentators say we are ahead of the game when it comes to corporate governance.

The government has referred, I think, each one of these issues to the joint statutory committee not only from the floor of this chamber but in a letter from the Treasurer (Mr Costello), which certainly has gone or is about to go, to the chairman of that committee making a quite specific reference of these matters to the committee.

I think the point that needs to be made in response to the interjection from Senator Murray was that Telstra is a special case. I think it is fair to say it is a majority public owned company at the moment. It is one-third owned by private shareholders. Senator Murray, if you listened to his last intervention as well as his interjection, would say it is a special company because it needs to serve all

the Australian community, its customers and it also obviously has a Corporations Law duty and fiduciary duty to its shareholder. It has to do both. I think Senator Murray and I would both understand that, if it does not serve its customers, it will not be serving its shareholders either. There is a nexus between the two. You have to ensure that in both the Corporations Law and in this privatisation bill you seek to do that properly.

The question I would ask—and I think it is a very important question—is: is it appropriate to try what is, without being flippant and without treating it lightly, a corporate governance experiment on what will be one of Australia's top two or three companies? Would you try what is effectively an experiment that will not be applied to any other top 500 company in Australia? Or would you proceed down the sensible public policy path which we have proposed and look at these proposals for what is a significant, if not radical, reform to the legislation on corporate governance in Australia, and that is to have the joint statutory committee receive public evidence from experts—even from directors of companies like Telstra—on relevant structures?

My own view, and the government's view, is that a corporate governance board tends to dissipate the responsibility of the board to its shareholders. The government believes that the proposal to have two boards reduces the responsibility of the members of the board to their shareholders. We believe that, if you want a dynamic corporate governance culture in Australia, directors of companies like Telstra need to be concerned about corporate governance and not be able to say, 'That is the corporate governance board's role. They are the corporate governance people and we are the managers. We are going to get on with the hard job of managing.'

If you want good corporate governance, you need each director of every Australian company—be it Telstra, which serve such a massive majority of Australian customers, public listed companies or small private companies which have to fight in a far more competitive environment—to understand what corporate governance should be about. They need to understand how the dynamics of corporate governance should be there to improve the way companies are governed, to improve outputs and to improve information flows to shareholders. Corporate governance should not be something about which we say, 'Let's put it in a box and give it to this other group.'

I believe—and it has been reinforced by independent international commentators on company structures in Australia, including the recent OECD report and the Russell Reynolds report, which I quoted from in a previous debate—that Australia has led the world in setting up corporate governance committees, which are subcommittees of boards as Senator Murray would know, and having independent directors and independent chairmen. I have enormous respect for Shann Turnbull, who promotes these ideas, and I know Senator Murray has taken a close personal interest in Shann's ideas and is developing those ideas himself. They do deserve further expert consideration, because if we can improve corporate governance, through changes to voting structures and board structures we will be the first ones to applaud it. But I do not want to have a corporate governance experiment with a company the size of Telstra. I would rather have expert consideration of these proposals and, if they are good proposals, apply them to all of our public companies for the benefit of all Australian citizens.

Senator CRANE (Western Australia) (5.34 p.m.)—I need to make a declaration. It has been brought to my attention that my wife holds 600 shares in Telstra.

Senator Murphy—Oops, slips!

Senator CRANE—I did not know.

Senator COLSTON (Queensland) (5.34 p.m.)—This evening I would like to first express my thanks to those members of the opposition who made such complimentary remarks about me in this place yesterday and today. They were greatly appreciated. Second, I state that my wife and my younger son have Telstra shares. I deliberately do not involve myself with the investments of my family, and I was therefore not aware of this until I

was kindly advised by the opposition yesterday.

Third, as I was unable to be present for the second reading debate, I shall make some comments now during the committee stage. There are several matters relating to this bill which are of some concern to me. One of my concerns is the standard of telecommunications services in Queensland, especially in rural and regional areas. I am also concerned about stable employment opportunities for Telstra workers.

At the time of the one-third sale, I was given assurances by the government and the Chief Executive Officer of Telstra about the employment levels of Telstra staff in certain areas of Queensland. Figures given to me recently indicate that these assurances have not been fulfilled. Indeed, an examination of the figures for 013 and similar operators in nine regional centres in Queensland shows an overall decline of some 12 per cent of the full-time staff. In other areas, figures from the Community and Public Sector Union indicate that, between March 1997 and March this year, 1,313 Telstra staff lost their jobs in Queensland. About half of these came from the commercial and consumer area, that part of Telstra responsible for looking after the needs of residential and small business customers.

During the debate in December 1996, I accepted the assurances given to me, but with some qualification. Indeed, I indicated then, and I will quote from *Hansard*:

> . . . if assurances following negotiations are not kept, future negotiations would be of no avail.

I was conscious of this statement as I examined this legislation and, indeed, conscious of it as I reviewed disappointing staff levels.

Over recent years, the Telstra work force has been required to endure endless uncertainty and insecurity. Indeed, in some respects, the work force has been treated abominably. But we are talking about much more than mere statistics when we examine staff reductions and redeployments. Beyond statistics and beyond the fact that assurances have not been kept, we are talking about actual people and their families. I remind Telstra management of the impact its actions have had on the staff. It appears that management has acted with little realisation that Telstra could not operate without its highly skilled, competent and conscientious workers.

Many staff members have not been treated well and, if morale is low, the atmosphere created by management means that morale must be at less than an optimal level. We hear Telstra consumers complain of falling service standards. While the impact on front-line service is far from quantifiable, surely the lack of high morale partially contributes to these falling standards. Many customers are quick to accuse the staff, but perhaps we need to reflect that the cause is far deeper. Telstra management needs to examine this issue. It needs to cooperate with its work force.

We need to reverse the now almost invisible social costs that have resulted since partial privatisation. We need to look at people, not numbers. The impact of staff cutbacks on small rural communities is enormous and goes beyond the telecommunications industry. It impacts on all levels of the community from the corner shop to the local schools.

In 1996 I was prepared to support the one-third privatisation of Telstra because it left two-thirds of Telstra in the hands of the government, but it is a quantum leap to move from one-third to 100 per cent privatisation. We are told that, through the government, we as Australians could realise some $50 billion as a result of complete privatisation. But what then? What could we do if we sold Telstra and then discovered that it was not the best course of action after all? There would be no remedying this situation. Our hands would be tied.

There has been the suggestion that many billions of dollars from the sale could go towards expanding networks in rural areas. Of course, if this occurred, it would be of immense value to those who deserve the same quality of service as those who live in urban areas. But there is some concern from regional areas that such an upgrade would be a one-off effort to placate growing regional disquiet. And, while the funds might be available in the short term, what of the medium- to long-term future of the telecommunications indus-

try? What would happen to upgrading regional services in 20 or 30 years time? Indeed, given the rapid development of the telecommunication industry, who can judge what the medium- to long-term will mean? Within a decade, will today's state-of-the-art technology be the equivalent of a piece of string between two tin cans?

At this stage, and without the benefit of a crystal ball, a continuing government interest in Telstra can provide some reassurance for regional customers that their long-term service requirements can be maintained. We can so easily forget that Australia, beyond the urban fringe, is an expansive land and provision of high-class telecommunication services is essential.

As I considered my list of concerns, I regretted that there has not been sufficient time to negotiate and debate the ramifications of the full sale of Telstra. Indeed, that was evident in the insupportably limited time given to a Senate committee which was examining the matter. We seem to be pushing this passage to a timetable which, given the importance of the issues at hand, can scarcely be justified. For example, only next month, we expect to have handed down in this place the report on community service obligations. Surely it is incumbent upon us as senators to examine the ramifications of the sale of Telstra in the light of this report.

In the context of my deliberations, I willingly acknowledge the extensive assistance provided by Senator Alston and his staff. The minister and his staff have been particularly helpful, but given the time available it has not been possible to arrive at an acceptable understanding of the effects of full privatisation.

It is possible that my vote on this bill will be decisive. On an important issue such as this, it is not an enviable position, but I am not going to abrogate my responsibility to arrive at a definite conclusion about how my vote should be cast. While it is incumbent upon each senator to examine the ramifications of the bill, so it is with me personally that I should weigh up all matters very carefully. Should I vote with the government, or even abstain, the bill will probably be passed. Should I vote against the bill, it will probably not proceed. This is perhaps an obvious statement of fact for most in this chamber, but one with far more gravity when such a key vote is one's own.

On balance, I find at this stage I am unable to support the bill and thus will be voting against it. Overall, there remain too many question marks over services and employment, but particularly in regional Queensland. The potential ramifications of this bill, its impact on people and the social costs which may be involved deserve to be examined in a context not driven by political or electoral timetables. For us to do otherwise would be to short-change our future for short-term political gains.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (5.44 p.m.)—I would like to respond to the comments of Senator Colston. I think he appreciates above all else that his vote in this respect is critical and that there have been a number of matters of concern which have been raised with us by a number of senators which the government has at all times done its best to address. We believe that the bill does contain more than sufficient ongoing protections but, most importantly, that there is separate legislation, the Telecommunications Act, which looks after the interests of customers and consumers in a way that is unparalleled in any other country.

As far as the work force of Telstra is concerned, one can understand that if you are a Telstra employee you may be very comfortable in that position. But, in this day and age, no company can offer lifetime employment. Certainly, a company involved in the telecommunications arena knows that, unless it performs, it goes backwards. Indeed, when it is 30 per cent off world's best practice, it ultimately has to shape up or it will find that its competitors are simply eating up its market share.

It is therefore very disappointing that these concerns have not been reflected in Senator Colston's remarks. As Senator Harradine and the government have pointed out on a number of occasions, Telstra has been shedding staff now for several years. It is not a function of privatisation; it is a function of open markets,

which were deregulated as long ago as 1991 by the Labor government. Privatisation will not stem continuing moves to derive efficiencies from telecommunications services. It will not provide employment in the bush if there is not a demand for it. It is not possible, in this day and age, for anyone to tell Telstra how to run its business. To think that Labor is still arguing that it effectively wants to exercise a power of direction to tell Telstra what to do and how to do it simply defies the whole notion of commercial activity. There are, of course, ways in which an efficient Telstra can maximise its performance and in that way generate greater volumes of business. To the extent that there is higher demand, there is a greater level of need to service that demand.

What is critically important is that it is a matter of great regret to the government that the concerns that Senator Colston has now expressed, particularly in relation to what he sees as Telstra non-compliance, were not matters that he brought to the attention of the government over recent weeks. There has been every opportunity to have had exhaustive discussions on these matters. We have, at all times, been more than willing to learn of concerns and to do our best to address them to the extent that they involve policy matters within the control of the government or, if they are matters within the control of Telstra, refer them to the company. At all times, we were prepared to do that.

If I had thought that Senator Colston had the view that Telstra was in breach of undertakings, I certainly would have referred that matter to Telstra. That is not the way—

Senator Schacht—That would be interfering in that commercial outcome. You said you would never do that.

Senator ALSTON—It is not. If Telstra had previously given an undertaking which someone subsequently regarded as having been breached then there is—

Senator Carr—You gave the undertaking. You did the dirty deal.

Senator ALSTON—They were never my undertakings, and you know it.

Senator Carr—You did the dirty deal.

Senator ALSTON—Telstra gave certain undertakings. If Senator Colston is of the view that those undertakings were breached, we would have expected that he would have brought that matter to our attention. We would then have raised it with Telstra. There was nothing to stop Senator Colston from addressing those matters direct with Telstra. Certainly, to the extent that Senator Colston does have concerns that can be addressed over the next couple of hours, we would still be prepared to look at those because we have never ignored concerns that have been brought to our attention that have merit. If Senator Colston, even at this late hour, is indicating that there are matters within the control of Telstra that require attention or that there are undertakings that have not been met, I would certainly be more than willing to revisit those issues.

It makes it very difficult if the first time we learn about them is now. If there are specific matters of concern, the government has always stood willing to address them. We do not want to see anyone welshing on undertakings. We certainly do not want to see anyone impact it adversely if it is within the control of government or within the control of the corporation. There are a number of matters that have been raised that clearly have to be seen in a macro-economic context, in a deregulation context and in a competition context.

If Senator Colston is still prepared to have those matters discussed and addressed and to take them into account when it does come to a vote on these issues, the government would be more than willing to pursue that path. If not, it is a matter of great regret to us that we are not in a position, at this very late hour, to give attention to matters which could have been raised over a matter of weeks and certainly in recent days. I do not think that Senator Colston would suggest that there has been any unwillingness on the part of the government to respond to matters he has raised. I leave it at that point.

Senator BROWN (Tasmania) (5.50 p.m.)—On that matter, I want to say simply that the outline Senator Colston gave of the difficulties with the rush to this decision and the

shortcomings in the government's argument are ones that have been cogently put here over the last two days. If the government has not been able to answer them, it has nobody but itself to blame. The fact is that there is enormous concern about the privatisation of Telstra and the inability of government to look after consumers throughout this country, not just in the bush, as well as the shedding of jobs which Senator Colston nailed as being one of the particular concerns he has.

They are real concerns and I do not see how the government can possibly think it is going to deal with issues of that magnitude in the next two hours. That is part of the lunacy of trying to shove this legislation through this place in such unseemly haste for political purposes—not for the good of this country but for political purposes. Whatever else, Senator Colston has stood where most Australians stand on this issue, where the opposition stands on this issue, and where the Democrats and the Greens stand on this issue. The government does not have a case except for political expediency. That is one that the Senate should reject.

The TEMPORARY CHAIRMAN (Senator Crowley)—The question is that the preamble stand as printed.

Question resolved in the negative.

Senator BOURNE (New South Wales) (5.52 p.m.)—Democrat amendments 3, 4 and 6 are contingent on a successful removal of schedule 2, which is the possible sale of the remaining two-thirds of Telstra. With the leave of the committee, I will move those if I need to after we have voted on schedule 2.

Senator LEES (South Australia—Leader of the Australian Democrats) (5.52 p.m.)—I understand that my amendment now comes to the top of the list because the Greens amendment is contingent on this one. If this one goes down, we will move to that one and then we will move to Senator Harradine's amendment. I have spoken on this already, so I will put it very quickly. This amendment seeks to modify the proclamation date for this legislation so that it takes account of what happens at the election. In other words, it goes out to July next year and it needs a vote of both the Senate and the House of Representatives, which is in line with the constitution. The government's plan to basically leave it up to cabinet is non-constitutional; therefore, I move:

(2) Clause 2, page 3 (lines 22 to 24), omit subclause (3), substitute:

(3) A Proclamation under subsection (2) must not be made before 1 July 1999 and before the date to be fixed by the Proclamation has been approved by a resolution passed by each House of the Parliament.

Senator HARRADINE (Tasmania) (5.53 p.m.)—My amendment goes to the point of proclamation, and I will be moving that in due course.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (5.53 p.m.)—The government similarly takes the view that Senator Harradine's amendment does appropriately address the concerns raised. To suggest that the matter is capable of being decided within two months we think is an eminently reasonable proposition. To approach it in the way that the Democrats suggest would not solve the problem, and we therefore oppose it.

Senator MARGETTS (Western Australia) (5.54 p.m.)—Are we dealing with amendments in relation to the resolution?

The TEMPORARY CHAIRMAN (Senator Crowley)—We are dealing with Democrat amendment No. 2 moved by Senator Lees.

Senator MARGETTS—I would like to indicate that I actually prefer the Democrat amendment to my own inasmuch as it encompasses what is mentioned in the Greens (WA) amendment, but it also specifically mentions a date, which is July. It quite rightly reflects the fact that if we are going to see whether there is any agreement within the community the parliament is the means by which that can be decided. In July of next year we will have the make-up of the new parliament rather than the old, and I think that is a very important aspect and an improvement. I indicate that I will support the Democrats' amendment. Of course, if that is defeated, I will hope they support mine as the next best amendment. The reality is, I believe, that it is better than the one proposed by Senator Harradine, which would indicate that the most important aspect

of the timing is that it be done while the Senate is still in its current situation. I do not really think that that is necessarily giving us the means of listening to the people and a reflection of what the electorate is saying. That is what the government is saying, that it is going to the election to hear the people. Quite clearly, it might be able to close its ears altogether and still abide by what is in Senator Harradine's amendment.

Senator SCHACHT (South Australia) (5.55 p.m.)—The opposition supports the Democrats' amendment. It is clearly much superior to the amendment moved by Senator Harradine in that it would be a vote of the parliament elected at the next election—it would be half a new Senate and a full new House of Representatives deciding the issue. Senator Harradine's amendment, which is better than the government's position, but only marginally so, says that the government gets two months to proclaim it. If it does not proclaim it within two months, it automatically lapses. It means that a minority government in the House of Representatives—and there is quite a possibility in the present political circumstances of Australia that you could have a minority Howard government, with One Nation members replacing National Party members on the crossbenches—

Senator Carr—It's odds on.

Senator SCHACHT—I think that is clearly odds on—still, without an absolute majority vote of the House of Representatives, hanging on to a negotiated minority government position for at least a month before the parliament meets. Even before the new parliament with a minority government met, it could then proclaim the bill. I have to say that that may bring people into the streets in Australia for the first time in a long time. It would be a shameful thing if that is the loophole that Senator Harradine's amendment still allows. It is not as bad as the government position completely allows. But the Democrats' amendment says, 'You can't do it until you get a vote of both houses.' As the new Senate, whenever the election is held, will not come in and take their seats until 1 July next year, that means that if the Howard government is elected as a minority or a majority it then has to seek a vote of both houses, with an up-to-date elected parliament. That is the superior position, and we will support the Democrats.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (5.58 p.m.)—The notion that a proclamation should somehow be subject to a resolution of both houses of parliament is entirely inconsistent with the notion of parliamentary process. In other words, the normal way in which legislation is handled is for legislation to be voted on by both houses of parliament. If it is passed by both houses of this parliament, and that is no mean feat, as we all know, the government of the day has its legislation and it then has the capacity to decide when it should proclaim the legislation.

I can understand the view that if you simply leave it open-ended you may find that even years down the track there is legislation on the *Notice Paper* that could stay there for years.

Senator Schacht—That is your original proposition, Richard, which we are now criticising.

Senator ALSTON—That would be an open-ended arrangement that would be—

Senator Schacht—That's your bill. That's what you were proposing, Minister.

Senator Calvert—Don't you ever keep quiet.

Senator Schacht—Not when I am getting rot thrown at us like this.

The TEMPORARY CHAIRMAN (Senator Crowley)—Order!

Senator ALSTON—As I was saying, the essential proposition in law making is that, if both houses of parliament vote in support of a bill, that bill then becomes law when it is proclaimed. That, of course, means that a bill is proclaimed when the government of the day chooses to submit it for royal assent. As we know, sometimes bills are dealt with very expeditiously after they pass through the parliament. There might be very good reasons why other legislation might not be seen as so important. There might be timing issues, even

in relation to the legislation itself. There may be different start-up dates. In other words, the government of the day has been authorised by the parliament to act on a decision of both houses. In other words, once you have got to the point where you have the parliament endorsing the legislation, it is then the government's call. The government makes the decision as to whether or not there should be a proclamation.

I can understand the concern expressed by Senator Harradine that to simply have an open-ended arrangement may mean that legislation is on the *Notice Paper* or on the statute books for sometimes many years. I think there has been a recent experience in this chamber which has probably been considered in detail by one of the Senate standing committees, which has identified that there is a need to cleanse the statute books of legislation that is effectively languishing—even though passed by both houses of parliament—by not in fact having been proclaimed.

Senator Schacht—Why did you propose the legislation in its present form?

Senator ALSTON—I am in the process of explaining that. There is nothing untoward about leaving it to the discretion of the government, because the fact that the parliament has passed a bill then enables the government to make a decision at any time that suits it, unless that power is limited in some way. You are seeking, of course, to impose the ultimate limitation, which I will come to in a moment. In the normal course of events, either you have an open-ended capacity to have the bill proclaimed or, as Senator Harradine would propose, you put a time limit on that, and then it is a question of what is a reasonable period of time to allow.

There may be certain circumstances in relation to a particular piece of legislation that would warrant having a very tight time limit. I could understand someone saying six months would be a reasonable period. In this instance, because of the particular circumstances, Senator Harradine's proposition is that it ought to be acted on expeditiously or it ought to lapse and, therefore, a period of two months is a reasonable time.

In these circumstances, I would not quarrel with that, but I would quarrel with the notion that you can make proclamations subject to a resolution by both houses of parliament. Let us just say that this legislation passed through the parliament, that you had a double dissolution and you had an immediate change in the constitution of the Senate and that Senate was then asked to consider the matter all over again. In other words, you would be asking the government of the day to run the gauntlet of a differently structured house of parliament from the one that actually passed the bill and to run the very real risk that that second body might say no. That is an extraordinary proposition, because otherwise there is no point in legislation being passed by the parliament.

It may be a different matter in relation to delegated or subordinate legislation where we have disallowable instruments, where the legislation empowers the government to introduce regulations which can be considered and, in some circumstances, disallowed by either or both houses of parliament. But that is subordinate to the legislation itself. The notion that the legislation can be passed by both houses of parliament in good faith and then find that a differently constituted Senate or, indeed, House of Representatives could say that it did not favour the very legislation that had just been passed by the parliament is making a farce of the normal procedures and, indeed, all of the established arrangements that enable legislation to pass through this parliament.

Senator Schacht—You will never get that stuff through unless you bring it back to the parliament. The bill cannot be proclaimed. You accepted it on the digital legislation. The bill cannot be proclaimed in those areas.

Senator Margetts—Exactly!

Senator ALSTON—If I recall the digital legislation, there were a number of matters that would need to come back to this parliament as primary legislation, not legislation that was passed through the parliament that you would then say could not be taken any further unless it came back to the parliament again. That is an entirely different proposition. It is quite contrary to the notion that the parliament decides is the master of its own

destiny, that parliament considers the legislation on the merits and makes a judgment. What you are saying is that, even though both houses of parliament are in favour of a piece of legislation, that legislation can then be subsequently rejected because a decision is taken not to proclaim it.

I cannot for a moment understand how that can be consistent with normal democratic processes. It undermines the whole notion of parliamentary democracy. It is saying that there is no point in taking the view that legislation that passes through both houses of parliament becomes law, because there is absolutely no guarantee that that will be the case. In fact, as I have indicated, if you did have a change in the constitution of the Senate a very short time after the bill had been passed by both chambers, you could have the farcical situation where a bill that had passed through both houses, that was treated as legislation enacted by the parliament, was then not allowed to be taken any further. That is a decision that should be made by the government of the day.

Senator Margetts—By the government of the day—after an election.

Senator Lees—After an election.

Senator ALSTON—I am glad you agree with me. The government of the day decides what legislation it introduces into the parliament. The government seeks to have that legislation supported by both houses of parliament. If it is supported by both houses of parliament, then I cannot believe that you could still contend that the government should not be able to process that legislation. Yet your argument is that somehow it is only the first base, that having got to that point you then need to go back through the whole process again.

Let us say the native title legislation was in that situation. You can just imagine that with some of the tortuous debates we have had in this chamber that have gone on for many hours—maybe 40, 50, 60 hours—once the bill finally gets through the parliament, this proposition would say, 'I'm sorry, we're going to have to do it all over again. We will have a debate on whether the proclamation should be approved by both houses of parliament.' In other words, we then embark on effectively the same debate all over again.

Senator Margetts—Wasn't this in your own digital television bill?

Senator ALSTON—Senator Schacht raised that furphy and I responded to it but, if you want me to do it again, I will. The view we took in relation to the digital legislation was that, if there were matters that needed to be considered by the various review bodies that have been established, they will and then they will come back to the parliament for consideration—

Senator Margetts—There are three major committees still meeting on this legislation.

Senator ALSTON—You are simply not interested, are you? If the review process throws up proposals that the government believes should be put in legislation, it will introduce that legislation and it will be voted on for the first time. Yet this is arguing that, even though you get your legislation through both houses of parliament a first time, somehow the parliament is then entitled to say, 'I'm sorry, we still don't like your legislation, and we're not going to allow it to be proclaimed.'

That is a deliberate frustration of the democratic process, and I cannot for the life of me imagine, apart from the Labor Party, which clearly has an interest in simply stymieing every aspect of the legislation for the sake of it, how any open-minded member of this chamber could fail to appreciate that point. It ought to be abundantly clear that the whole purpose of our being here is to vote on legislation. If we vote for it and it passes, that should be the end of the matter. It should be up to the government of the day to make a decision on whether or not it wants to see the matter proclaimed and, if so, when.

Many pieces of legislation have been passed. I seem to recall that one part of the Corporations Law was lying around for years, and the Keating government was identified as having left a whole swag of legislation on the statute books but not taken any further. That is no doubt why Senator Harradine thought that it was desirable in the particular circum-

stances of this legislation to impose a two-month time limit. I accept that proposition.

At the end of the day, if you get your legislation, you ought to be able to make up your mind within a period of two months whether or not you want to see it enacted, whether you want to see it take effect. That is, I would say in these circumstances, a sensible and measured approach. But to turn around and argue that both houses of parliament have to approve a proclamation is effectively saying that both houses of parliament get a second chance to reconsider the whole legislation.

Senator Schacht—Of course—after the election.

Senator ALSTON—It might not even be after the election in relation to a particular piece of legislation. We have already said that it will not be proclaimed until after the election. You know that. It would only occur if we were in government that we would be in a position to do it. We have undertaken not to do it, and the legislation provides for that.

So the only issue is: how long after the next election? Senator Harradine is saying that it should be within two months, and that is what you have to do. Whereas the Democrats and the Greens are saying, 'I don't care. You got your bill through the parliament. But, after the next election, this chamber effectively has a power of veto over the very legislation that the Senate itself has enacted.' That is a proposition that I have not heard before. It is certainly not one that is consonant with democratic practice. It is one that ought to be roundly rejected. I move:

That the committee report progress and seek leave to sit again.

Question put.

A division having been called and the bells being rung—

Senator Parer—Madam Temporary Chairman, I want to declare that, as far as I am aware, my wife holds Telstra shares.

The committee divided. [6.17 p.m.]

(The Chairman—Senator S. M. West)

Ayes	33
Noes	33
Majority	0

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Coonan, H.
Crane, W.	Eggleston, A.
Ellison, C.	Ferris, J.
Gibson, B. F.	Harradine, B.
Heffernan, W.*	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	McGauran, J. J. J.
Newman, J. M.	O'Chee, W. G.
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Vanstone, A. E.
Watson, J. O. W.	

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Collins, J. M. A.	Colston, M. A.
Cook, P. F. S.	Cooney, B.
Crowley, R. A.	Denman, K. J.
Evans, C. V.*	Faulkner, J. P.
Forshaw, M. G.	Gibbs, B.
Hogg, J.	Lees, M. H.
Mackay, S.	Margetts, D.
Murphy, S. M.	Murray, A.
Neal, B. J.	O'Brien, K. W. K.
Quirke, J. A.	Ray, R. F.
Reynolds, M.	Schacht, C. C.
Sherry, N.	Stott Despoja, N.
West, S. M.	

PAIRS

Ferguson, A. B.	Conroy, S.
Macdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Crossin, P. M.
Minchin, N. H.	Lundy, K.
Troeth, J.	Woodley, J.

*** denotes teller**

Question so resolved in the negative.

Senator IAN MACDONALD (Queensland—Parliamentary Secretary to the Minister for the Environment) (6.20 p.m.)—Speaking to this amendment, I have some questions which I would like to ask of the minister and his advisers.

Senator Schacht—The minister has shot through on you.

The CHAIRMAN—Order!

Senator IAN MACDONALD—It will take me some time to develop those questions. I know that Senator Kemp, who has a very keen interest in this matter, also has some questions that he wants to ask.

There was an announcement by the minister today that, subject to the sale of two-thirds of Telstra, an extra $20 million would be put into the regional telecommunications infrastructure fund. That extra allocation of $20 million will allow better telecommunications for remote and island communities. I am particularly interested in how this fund will be allocated to the remote island communities of Cocos, Christmas and Norfolk. Perhaps what interests me more is how it will apply to Australia's Antarctic territories.

As honourable senators would know, I have responsibility for the Australian Antarctic territories. One of the problems that we have always experienced down there—we have about 200 expeditioners in the territory every year—is that, to get in touch with their loved ones back home, people have to communicate by telecommunications back to the mainland of Australia. The division spends about $350,000 on telecommunications between Australia's Antarctic territories and the mainland of Australia.

This announcement today of an extra $20 million for the regional telecommunications infrastructure fund was specifically mentioned by the minister to apply to Australia's Antarctic Territory. There are many very good, very courageous, Australians down in the Antarctic Territory who do work in the wild frontiers of Australia, doing good work for Australia, looking after Australia's science, looking after Australia's interests in the Antarctic. But I would submit that they are entitled—as Australian pioneers, one might almost call them—to communicate back with loved ones at home: children, family, spouses, parents. At the present time, they pay a fee of 90c per minute to communicate via satellite from Australia's Antarctic territories back to their loved ones in Australia.

By contrast, those Australians living on the Cocos (Keeling) Islands or on Christmas Island currently get that service at about 30c per minute. That, of course, means that Australians working in the Antarctic have to pay three times that amount.

Opposition senators interjecting—

The TEMPORARY CHAIRMAN—Order, Senator Schacht.

Senator IAN MACDONALD—I am sure Senator Schacht would agree with me that those Australians who do that work in the Antarctic should not be disadvantaged. Currently—and I want to emphasise that because I will be seeking some support from Senator Schacht on this particular matter—those Australians pay that 90c a minute, but it does not seem to me to be fair.

I think the minister has recognised this today, because he did issue a media release indicating that $20 million in additional funds would be made available for the regional telecommunications infrastructure fund. That fund is in addition to the announcement that the minister made yesterday of something of the order of $150 million out of the sale of two-thirds of Telstra to enable people living in remote mainland Australia to communicate with their neighbours five or 10 kilometres away. In the past, those people living in remote Australia had to pay trunk line rates. That means that not only did they pay a lot of money but also they were timed calls. That was a situation that existed under the 13 years of Labor, and we wanted to cure that. So the minister announced that, upon the sale of two-thirds of Telstra, there will be sufficient funds to enable those people living in remote Australia to communicate with their neighbours at a local call rate and their calls will be untimed. That is the first time it has ever happened. It is a tremendous deal for remote and regional Australians.

Senator Schacht—Madam Chairman, I raise a point of order. Could you tell Senator Macdonald which amendment we are discussing? I do not think it has anything to do with the Antarctic or Cocos islands.

Senator Patterson—It is.

Senator Eggleston—Remote areas.

Senator Schacht—I ask you to draw his attention to which clause.

The CHAIRMAN—Senator Macdonald is not out of order. The resolution of the parliament has very broad ranging ramifications as an amendment.

Senator IAN MACDONALD—Thank you, Madam Chairman. You come from a regional area and I know that you understand, unlike Senator Schacht. Have you ever been outside the Adelaide suburbs, Senator Schacht, except when you have been chasing a vote for preselection?

The CHAIRMAN—Please address your remarks through the chair.

Senator IAN MACDONALD—Chasing a vote for preselection, because he needs them. This deal for people living in remote and regional Australia which the minister announced yesterday provides for $150 million, but it is dependent upon the sale of the other two-thirds of Telstra.

In addition to that initiative, Senator Alston also announced yesterday that he was allowing a preferential rate for people living on mainland Australia but living remote from a service town. That is my interpretation of it; it has another description. It is a town closest to people living in remote and regional Australia which has normal services: a doctor, a pharmacy and that sort of thing.

In the past, under Labor, you could ring there at 25c for four minutes. Senator Alston announced yesterday that we are extending that to 12 minutes. You can get a 12-minute call for a 25c fee. Calls average about six minutes, they tell me, in these areas, so for the first time people in regional Australia who want to ring into their nearest town that has normal services are going to get that for 25c a call, and that is the same as Senator Schacht gets living in the leafy suburbs of Adelaide. It puts people out in Barry Wakelin's electorate in the north of South Australia on the same plane as Senator Schacht. Senator Schacht is not interested in that. He is not at all interested in people in regional Australia; he is only interested in those living in the leafy suburbs of Adelaide.

These are two tremendous initiatives announced by the minister yesterday, but they are dependent on the sale of two-thirds of Telstra. There are those two elements which I just reinforce, but I come back to the matter I wanted to raise in speaking to this amendment, which is just how that would affect Australia's Antarctic territory. Some of my colleagues in this place have actually been to Australia's Antarctic territory and they have seen the remoteness. They have been on a trip down and back. I think Senator Lees from the Australian Democrats has been down there. She would understand just how remote they are and how much these expeditioners miss their spouses, their partners, their families—in many cases with young children—and their parents. We here in this building are away from our families for a long time, and most of us ring our spouses or our children every night just to keep in touch.

Senator Margetts—Madam Chair, I raise a point of order. It relates to relevance. Senator Macdonald is always very careful to make sure that everybody else is relevant. I believe the amendment we are dealing with is the timing of the resolution of the motion to parliament. I wonder whether you could direct him to speak to the amendment.

Senator Schacht—No, he is lost in Antarctica.

Senator Harradine—On the point of order, Madam Chair: this amendment relates to the proclamation of the bill, and I suppose Senator Macdonald is entitled to speak about the bill if it is all to do with the proclamation. But I would like to remind the senator that I would be interested in making a contribution about the clause itself when he concludes.

Senator IAN MACDONALD—I know Senator Kemp wants to speak, so perhaps I could curtail my remarks. I think the minister's adviser got the thrust of mine. Senator Harradine could speak and Senator Kemp could follow him if there is time.

Senator SCHACHT (South Australia) (6.28 p.m.)—We had an extraordinary performance here from Senator Ian Macdonald, who seems, after the last division, to have suddenly been given the short straw by the minister in being asked to get up and ask a

few questions of the minister and his advisers. Even Senator Macdonald had given up assuming that the minister could answer seriously. He probably knew that Senator Kemp was taking over from Senator Alston, so we were asking his advisers. We had this extraordinary performance where we started on a Southern Ocean whip-around. We started in Antarctica, we whipped over to the Cocos (Keeling) Islands and I think we might have got to Christmas Island. This, Senator, is about the resolution on the proclamation.

Senator Harradine—Madam Chair, I raise a point of order. What Senator Schacht is engaged in now is nothing to do with—

Senator SCHACHT—I am getting to the point.

Senator Harradine—It has nothing to do with the amendment that is currently before the chair. How can he, who has filibustered for the last 27 hours, possibly relate what he is saying to the amendments moved by Senator Lees and me in respect of the proclamation?

The CHAIRMAN—Order! It being 6.30, the sitting of the committee is suspended until 7.30.

Sitting suspended from 6.30 p.m. to 7.30 p.m.

The CHAIRMAN—Before the suspension Senator Harradine raised a point of order in relation to the relevance of Senator Schacht's contribution. I would ask Senator Schacht to actually make his comments relevant to the amendment currently before the chair.

Senator SCHACHT—I certainly will. The amendment before us, moved by the Democrats, that we support is to ensure that the Australian people have a genuine opportunity to decide this issue rather than have the government sneak this through after an election. As we pointed out, it is quite possible that after the next election One Nation will hold the balance of power in the House of Representatives.

Senator Carr—Thanks to the failure of the National Party.

Senator SCHACHT—Particularly as a result of the collapse of the National Party, including their performance over this bill in the last few days. But One Nation have a real prospect, on all the opinion polls at the present time, of holding the balance of power by taking a number of seats off the National Party in rural Australia. Although we do not have any brook with One Nation, they have indicated recently that they now support the policy of the Labor Party in opposing the privatisation of Telstra.

So, after the counting of preferences, you would have a minority Howard government. The Prime Minister of that minority government could say, 'Well, I am not going to call parliament together for three months. I may have an opportunity to convince some newly elected One Nation members to come and join the coalition.' In doing so, he could keep parliament from sitting during that three-month period and, since the government has accepted Senator Harradine's amendment, he could proclaim the bill to privatise Telstra—even though a clear majority of Australians at that election for the House of Representatives had voted for the Labor Party, the Democrats, One Nation and, I would imagine, a number of Independents, including some people who had already left the National Party over the issue, such as Mrs De-Anne Kelly, the member for Dawson. There would be a combined vote of well over 50 per cent opposed to the privatisation of Telstra.

Because of the way the numbers worked out Mr Howard could say, 'I am not going to the Governor-General a week after the election to hand in my resignation; I am going to test the confidence in my government on the floor of the House of Representatives when I call it together.' I think he can wait at least three months before he has to do so. So, while we wait three months for that test of confidence on the floor of the House of Representatives, the Prime Minister can, under Senator Harradine's amendment which the government supports, say, 'We privatise Telstra,' and it is proclaimed.

Senator Carr—Just like that.

Senator SCHACHT—Just like that. That is why I am surprised at Senator Harradine, who has been such a stickler for the powers of the Senate ensuring that executive govern-

ment does not abuse what he would call the will of the people. I am surprised he does not see through the possibilities that the Prime Minister has. That is what is astonishing to us. We have been lectured on many occasions by Senator Harradine in the 11 years that I have been here.

Senator Harradine—On a point of order, Madam Chairman: Senator Schacht is misrepresenting this particular amendment. The Prime Minister could not do that until after the first meeting of the new parliament. If you are going to address this amendment, please address it accurately. This is a measure which was perfectly in order and was the result of—

The CHAIRMAN—Senator Harradine, you are raising a debating point. Do you have a point of order?

Senator Harradine—If Senator Schacht can give me a chance to respond, I will.

The CHAIRMAN—You do not have a point of order.

Senator SCHACHT—Senator Harradine disagrees with my interpretation.

Senator Harradine—Because you are wrong.

Senator SCHACHT—You have had a couple of chances to speak in this debate on this point and you have explained your view. I have a different view about it. The real issue for us is that this legislation is totally unnecessary. It will give the Prime Minister an opportunity to get this legislation through on the numbers in the Senate at present rather than taking a chance on what the numbers will be after 1 July next year. That is the what the sham, that is what the political trickery, has been about from the very beginning. It is a finely designed rort.

We all remember the way in which the Prime Minister, Mr Howard, congratulated himself when he made his announcement at the Liberal Party conference that this is how the legislation would be designed. He said that, firstly, it did not break his promise that he would never move to fully privatise Telstra during the first term of his government and, secondly, it gave the people the opportunity to vote—and then, if he lost the election, presumably the legislation would not be proclaimed. Normal, ordinary Australians would say, 'That is a stunt. Why don't you win the election first and then bring the legislation in?'

The other stunt is that, by having the legislation now, you can actually adjust the figures and say, 'We have got a pot of money for various bribes to the electorate. We can say now what it is and use that money to mislead the National Party,' who believe it is an extraordinary pot of gold but, in fact, so far it is only $150 million. That is what the real issue is here: it gave the Prime Minister and the Treasurer the ability to say, 'We can fund a whole range of promises on legislation passed but not proclaimed until after the election.' It means the Prime Minister does not have to be tough about preparing his election manifesto of how to pay for all his promises. If he had to put that up front, a lot of this magic pudding—the sale of Telstra—would not be available to him. That is why it is being done this way.

The political point we have made today is that we find it extraordinary that the magic pudding for the National Party has been very small. It is only $150 million. As for the new mobile telephone network, Frank Blount is on television tonight confirming what I said three times in this debate today, that is, Telstra were doing the new telephone network as a commercial decision. It was reported again that he said, 'This government, this minister, has never said boo to me.' This was happening anyway. The $400 million for the new mobile telephone network, which has been sold to the National Party as part of the magic pudding, was going to happen anyway. You can't have that.

All the National Party has is $150 million. But the Liberal Party is going to have a big bag of money from the sale that they can offer their voters in the cities to bribe them over the line at the next election. That is what we have found so extraordinary. We believe that the Democrats' amendment will keep the government absolutely honest. The parliament elected at the next election—the new House of Representatives and the new Senate—will have the decision to decide whether this goes

through, even if Mr Howard wins the election. We believe that is a much more honest and ethical way to handle this issue.

Again, I am surprised that Senator Harradine would put such a proposition. He said he disagreed with my interpretation. If that is the case, I think the real issue, Senator Harradine, is for you to forget your amendment altogether. If there is a dispute about what it means, vote for the Democrat amendment, which we are voting for. It makes it clear that there can be no misunderstanding by the Australian people that they have the final opportunity to vote in a new parliament and a new government, whichever it may be, to continue with a proper arrangement to ensure that Telstra is dealt with in that way and not in this background, back-handed, sneaky deal.

Not all the detail of the deal has been out but we think we know what some of it is. Some of it is not as good as the National Party first proclaimed. We have had that embarrassment for Mr Tim Fischer exposed today. We have had Senator Boswell having to move an amendment, on my suggestion, to try to protect his own electors, and the minister has had to accept it because the minister found that he had not covered all the bases in his own deal making. Goodness knows what Senator Boswell or Senator Harradine have given away in secret to get your vote up to the line here.

The CHAIRMAN—Order! The time for the debate has expired. I will proceed to put the question that is before the chair, which is Democrat amendment No. 2 on sheet 1124. The question is that the motion be agreed to.

A division having been called and the bells having been rung—

Senator Calvert—Madam Chairman, my wife and I own Telstra shares.

Senator Gibson—My family superannuation fund and my wife have Telstra shares.

Senator Watson—While I do not have any shares, I believe my wife may have some.

Senator Coonan—I have some shares to declare, and I am informed that my husband and an adult son have some.

Senator Heffernan—I wish I had some.

Senator Crane—I do not have any shares but my wife does.

Senator Knowles—I own Telstra shares.

Senator Chapman—I declare an interest in Telstra shares.

Senator Colston—Madam Chair, I was informed yesterday that my wife and my younger son have Telstra shares.

Senator Synon—My husband may have some Telstra shares in a superannuation trust.

Question put.

The committee divided. [7.45 p.m.]

(The Chairman—Senator S. M. West)

Ayes	32
Noes	34
Majority	2

AYES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Collins, J. M. A.	Cook, P. F. S.
Cooney, B.	Crowley, R. A.
Denman, K. J.	Evans, C. V.*
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Lundy, K.
Mackay, S.	Margetts, D.
Murphy, S. M.	Murray, A.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

NOES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Heffernan, W.
Herron, J.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Lightfoot, P. R.	Macdonald, I.
McGauran, J. J. J.	Newman, J. M.
O'Chee, W. G.*	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Reid, M. E.	Synon, K. M.
Tambling, G. E. J.	Tierney, J.
Vanstone, A. E.	Watson, J. O. W.

PAIRS

Conroy, S.	Ferguson, A. B.
Crossin, P. M.	Macdonald, S.
McKiernan, J. P.	MacGibbon, D. J.
Neal, B. J.	Minchin, N. H.
Woodley, J.	Troeth, J.

*** denotes teller**

Question so resolved in the negative.

Senator Crowley—Madam Chair, I have previously declared that I own Telstra shares. I am advised that I should also declare them again now.

Government senators—Only once.

Opposition senators—That's the Clerk's advice.

The CHAIRMAN—Before we have a discussion, there are a number of amendments to be put. Standing Order No. 142(4) requires that, at the expiration of the time allotted for the consideration of a bill, the chair will put any amendments circulated by the government at least two hours before that time. All of the amendments were circulated by the government—that is, the government amendments, the opposition amendments, the Green amendments and the Democrat amendments.

Standing Order No. 84(3) empowers the chair to divide a question. This applies in committee by virtue of Standing Order No. 144(7) under which the chair can divide a question at the request of a senator if the senator indicates that this will facilitate the senator voting in accordance with the senator's choice—for example, if the senator wishes to vote against part of question and for another part.

There are a large number of amendments to be resolved. The questions, I understand, have been divided into a certain running order which has been agreed upon and circulated to the chamber. Is it the wish of the committee that the bill be divided and voted upon in that order? There being no objection, it is so ordered. We shall now proceed to division No. 2.

Senator Crane—Could we please have clarified whether or not we have to stand up at each division and declare our shares?

The CHAIRMAN—No, the first time you speak and the first time there is a division. Everybody has done what they needed to do. The next set of questions relates to government amendments 1 to 4 on sheet 551, government amendment 1 on sheet 332, a government amendment on sheet 331 which was circulated by Senator Boswell, the Harradine amendment on sheet 1123, the Democrat amendment on sheet 333 circulated by Senator Murray. The question now is that the following amendments be agreed to:

(Amendments to be moved on behalf of the Government)

(1) Clause 2, page 4 (after line 11), after subclause (7), insert:

1 January 1999

(7A) Subject to subsection (7B), Schedule 6 commences on 1 January 1999.

(7B) If the 28th day after the day on which this Act receives the Royal Assent is later than 1 January 1999, Schedule 6 commences on that 28th day.

(2) Schedule 1, page 7 (after line 20), after item 3, insert:

3A Subsection 564(3) (note 4)

After "obligations", insert ", and certain ancillary obligations,".

3B Subsection 571(3) (note 4)

After "obligations", insert ", and certain ancillary obligations,".

3C After clause 27 of Schedule 1

Insert:

27A Code relating to access to information

(1) The ACCC may, by written instrument, make a Code setting out conditions that are to be complied with in relation to the provision of information, or access to information, under clause 21, 22, 23, 24 or 25.

(2) A carrier must comply with the Code.

(3) This clause does not, by implication, limit a power conferred by or under this Act to make an instrument.

(4) This clause does not, by implication, limit the matters that may be dealt with by codes or standards referred to in Part 6.

(5) Subclauses (3) and (4) do not, by implication, limit subsection 33(3B) of the *Acts Interpretation Act 1901*.

(6) An instrument under subclause (1) is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

3D After clause 29 of Schedule 1

Insert:

29A Code relating to consultation

(1) The ACCC may, by written instrument, make a Code setting out conditions that are to be complied with in relation to consultations under clause 29.

(2) The Code may specify the manner and form in which a consultation is to occur.

(3) Subclause (2) does not, by implication, limit subclause (1).

(4) A carrier must comply with the Code.

(5) This clause does not, by implication, limit a power conferred by or under this Act to make an instrument.

(6) This clause does not, by implication, limit the matters that may be dealt with by codes or standards referred to in Part 6.

(7) Subclauses (5) and (6) do not, by implication, limit subsection 33(3B) of the *Acts Interpretation Act 1901*.

(8) An instrument under subclause (1) is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

(3) Schedule 1, page 8 (after line 3), at the end of the Schedule, add:

Trade Practices Act 1974

7 Section 151AA

After:

. The Commission may make record-keeping rules that apply to carriers and carriage service providers.

insert:

. Carriers and carriage service providers may be directed by the Commission to make certain reports available for inspection and purchase. The direction is called a ***disclosure direction***.

8 Section 151AB

Insert:

disclosure direction means a direction under subsection 151BUB(2) or 151BUC(2).

9 Section 151AB

Insert:

listed carriage service has the same meaning as in the *Telecommunications Act 1997*.

10 Division 6 of Part XIB (heading)

Repeal the heading, substitute:

Division 6—Record-keeping rules and disclosure directions

11 Subsection 151BU(1)

After "retain records.", insert "Rules under this subsection may also require those carriers or carriage service providers to prepare reports consisting of information contained in those records. Rules under this subsection may also require those carriers or carriage service providers to give any or all of the reports to the Commission.".

12 After subsection 151BU(2)

Insert:

(2A) The rules may specify the manner and form in which reports are to be prepared.

(2B) The rules may provide for:

(a) the preparation of reports as and when required by the Commission; or

(b) the preparation of periodic reports relating to such regular intervals as are specified in the rules.

(2C) The rules may require or permit a report prepared in accordance with the rules to be given to the Commission, in accordance with specified software requirements and specified authentication requirements:

(a) on a specified kind of data processing device; or

(b) by way of a specified kind of electronic transmission.

(2D) Subsections (2), (2A), (2B) and (2C) do not limit subsection (1).

13 Paragraphs 151BU(4)(c), (d), (e) and (f)

Omit "the performance by the Commission of a function, or the exercise by the Commission of a power, conferred on the Commission by or under", substitute "the operation of".

14 Subsection 151BU(4) (note)

Repeal the note.

15 At the end of section 151BU

Add:

(6) This section does not limit section 155 (which is about the general information-gathering powers of the Commission).

16 After section 151BU

Insert:

151BUA Commission gives access to reports

(1) This section applies to a particular report given to the Commission by a carrier, or a carriage service provider, in accordance with the record-keeping rules.

Criteria for disclosure

(2) If the Commission is satisfied that the disclosure of the report, or the disclosure of particular extracts from the report, would be likely to:

(a) promote competition in markets for listed carriage services; or

(b) facilitate the operation of:

(i) this Part (other than this Division); or

(ii) Part XIC (which deals with access); or

(iii) Division 3 of Part 20 of the *Telecommunications Act 1997* (which deals with Rules of Conduct relating to dealings with international telecommunications operators); or

(iv) Part 6 of the *Telstra Corporation Act 1991* (which deals with regulation of Telstra's charges);

the Commission may give the carrier or carriage service provider concerned:

(c) a written notice stating that the Commission intends to make copies of the report or extracts, together with other relevant material (if any) specified in the notice, available for inspection and purchase by the public as soon as practicable after the end of the period specified in the notice; or

(d) a written notice stating that the Commission intends to make copies of the report or extracts, together with other relevant material (if any) specified in the notice, available for inspection and purchase:

(i) by such persons as are specified in the notice; and

(ii) on such terms and conditions (if any) as are specified in the notice;

as soon as practicable after the end of the period specified in the notice.

Note: For specification by class, see subsection 46(2) of the *Acts Interpretation Act 1901*.

Period specified in notice

(3) The period specified in a notice under subsection (2) must run for at least 28 days after the notice was given.

Criteria for giving notice

(4) In deciding whether to give a notice under subsection (2), the Commission must have regard to:

(a) the legitimate commercial interests of the carrier or carriage service provider concerned; and

(b) such other matters as the Commission considers relevant.

Consultation before giving notice

(5) The Commission must not give the carrier or carriage service provider concerned a notice under subsection (2) unless the Commission has first:

(a) given the carrier or carriage service provider a written notice:

(i) setting out a draft version of the notice under subsection (2); and

(ii) inviting the carrier or carriage service provider to make a submission to the Commission on the draft by a specified time limit; and

(b) considered any submission that was received within that time limit.

The time limit specified in a notice under paragraph (a) must be at least 28 days after the notice was given.

Public access

(6) If the Commission gives the carrier or carriage service provider concerned a notice under paragraph (2)(c), the Commission:

(a) must make copies of the report or extracts, together with the other material (if any) specified in the notice, available for inspection and purchase by the public as soon as practicable after the end of the period specified in the notice; and

(b) may also give a written direction to the carrier or carriage service provider concerned requiring it to take such action as is specified in the direction to inform the public, or such persons as are specified in the direction, that the report is, or the extracts are, so available.

Note: For specification by class, see subsection 46(2) of the *Acts Interpretation Act 1901*.

(7) A person must comply with a direction under paragraph (6)(b).

Limited access

(8) If the Commission gives the carrier or carriage service provider concerned a notice under paragraph (2)(d), the Commission must:

(a) make copies of the report or extracts, together with the other material (if any) specified in the notice, available for inspection and purchase by the persons specified in the notice as soon as practi-

cable after the end of the period specified in the notice; and

(b) take reasonable steps to inform the persons who inspect or purchase copies of the report or extracts of the terms and conditions (if any) that are specified in the notice.

(9) If, in accordance with subsection (8), a person inspects or purchases a copy of the report or extracts, the person must comply with the terms and conditions (if any) that are specified in the notice concerned.

Offences

(10) A person who intentionally or recklessly contravenes subsection (7) or (9) is guilty of an offence punishable on conviction by a fine not exceeding 20 penalty units.

151BUB Carrier or carriage service provider gives access to reports

(1) This section applies to a report prepared by a carrier, or a carriage service provider, in accordance with the record-keeping rules.

Disclosure direction

(2) If the Commission is satisfied that the disclosure of the report, or the disclosure of particular extracts from the report, would be likely to:

(a) promote competition in markets for listed carriage services; or

(b) facilitate the operation of:

(i) this Part (other than this Division); or

(ii) Part XIC (which deals with access); or

(iii) Division 3 of Part 20 of the *Telecommunications Act 1997* (which deals with Rules of Conduct relating to dealings with international telecommunications operators); or

(iv) Part 6 of the *Telstra Corporation Act 1991* (which deals with regulation of Telstra's charges);

the Commission may give the carrier or carriage service provider concerned:

(c) a written direction requiring it to make copies of the report or extracts, together with other relevant material (if any) specified in the direction, available for inspection and purchase by the public as soon as practicable after the end of the period specified in the direction; or

(d) a written direction requiring it to make copies of the report or extracts, together with other relevant material (if any) specified in the direction, available for inspection and purchase:

(i) by such persons as are specified in the direction; and

(ii) on such terms and conditions (if any) as are specified in the direction;

as soon as practicable after the end of the period specified in the direction.

Note: For specification by class, see subsection 46(2) of the *Acts Interpretation Act 1901*.

(3) The period specified in a direction under subsection (2) must run for at least 28 days after the direction was given.

(4) A direction under paragraph (2)(d) is also taken to require the carrier or carriage service provider concerned to take reasonable steps to inform the persons who inspect or purchase copies of the report or extracts of the terms and conditions (if any) that are specified in the direction.

Criteria for giving direction

(5) In deciding whether to give a direction under subsection (2), the Commission must have regard to:

(a) the legitimate commercial interests of the carrier or carriage service provider concerned; and

(b) such other matters as the Commission considers relevant.

Consultation before giving direction

(6) The Commission must not give the carrier or carriage service provider concerned a direction under subsection (2) unless the Commission has first:

(a) given the carrier or carriage service provider a written notice:

(i) setting out a draft version of the direction; and

(ii) inviting the carrier or carriage service provider to make a submission to the Commission on the draft by a specified time limit; and

(b) considered any submission that was received within that time limit.

The time limit specified in the notice must be at least 28 days after the notice was given.

Direction to give information about availability of report

(7) If the Commission gives the carrier or carriage service provider concerned a direction under paragraph (2)(c), the Commission may also give it a written direction requiring it to take such action as is specified in the direction to inform the public that the report is, or extracts are, available for inspection and purchase.

(8) If the Commission gives the carrier or carriage service provider concerned a direction under paragraph (2)(d), the Commission may also give it a written direction requiring it to take such action as is specified in the direction to inform the persons specified in the paragraph (2)(d) direction that the report is, or the extracts are, available for inspection and purchase.

(9) A person must comply with a direction under subsection (7) or (8).

Reasonable charge

(10) The price charged by the carrier or carriage service provider concerned for the purchase of a copy of the report or extracts and the other material (if any) must not exceed the reasonable costs incurred by the carrier or carriage service provider concerned in making the copy of the report or extracts and the other material (if any) available for purchase.

Compliance with terms and conditions

(11) If, in accordance with a direction under paragraph (2)(d), a person inspects or purchases a copy of the report or extracts, the person must comply with the terms and conditions (if any) that are specified in the direction.

Offence

(12) A person who intentionally or recklessly contravenes subsection (9) or (11) is guilty of an offence punishable on conviction by a fine not exceeding 20 penalty units.

Section 151BUC does not limit this section

(13) Section 151BUC does not limit this section.

151BUC Carrier or carriage service provider gives access to periodic reports

(1) This section applies to a particular series of periodic reports that are required to be prepared by a carrier, or a carriage service provider, in accordance with the record-keeping rules.

Disclosure direction

(2) If the Commission is satisfied that the disclosure of each of the reports in that series, or the disclosure of particular extracts from each of the reports in that series, would be likely to:

(a) promote competition in markets for listed carriage services; or

(b) facilitate the operation of:

(i) this Part (other than this Division); or

(ii) Part XIC (which deals with access); or

(iii) Division 3 of Part 20 of the *Telecommunications Act 1997* (which deals with Rules of Conduct relating to dealings with international telecommunications operators); or

(iv) Part 6 of the *Telstra Corporation Act 1991* (which deals with regulation of Telstra's charges);

the Commission may give the carrier or carriage service provider concerned:

(c) a written direction requiring it to make copies of each of those reports or extracts, together with other relevant material (if any) specified in the direction, available for inspection and purchase by the public by such times as are ascertained in accordance with the direction; or

(d) a written direction requiring it to make copies of each of those reports or extracts, together with other relevant material (if any) specified in the direction, available for inspection and purchase:

(i) by such persons as are specified in the direction; and

(ii) on such terms and conditions (if any) as are specified in the direction;

by such times as are ascertained in accordance with the direction.

Note 1: For example, a direction under paragraph (2)(c) could require that each report in a particular series of quarterly reports be made available by the 28th day after the end of the quarter to which the report relates.

Note 2: For specification by class, see subsection 46(2) of the *Acts Interpretation Act 1901*.

(3) In the case of the first report in the series (or extracts from that report), the applicable time ascertained in accordance with a direction under subsection (2) must be later than the 28th day after the day on which the direction was given.

(4) A direction under paragraph (2)(d) is also taken to require the carrier or carriage service provider concerned to take reasonable steps to inform the persons who inspect or purchase copies of the report or extracts of the terms and conditions (if any) that are specified in the direction.

Criteria for giving direction

(5) In deciding whether to give a direction under subsection (2), the Commission must have regard to:

(a) the legitimate commercial interests of the carrier or carriage service provider concerned; and

(b) such other matters as the Commission considers relevant.

Consultation before giving direction

(6) The Commission must not give the carrier or carriage service provider concerned a direction under subsection (2) unless the Commission has first:

(a) given the carrier or carriage service provider a written notice:

(i) setting out a draft version of the direction; and

(ii) inviting the carrier or carriage service provider to make a submission to the Commission on the draft by a specified time limit; and

(b) considered any submission that was received within that time limit.

The time limit specified in the notice must be at least 28 days after the notice was given.

Direction to give information about availability of reports

(7) If the Commission gives the carrier or carriage service provider concerned a direction under paragraph (2)(c), the Commission may also give it a written direction requiring it to take such action as is specified in the direction to inform the public that each of those reports is, or extracts are, available for inspection and purchase.

(8) If the Commission gives the carrier or carriage service provider concerned a direction under paragraph (2)(d), the Commission may also give it a written direction requiring it to take such action as is specified in the direction to inform the persons specified in the paragraph (2)(d) direction that each of those reports is, or the extracts are, available for inspection and purchase.

(9) A person must comply with a direction under subsection (7) or (8).

Reasonable charge

(10) The price charged by the carrier or carriage service provider concerned for the purchase of a copy of the report or extracts and the other material (if any) must not exceed the reasonable costs incurred by the carrier or carriage service provider concerned in making the copy of the report or extracts and the other material (if any) available for purchase.

Compliance with terms and conditions

(11) If, in accordance with a direction under paragraph (2)(d), a person inspects or purchases a copy of the report or extracts, the person must comply with the terms and conditions (if any) that are specified in the direction.

Offence

(12) A person who intentionally or recklessly contravenes subsection (9) or (11) is guilty of an offence punishable on conviction by a fine not exceeding 20 penalty units.

151BUD Exemption of reports from access requirements

Full exemption

(1) The Commission may make a written determination exempting specified reports from the scope of sections 151BUA, 151BUB and 151BUC, either:

(a) unconditionally; or

(b) subject to such conditions (if any) as are specified in the determination.

The determination has effect accordingly.

Note: For specification by class, see subsection 46(2) of the *Acts Interpretation Act 1901*.

Partial exemption

(2) The Commission may make a written determination that specified information is ***exempt information*** for the purposes of this section, either:

(a) unconditionally; or

(b) subject to such conditions (if any) as are specified in the determination.

The determination has effect accordingly.

Note: For specification by class, see subsection 46(2) of the *Acts Interpretation Act 1901*.

(3) If a report contains exempt information, sections 151BUA, 151BUB and 151BUC apply as if:

(a) the exempt information were not part of the report; and

(b) so much of the report as does not consist of the exempt information were a report in its own right.

Disallowable instrument

(4) A determination under this section is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

151BUE Access via the Internet

If the Commission, a carrier or a carriage service provider is required under this Division to make copies of a report, extracts or other material

available for inspection and purchase, the Commission, carrier or carriage service provider, as the case may be, may comply with that requirement by making the report, extracts or other material available for inspection and purchase on the Internet.

151BUF Self-incrimination

(1) An individual is not excused from giving a report under the record-keeping rules, or from making a report or extracts available under this Division, on the ground that the report or extracts might tend to incriminate the individual or expose the individual to a penalty.

(2) However:

(a) giving the report or making the report or extracts available; or

(b) any information, document or thing obtained as a direct or indirect consequence of giving the report or making the report or extracts available;

is not admissible in evidence against the individual in:

(c) criminal proceedings other than proceedings under, or arising out of, section 151BV; or

(d) proceedings under section 151BY for recovery of a pecuniary penalty in relation to a contravention of a disclosure direction.

17 Division 7 of Part XIB (heading)

Repeal the heading, substitute:

Division 7—Enforcement of the competition rule, tariff filing directions, record-keeping rules and disclosure directions

18 Section 151BW

Omit "or a record-keeping rule", substitute ", a record-keeping rule or a disclosure direction".

Note: The heading to section 151BW is altered by omitting "**or a record-keeping rule**" and substituting "**, a record-keeping rule or a disclosure direction**".

19 Subsection 151BX(1)

Omit "or a record-keeping rule" (wherever occurring), substitute ", a record-keeping rule or a disclosure direction".

Note: The heading to section 151BX is altered by omitting "**or a record-keeping rule**" and substituting "**, a record-keeping rule or a disclosure direction**".

20 Paragraph 151BX(3)(c)

After "rule", insert "or of a disclosure direction".

21 Paragraph 151BX(4)(a)

After "rule", insert "or of a disclosure direction".

22 At the end of paragraph 151BX(5)(b)

Add "or".

23 After paragraph 151BX(5)(b)

Insert:

(c) 2 or more disclosure directions;

24 Subsection 151BX(5)

Omit "or record-keeping rules", substitute ", record-keeping rules or disclosure directions".

25 Subsection 151BZ(1)

Omit "or a record-keeping rule" (wherever occurring), substitute ", a record-keeping rule or a disclosure direction".

Note: The heading to section 151BZ is altered by omitting "**or record-keeping rules**" and substituting "**, record-keeping rules or disclosure directions**".

26 Subsection 151CA(1)

Omit "or a record-keeping rule" (wherever occurring), substitute ", a record-keeping rule or a disclosure direction".

27 Subsection 151CA(8)

Repeal the subsection.

28 After subsection 151CI(3)

Insert:

(3A) If the Commission:

(a) makes a decision under section 151BUA to make a report obtained from a person, or an extract from such a report, available for inspection and purchase; or

(b) makes a decision under section 151BUB or 151BUC to give a person a written direction to make a report or extract available for inspection and purchase;

the person may apply to the Tribunal for a review of the decision.

29 At the end of subsection 151CI(4)

Add:

; and (d) in the case of an application under subsection (3A)—made within 28 days after the Commission made the decision.

30 Section 152AC

Insert:

constitutional corporation means a corporation to which paragraph 51(xx) of the Constitution applies.

31 After section 152AY

Insert:

152AYA Ancillary obligations—confidential information

If:

(a) a carrier or carriage service provider is required to comply with a standard access obligation that arose because of a request made by an access seeker; and

(b) at or after the time when the request was made, the access seeker gives particular information to the carrier or carriage service provider to enable the carrier or carriage service provider to comply with the standard access obligation; and

(c) at or before the time when the information was given, the access seeker gave the carrier or carriage service provider a written notice to the effect that:

(i) that information; or

(ii) a class of information that includes that information;

is to be regarded as having been given on a confidential basis for the purpose of enabling the carrier or carriage service provider to comply with the standard access obligation;

the carrier or carriage service provider must not, without the written consent of the access seeker, use that information for a purpose other than enabling the carrier or carriage service provider to comply with:

(d) the standard access obligation; or

(e) any other standard access obligation that arose because of a request made by the access seeker.

32 Section 152AZ

Omit "comply with any standard access obligations that are applicable to the carrier.", substitute:

comply with:

(a) any standard access obligations that are applicable to the carrier; and

(b) any obligations under section 152AYA that are applicable to the carrier.

33 Subsection 152BA(2)

Omit "comply with any standard access obligations that are applicable to the provider.", substitute:

comply with:

(a) any standard access obligations that are applicable to the provider; and

(b) any obligations under section 152AYA that are applicable to the provider.

34 After subsection 152BB(1)

Insert:

(1A) If the Federal Court is satisfied that a carrier or carriage service provider has contravened an obligation imposed by section 152AYA, the Court may, on the application of:

(a) the Commission; or

(b) the access seeker who gave the information concerned;

make all or any of the following orders:

(c) an order directing the carrier or carriage service provider to comply with the obligation;

(d) an order directing the carrier or carriage service provider to compensate any other person who has suffered loss or damage as a result of the contravention;

(e) any other order that the Court thinks appropriate.

35 After section 152BB

Insert:

152BBA Commission may give directions in relation to negotiations

(1) This section applies if a carrier or carriage service provider is required to comply with any or all of the standard access obligations.

(2) If the following parties:

(a) the carrier or carriage service provider, as the case requires;

(b) the access seeker;

propose to negotiate, or are negotiating, with a view to agreeing on terms and conditions as mentioned in paragraph 152AY(2)(a), the Commission may, for the purposes of facilitating those negotiations, if requested in writing to do so by either party, give a party a written procedural direction requiring the party to do, or refrain from doing, a specified act or thing relating to the conduct of those negotiations.

(3) The following are examples of the kinds of procedural directions that may be given under subsection (2):

(a) a direction requiring a party to give relevant information to the other party;

(b) a direction requiring a party to carry out research or investigations in order to obtain relevant information;

(c) a direction requiring a party not to impose unreasonable procedural conditions on the party's participation in negotiations;

(d) a direction requiring a party to respond in writing to the other party's proposal or request in relation to the time and place of a meeting;

(e) a direction requiring a party, or a representative of a party, to attend a mediation conference;

(f) a direction requiring a party, or a representative of a party, to attend a conciliation conference.

(4) For the purposes of paragraph (3)(c), if a party (the ***first party***) imposes, as a condition on the first party's participation in negotiations, a requirement that the other party must not disclose to the Commission any or all information, or the contents of any or all documents, provided in the course of negotiations, that condition is taken to be an unreasonable procedural condition on the first party's participation in those negotiations.

(5) A person must not contravene a direction under subsection (2).

(6) A person must not:

(a) aid, abet, counsel or procure a contravention of subsection (5); or

(b) induce, whether by threats or promises or otherwise, a contravention of subsection (5); or

(c) be in any way, directly or indirectly, knowingly concerned in, or party to, a contravention of subsection (5); or

(d) conspire with others to effect a contravention of subsection (5).

(7) In deciding whether to give a direction under subsection (2), the Commission must have regard to:

(a) any guidelines in force under subsection (8); and

(b) such other matters as the Commission considers relevant.

(8) The Commission may, by written instrument, formulate guidelines for the purposes of subsection (7).

(9) In addition to its effect apart from this subsection, this section also has the effect it would have if:

(a) each reference to a carrier were, by express provision, confined to a carrier that is a constitutional corporation; and

(b) each reference to a carriage service provider were, by express provision, confined to a carriage service provider that is a constitutional corporation; and

(c) each reference to an access seeker were, by express provision, confined to an access seeker that is a constitutional corporation.

152BBB Enforcement of directions

(1) If the Federal Court is satisfied that a person has contravened subsection 152BBA(5) or (6), the Court may order the person to pay to the Commonwealth such pecuniary penalty, in respect of each contravention, as the Court determines to be appropriate.

(2) In determining the pecuniary penalty, the Court must have regard to all relevant matters, including:

(a) the nature and extent of the contravention; and

(b) the nature and extent of any loss or damage suffered as a result of the contravention; and

(c) the circumstances in which the contravention took place; and

(d) whether the person has previously been found by the Court in proceedings under this Act to have engaged in any similar conduct.

(3) The pecuniary penalty payable under subsection (1) by a body corporate is not to exceed $250,000 for each contravention.

(4) The pecuniary penalty payable under subsection (1) by a person other than a body corporate is not to exceed $50,000 for each contravention.

(5) The Commission may institute a proceeding in the Federal Court for the recovery on behalf of the Commonwealth of a pecuniary penalty referred to in subsection (1).

(6) A proceeding under subsection (5) may be commenced within 6 years after the contravention.

(7) Criminal proceedings do not lie against a person only because the person has contravened subsection 152BBA(5) or (6).

152BBC Commission's role in negotiations

(1) This section applies if a carrier or carriage service provider is required to comply with any or all of the standard access obligations.

(2) If the following parties:

(a) the carrier or carriage service provider, as the case requires;

(b) the access seeker;

propose to negotiate, or are negotiating, with a view to agreeing on terms and conditions as mentioned in paragraph 152AY(2)(a), the parties may jointly request the Commission in writing to arrange for a representative of the Commission to attend, or mediate at, those negotiations.

(3) The Commission may comply with the request if the Commission considers that compliance with the request would be likely to facilitate those negotiations.

(4) For the purposes of this section, each of the following persons may be a representative of the Commission:

(a) a member, or associate member, of the Commission; or

(b) a person referred to in subsection 27(1); or

(c) a person engaged under section 27A.

(5) A member of the Commission is not disqualified from constituting the Commission (with other members) for the purposes of an arbitration under Division 8 of a dispute about a particular matter, merely because the member or another person attended, or mediated at, negotiations in relation to the matter in accordance with a request under this section.

36 Subsection 152CT(1)

Omit "If the Commission has reason to suspect that a person who is or was a party to the arbitration of an access dispute has not engaged, or is not engaging, in negotiations in good faith,", substitute "If the Commission considers that it would be likely to facilitate negotiations relating to an access dispute if a person who is or was a party to the arbitration of the access dispute were to be given a direction under this subsection,".

Note: The heading to section 152CT is altered by omitting "**direct a party to engage in negotiations in good faith**" and substituting "**give directions in relation to negotiations**".

37 After subsection 152CT(2)

Insert:

(2A) For the purposes of paragraph (2)(c), if a party (the ***first party***) imposes, as a condition on the first party's participation in negotiations, a requirement that the other party must not disclose to the Commission any or all information, or the contents of any or all documents, provided in the course of negotiations, that condition is taken to be an unreasonable procedural condition on the first party's participation in those negotiations.

38 At the end of section 152CT

Add:

(7) In addition to its effect apart from this subsection, subsection (1) also has the effect it would have if each reference to a person were, by express provision, confined to a person who is a constitutional corporation.

39 Transitional—section 152CT of the *Trade Practices Act 1974*

The amendments of section 152CT of the *Trade Practices Act 1974* made by this Schedule do not affect the continuity of a direction in force under that section immediately before the commencement of this item.

(4) Page 34 (after line 17), at the end of the Bill, add:

Schedule 6—Amendments commencing not earlier than 1 January 1999

Telecommunications Act 1997

1 Subsections 480(5), (6) and (7)

Repeal the subsections.

2 After section 480

Insert:

480A Other information to be publicly available

(1) For the purposes of this section, if a standard form of agreement formulated by a carriage service provider for the purposes of section 479 sets out terms and conditions that are applicable to the supply of goods or services to a person:

(a) the person is an ***ordinary customer*** of the carriage service provider; and

(b) the goods or services are ***designated goods or services***.

(2) The ACA may make a written determination requiring carriage service providers to:

(a) give ordinary customers specified information relating to the supply of designated goods or services; or

(b) give specified kinds of ordinary customers specified information about the supply of designated goods or services; or

(c) publish information relating to the supply of designated goods or services.

(3) A determination under subsection (2) may specify the manner and form in which information is to be given or published.

(4) A determination under subsection (2) may make provision for customers to be informed (whether by individual notice or general publication) of, or of a summary of, any or all of their rights as customers, including their rights under Part 9 (which deals with the customer service guarantee).

(5) Subsections (3) and (4) do not limit subsection (2).

(6) Before making a determination under subsection (2), the ACA must consult the Telecommunications Industry Ombudsman.

(7) A carriage service provider must comply with a determination under subsection (2).

(8) The ACA must ensure that a determination is in force under subsection (2) at all times after the commencement of this section.

(9) A determination under subsection (2) is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

(Amendment to be moved on behalf of the Government)

(1) Schedule 1, page 7 (after line 29), after item 5, insert:

5A After section 8BU

Insert:

8BUA At least 2 directors must have knowledge of, or experience in, the communications needs of regional areas

(1) Telstra must ensure that at least 2 of its directors have knowledge of, or experience in, the communications needs of regional areas.

(2) A contravention of subsection (1) is not an offence. However, a contravention of subsection (1) is a ground for obtaining an injunction under Division 1 of Part 2B.

(3) A contravention of subsection (1) does not affect the validity of any transaction.

(4) This section has no effect until the end of the first annual general meeting of Telstra held after the commencement of this section.

(Amendment to be moved by Senator Boswell on behalf of the Government)

(1) Schedule 1, page 8 (after line 3), after item 6, insert:

6A At the end of section 21

Add:

(3) To avoid doubt, price-cap arrangements and other price control arrangements determined under this section may relate to charges for untimed local calls in particular areas.

(Amendment to be moved by Senator Harradine in committee of the whole)

Clause 2, page 3 (lines 22 to 24), omit subclause (3), substitute:

(3) If the commencement of Schedule 2 is not fixed by a Proclamation published in the *Gazette* within the period of 2 months beginning on the day the House of Representatives first meets after the first general election of the members of that House that occurs after 15 March 1998, Schedule 2 is repealed on the first day after the end of that period.

(Amendment circulated by the Government on behalf of Senator Murray for the Australian Democrats)

(1) Schedule 2, page 13 (after line 17), after item 21, insert:

21A After section 8AW

Insert:

8AWA Telstra not to make political donations

(1) Telstra, or a director of Telstra on behalf of Telstra, must not make any donation to:

(a) a political party; or

(b) a candidate for election to the Parliament of the Commonwealth or to the legislature of a State or Territory; or

(c) a member of the Parliament of the Commonwealth or of the legislature of a State or Territory.

Penalty:

(a) if the offender is an individual—100 penalty units; or

(b) if the offender is a body corporate—10,000 penalty units.

(2) A Telstra subsidiary, or a director of a Telstra subsidiary on behalf of the subsidiary must not make any donation to:

(a) a political part; or

(b) a candidate for election to the Parliament of the Commonwealth or to the legislature of a State or Territory; or

(c) a member of the Parliament of the Commonwealth or of the legislature of a State or Territory.

Penalty:

(a) if the offender is an individual—100 penalty units; or

(b) if the offender is a body corporate—10,000 penalty units.

(3) This section ceases to have effect 5 years after the commencement of this section.

Question resolved in the affirmative.

The CHAIRMAN—The next question is that clause 3, schedule 2, schedule 3 and schedule 5 stand as printed.

Question put.

The committee divided. [7.52 p.m.]

(The Chairman—Senator S. M. West)

Ayes	34
Noes	32
Majority	2

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Heffernan, W.
Herron, J.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Lightfoot, P. R.	Macdonald, I.
McGauran, J. J. J.	Newman, J. M.
O'Chee, W. G.*	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Reid, M. E.	Synon, K. M.
Tambling, G. E. J.	Tierney, J.
Vanstone, A. E.	Watson, J. O. W.

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Collins, J. M. A.	Cook, P. F. S.
Cooney, B.	Crowley, R. A.
Denman, K. J.	Evans, C. V.*
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Lundy, K.
Mackay, S.	Margetts, D.
Murphy, S. M.	Murray, A.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

PAIRS

Ferguson, A. B.	Conroy, S.
Macdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Neal, B. J.
Minchin, N. H.	Crossin, P. M.
Troeth, J.	Woodley, J.

*** denotes teller**

Question so resolved in the affirmative.

The CHAIRMAN—The question is that schedule 4, items 1 to 5 stand as printed.

Question put.

The committee divided. [8.00 p.m.]

(The Chairman—Senator S. M. West)

Ayes	34
Noes	32
Majority	2

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Heffernan, W.
Herron, J.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Lightfoot, P. R.	Macdonald, I.
McGauran, J. J. J.	Newman, J. M.
O'Chee, W. G.*	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Reid, M. E.	Synon, K. M.
Tambling, G. E. J.	Tierney, J.
Vanstone, A. E.	Watson, J. O. W.

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Collins, J. M. A.	Cook, P. F. S.
Cooney, B.	Crowley, R. A.
Denman, K. J.	Evans, C. V.*
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Lundy, K.
Mackay, S.	Margetts, D.
Murphy, S. M.	Murray, A.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

PAIRS

Ferguson, A. B.	Conroy, S.
acdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Woodley, J.
Minchin, N. H.	Crossin, P. M.
Troeth, J.	Neal, B. J.

*** denotes teller**

Question so resolved in the affirmative.

The CHAIRMAN—The next question is that schedule 4, item 6 stand as printed.

Question put.

The committee divided. [8.04 p.m.]

(The Chairman—Senator S. M. West)

Ayes	34
Noes	32
Majority	2

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Heffernan, W.
Herron, J.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Lightfoot, P. R.	Macdonald, I.
McGauran, J. J. J.	Newman, J. M.
O'Chee, W. G.*	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Reid, M. E.	Synon, K. M.
Tambling, G. E. J.	Tierney, J.
Vanstone, A. E.	Watson, J. O. W.

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Collins, J. M. A.	Cook, P. F. S.
Cooney, B.	Crowley, R. A.
Denman, K. J.	Evans, C. V.*
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Lundy, K.
Mackay, S.	Margetts, D.
Murphy, S. M.	Murray, A.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

PAIRS

Ferguson, A. B.	Conroy, S.
acdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Woodley, J.
Minchin, N. H.	Crossin, P. M.
Troeth, J.	Neal, B. J.

*** denotes teller**

Question so resolved in the affirmative.

The CHAIRMAN—The next question is that the following opposition amendment No. 2 on sheet 1122 be agreed to:

(2) Schedule 4, item 2, page 33 (lines 9 and 10), omit the item, substitute:

2 Division 3 of Part 2

Repeal the Division, substitute:

Division 3—Telstra's reporting obligations to the Parliament

8AD Annual reports and corporate plans to be tabled in the Parliament

(1) Telstra must provide to the Minister a copy of each corporate plan and each annual report prepared by the corporation as soon as practicable after the preparation of the plan or report.

(2) Within 15 sitting days of receiving a plan or report under subsection (1), the Minister must cause a copy of the plan or report to be laid before each House of the Parliament.

Question put.

The committee divided. [8.08 p.m.]

(The Chairman—Senator S. M. West)

Ayes	32
Noes	34
Majority	2

AYES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Collins, J. M. A.	Cook, P. F. S.
Cooney, B.	Crowley, R. A.
Denman, K. J.	Evans, C. V.*
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Lundy, K.
Mackay, S.	Margetts, D.
Murphy, S. M.	Murray, A.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

NOES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Heffernan, W.
Herron, J.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Lightfoot, P. R.	Macdonald, I.
McGauran, J. J. J.	Newman, J. M.
O'Chee, W. G.*	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Reid, M. E.	Synon, K. M.
Tambling, G. E. J.	Tierney, J.
Vanstone, A. E.	Watson, J. O. W.

PAIRS

Conroy, S.	Ferguson, A. B.
Crossin, P. M.	Macdonald, S.
McKiernan, J. P.	MacGibbon, D. J.
Neal, B. J.	Minchin, N. H.
Woodley, J.	Troeth, J.

*** denotes teller**

Question so resolved in the negative.

The CHAIRMAN—The next question is that the following Democrat amendments Nos 3, 4, 6, 11 and 14 to 17 on sheet 1120 circulated by Senator Bourne, Democrat amendments Nos 5, 6 and 16 on sheet 1124 circulated by Senator Lees, and Democrat amendment on sheet 1126 circulated by Senator Stott Despoja, be agreed to:

(3) Clause 1, page 3 (lines 13 and 14), omit "*(Transition to Full Private Ownership)*", substitute "*Amendment*".

(4) Clause 2, page 3 (line 15) to page 4 (line 31), omit the clause, substitute:

2 Commencement

This Act commences on the day on which it receives the Royal Assent.

(6) Clause 4, page 5 (lines 11 to 19), omit the clause, substitute:

4 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

(11) Schedule 1, page 6 (after line 15), before item 3A, insert:

2A Section 7 (after paragraph (j) of the definition of *civil penalty provision*)

Insert:

(ja) subsection 240(2); or

(14) Schedule 1, page 6 (before line 16), before item 3, insert:

2I Subsection 234(3)

Repeal the subsection.

2J After subsection 234(3)

Insert:

(3A) The ACA may vary or revoke a standard.

2K At the end of section 234

Add:

(7) The ACA must review, at least annually, a standard made under this section.

2L Paragraph 235(1)(b)

Omit "is liable to pay", substitute "must pay".

2M Sections 242 and 243

Repeal the sections.

2N After section 243

Insert:

243A Review of customer service guarantee

(1) For:

(a) the period from the commencement of this section until the end of 31 December 1998; and

(b) the period of four years starting on 1 January 1999 and each following period of four years;

the Minister must cause either the ACA or an independent committee established for the purpose, to review and report to the Minister in writing about:

(c) the operation and adequacy of the customer service guarantee and any other relevant consumer protection measures; and

(d) recommendations for enhancing consumer protection in the context of technological developments and changing social requirements.

(2) If the Minister appoints an independent committee to review and report to the Minister pursuant to subsection (1), the independent committee must consist of at least three members who, in the Minister's opinion, are suitably qualified and appropriate to conduct the review.

(3) The ACA or the independent committee, as the case may be, must give the report to the Minister as soon as practicable, and in any event within 6 months, after the end of the period to which it relates.

(4) The Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of that House after the Minister receives the report.

(5) Subsections 34C(4) to (7) of the *Acts Interpretation Act 1901* apply to a report under this section as if it were a periodic report as defined in subsection 34C(1) of that Act.

(6) As soon as practicable after receiving the report, and within three months if pos-

sible, the Minister must cause a copy of the Government's response to the recommendations in the report to be tabled in each House of the Parliament.

(15) Schedule 1, page 7 (after line 20), after item 3, insert:

3A Section 240

Repeal the section, substitute:

240 Breaches and repeated breaches of performance standards

(1) Subject to this section, a contravention of a standard in force under section 234 is not an offence.

(2) A carrier must not repeatedly contravene a standard in force under section 234.

(3) Subsection (2) is a civil penalty provision.

Note: Part 31 provides for pecuniary penalties for breaches of civil penalty provisions.

3B Paragraph 570(3)(a)

Omit "or 101(1) or (2)", substitute ", 101(1) or (2) or 240(2)".

(16) Schedule 2, item 2, page 9 (lines 13 and 14), omit "its remaining equity interest in Telstra", substitute "the majority of its remaining equity interest in Telstra, but must retain 5% of all Telstra shares".

(17) Schedule 2, item 3, page 9 (lines 15 and 16), omit the item, substitute:

3 Heading to Division 2 of Part 2

Repeal the heading, substitute:

Division 2—Commonwealth to retain 5% of Telstra

Note: The heading to section 8AB is replaced with the heading "**Commonwealth to retain 5% of Telstra**".

3A Subsection 8AB(2)

Omit "two-thirds" (wherever occurring), substitute "5%".

3B At the end of subsection 8AB(2)

Add:

; (f) that the Commonwealth no longer holds at least one position on the Board;

(g) that the Commonwealth does not have the right to veto any decision of the Board.

3C At the end of section 8AB

Add:

(3) To the extent that any of the provisions of this section are inconsistent with any of the provisions of the Corporations Law, the provisions of this section prevail.

---

(5) Schedule 2, page 9 (after line 14), after item 2, insert:

2A After section 8AA

Insert:

8AAA Conditions to be met before further sale of shares

(1) The Commonwealth must not transfer any of its shares in Telstra unless the Australian Communications Authority reports that the performance of Telstra has reached the following levels over two consecutive quarters:

(a) new services are provided by agreed commencement dates in 84% of cases nationally and 82 % of cases in country areas;

(b) faults are cleared by Telstra within one working day in 73% of cases nationally and 74% of cases in country areas .

(6) Schedule 2, page 9 (after line 14), after item 2A, insert:

2B After section 8AA

Insert:

8AAB Parliament must approve selling price

The Commonwealth must not transfer any of it shares in Telstra unless the proposed range of indicative share prices for the float are approved by a resolution passed by both Houses of the Parliament.

(16) Schedule 2, page 15 (after line 6), after item 35, insert:

35A After section 8BU (at the end of Division 9)

Insert:

8BUA Additional directors

(1) Telstra must have at least one director on its board elected by and from the employees of Telstra.

(2) Telstra must have at least one independent director who lives more than 300km from the nearest State capital city, to be nominated by the President of the Australian Local Government Association.

Schedule 1, page 6 (after line 15), before item 3, insert:

2A Section 7 (after the definition of *base station that is part of a terrestrial radiocommunications customer access network)*

Insert:

B-party charging of Internet service providers means the imposition of a charge on the receiver of a telephone call where the receiver is the provider of an Internet service and where the call is for the purpose of connecting to the Internet.

2B After subsection 63(1)

Insert:

(1A) An instrument under subsection (1) must include as a condition the prohibition of B-party charging of Internet service providers by the carrier.

Note: For ***B-party charging of internet service providers*** see section 7.

2C At the end of subsection 63(5)

Add:

", but may not vary an instrument under subsection (1) so as to remove the prohibition of B-party charging of internet service providers."

Note: For ***B-party charging of internet service providers*** see section 7.

Question resolved in the negative.

The CHAIRMAN—The next question is that the following Democrat amendment No. 1 on sheet 1105, as circulated by Senator Murray, be agreed to:

Amendment No. 1 on sheet 1105 moved by Senator Murray for the Australian Democrats.

(1) Schedule 1, page 7 (after line 25), after item 4, insert:

4A After section 7

Insert:

Part 1A—Alterations to Telstra's constitution

Division 1—Minister to make alterations

7A Alteration of constitution

(1) The Minister must, by written instrument and within 3 months after the commencement of this section, make alterations to Telstra's constitution to ensure that the provisions of that constitution operate consistently with Divisions 2 and 3 of this Part.

(2) To avoid doubt, the making of an instrument under this section does not result in a contravention of, or give rise to a liability or remedy under:

(a) a provision of the *Corporations Law*; or

(b) a provision of the listing rules of a securities exchange; or

(c) a rule of common law or equity.

(3) In this section:

listing rules has the same meaning as in section 8AY

securities exchange has the same meaning as in section 8AY.

7C Inconsistency with the *Corporations Law*

To the extent that any of the provisions of this Part are inconsistent with any of the provisions of the *Corporations Law*, the provisions of this Part prevail.

7B Further amendment

Section 7A does not prevent further alteration of Telstra's constitution.

Division 2—Corporate governance board

7C Membership of the corporate governance board

(1) Telstra must establish a corporate governance board.

(2) Telstra's corporate governance board must have at least 3 members, and a majority of them must be external members.

(3) A member of the corporate governance board is an external member if he or she:

(a) is not, and has not been in the previous 2 years, a director, an executive officer or an employee of Telstra or a related body corporate; and

(b) is not, and has not been in the previous 2 years, substantially involved in business dealings, or in a professional capacity, with Telstra or a related body corporate; and

(c) is not a member of a partnership that is, or has been in the previous 2 years, substantially involved in business dealings, or in a professional capacity, with Telstra or a related body corporate.

(4) The membership of the corporate governance board is to be vacated at each annual general meeting of the members of Telstra and the meeting must elect a new corporate governance board.

(5) A person who has previously served as a member of the corporate governance board of Telstra may nominate for re-election.

(6) Members of the corporate governance board must be elected on the basis that each member of the company is entitled to cast one vote.

7D Functions and duties of the corporate governance board

(1) The functions of the corporate governance board are:

(a) to determine the remuneration of company directors; and

(b) to appoint auditors and determine the remuneration of auditors; and

(c) to review the appointment, remuneration and functions of independent agents, such as valuers, who provide material information to members; and

(d) to appoint persons to fill casual vacancies of directors; and

(e) to determine whether amendments should be made to the company's constitution, whether at the request of the company's directors or on the board's own initiative; and

(f) to decide issues of conflict of interest on the part of the company's directors and determine how those conflicts will be managed; and

(g) to control the conduct of general meetings and determine voting procedures.

(2) The corporate governance board must report to the members of the company at each annual general meeting in respect of the performance of its functions.

(3) The directors of Telstra must not purport to perform any of the functions referred to in subsection (1) after the establishment of the corporate governance board.

7E Duties of members

(1) A member of Telstra's corporate governance board must:

(a) act honestly; and

(b) exercise the degree of care and diligence that a reasonable person would exercise if he or she were in the member's position; and

(c) not make use of information acquired through being a member of the corporate governance board in order to:

(i) gain an improper advantage for the member or another person; or

(ii) cause detriment to the members of the company; and

(d) not make improper use of his or her position as a member of the corporate governance board to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the members of the company.

(2) A contravention of subsection (1) is taken to be a contravention of a civil penalty provision under the *Corporations Law* as if:

(a) subsection (1) was a provision contained in the *Corporations Law*; and

(b) subsection (1) was specified as a civil penalty provision in section 1317DA of the *Corporations Law*.

7F Further amendment

Section 7A does not prevent further alteration of Telstra's constitution.

Division 3—Election of directors

7G Directors to be elected annually

(1) All directorships of Telstra become vacant at each annual general meeting of Telstra.

(2) The time at which directorships become vacant is immediately before the meeting proceeds to elect new directors.

(3) A person who has previously held a directorship of the company may nominate for re-election.

7H Process of election

(1) The election of directors must be conducted by a poll.

(2) Each member of the company is entitled to the number of votes calculated using the following formula:

V x S

where:

V is the number of directorship vacancies.

S is the number of shares held by the member.

(3) Members may cast their votes as they think fit in favour of any number of nominees for directorships and members need not cast all of their votes.

Question resolved in the negative.

The CHAIRMAN—The next question is that the following Democrat amendments Nos 11 to 14 on sheet 1124, circulated by Senator Lees, and Democrat amendments Nos 12 and 13 on sheet 1120, circulated by Senator Bourne, be agreed to:

(11) Schedule 2, item 27, page 14 (line 11), omit "35%", substitute "0%".

(12) Schedule 2, item 28 page 14 (line 13), omit "5%", substitute "0%".

(13) Schedule 2, item 31, page 14 (line 22), omit "35%", substitute "0%".

(14) Schedule 2, item 32, page 14 (line 24), omit "5%", substitute "0%".

(12) Schedule 1, page 6 (after line 15), before item 3, insert:

2B After paragraph 17(1)(a)

Insert:

(aa) the purpose of data transmission;

(ab) the purpose of mobile telephony;

2C After paragraph 17(1)(d)

Insert:

(da) the service passes the digital data capability test set out in subsection (2A); and

2D After subsection 17(2)

Insert:

(2A) A service passes the digital data capability test if the service provides a digital data capability broadly comparable to that provided by a data channel with a data transmission speed of 64 kilobits per second supplied to end-users as part of the designated basic rate ISDN service.

2E At the end of section 17

Add:

(6) This section prevails over any other provision of this Act to the extent of any inconsistency.

(13) Schedule 1, page 6 (after line 15), before item 3, insert:

2F After subsection 149(2)

Insert:

(2A) To the extent necessary to achieve the obligation mentioned in subsection (1), it is part of the universal service obligation to supply a carriage service that provides a digital data capability broadly comparable to that provided by a data channel with a data transmission speed of 64 kilobits per second supplied to end-users as part of the designated basic rate ISDN service.

2G After section 149

Insert:

149A ACA to review universal service obligation

(1) the ACA may undertake a review into the universal service obligation as it deems necessary, or arising from its quarterly performance monitoring requirements.

(2) the ACA may give the Minister a report or other advice on the universal service obligation to assist the Minister in determining the adequacy or otherwise of the universal service obligation.

2H Section 226

Repeal the section, substitute:

226 Benefits to customers outside standard zones

(1) If a customer of a carriage service provider is not in a standard zone, the customer is deemed to be in a standard zone comprising the ***MSC area***.

(2) If a customer of a carriage service provider is in a standard zone but may not choose to have the charges for calls to the nearest ***major service centre*** worked out on an untimed basis, that standard zone is taken to be expanded by adding the ***MSC area*** to that standard zone.

(3) In this section:

MSC area means the area within a 5 kilometre radius of the seat of local government in the nearest ***major service centre*** and the area between the customer and all points within that 5 kilometre radius.

major service centre means a town which is the administrative centre of a local government area.

Question resolved in the negative.

The CHAIRMAN—The next question is that the following Democrat amendment No. 9 on sheet 1124 circulated by Senator Lees be agreed to:

(9) Schedule 2, page 13 (after line 17), after item 21, insert:

21A After section 8AW

Insert:

8AWA Telstra must not make political donations

Telstra, or any Telstra body, or any director or employee of Telstra or a Telstra body on behalf of Telstra, must not make, directly or indirectly, any donation, gift or related payment to any political party, candidate or member of parliament within Australia.

Penalty: (a) in the case of an individual—100 penalty units if the offence, plus twice the value of the payment made.

(b) in the case of a corporation—10,000 penalty units, plus twice the value of the payment made.

A division having been called and the bells being rung—

Senator Murray—by leave—I advise the Senate that this amendment was corrected by a government amendment which has already been approved by the Senate and, therefore, I ask that we annul this vote.

Leave granted.

The CHAIRMAN—The next question is that the following Greens (WA) amendments 1, 2 and 5 on revised sheet 1100 and No. 1 on sheet 1125 circulated by Senator Margetts be agreed to:

(1) Clause 2, page 3 (lines 22 to 24), omit subclause (3), substitute:

(3) A Proclamation under subsection (2) must not be made except in accordance with a resolution passed by each House of the Parliament in pursuance of a motion of which notice has been given not less than 15 sitting days of that House before the motion is moved.

(2) Schedule 1, page 6 (after line 15), before item 3, insert:

2A Section 7 (after paragraph (j) of the definition of *civil penalty provision*)

Insert:

(ja) subsection 235(8); or

2B Paragraph 235(1)(b)

Omit "is liable to pay", substitute "must pay".

2C Paragraph 235(3)(a)

After "provider", insert ", within 30 days of the contravention having occurred".

2D After subsection 235(3)

Insert:

(3A) Subject to subsection (3B), a carriage service provider who contravenes a standard in force under section 234 must pay damages to the customer within 30 days of the contravention having occurred.

(3B) If a contravention is a continuing contravention, a carriage service provider must, on the thirty first day after the contravention began, pay damages to the customer for each of the first 30 days' contravention and, after each subsequent period of 30 days, pay to the customer, on the day after the end of each 30 day period, such damages as have accrued during that subsequent period.

(3C) In subsection (3B), a ***continuing contravention*** means a contravention which continues to occur for a period of at least 30 days.

2E At the end of section 235

Add:

(8) A carrier must comply with the time limits imposed by this section for the payment of damages.

(9) Subsection (8) is a civil penalty provision.

Note: Part 31 provides for pecuniary penalties for braches of civil penalty provisions.

(5) Schedule 4, item 2, page 3 (lines 9 and 10), omit the item, substitute:

2 At the end of subsection 8AE(1)

Add:

; (g) substantially reduce the quality or quantity of services to rural or regional communities.

---

(1) Schedule 1, page 6 (after line 15), before item 3, insert:

3A At the end of subsection 235(2)

Add ", but for each whole day that the particular contravention continues, the amount of damages payable in respect of that day is an amount which is twice the amount payable on the preceding day".

3B Subsection 236(3)

Omit "$25,000", substitute "$250,000".

Question resolved in the negative.

The CHAIRMAN—The next question is that the following Greens (WA) amendment No. 3 on revised sheet 1100 circulated by Senator Margetts be agreed to:

(3) Schedule 1, page 7 (after line 25), after item 4, insert:

4A After section 7

Insert:

Part 1A—Alterations to Telstra's constitution

Division 1—Minister to make alterations

7A Alteration of constitution

(1) The Minister must, by written instrument and within 3 months after the commence-

ment of this section, make alterations to Telstra's constitution to ensure that the provisions of that constitution operate consistently with Division 2 of this Part.

(2) To avoid doubt, the making of an instrument under this section does not result in a contravention of, or give rise to a liability or remedy under:

(a) a provision of the *Corporations Law*; or

(b) a provision of the listing rules of a securities exchange; or

(c) a rule of common law or equity (other than a rule of administrative law).

(3) In this section:

listing rules has the same meaning as in section 8AY

securities exchange has the same meaning as in section 8AY.

7B Inconsistency with the *Corporations Law*

To the extent that any of the provisions of this Part are inconsistent with any of the provisions of the *Corporations Law*, the provisions of this Part prevail.

7C Further amendment

Section 7A does not prevent further alteration of Telstra's constitution.

Division 2—Telstra to act in public interest

7D Telstra to act in public interest

In carrying out its functions, Telstra must act in the public interest, which includes (but is not limited to) taking the following factors into account:

(a) the relative impact of its policies on urban and rural and regional communities;

(b) unemployment;

(c) changing working conditions;

(d) social dislocation;

(e) equity;

(f) environmental impacts.

Question resolved in the negative.

The CHAIRMAN—The question is that the bill, as amended, be agreed to.

Question put.

The committee divided. [8.19 p.m.]

(The Chairman—Senator S. M. West)

Ayes	33
Noes	33
Majority	0

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Coonan, H.
Crane, W.	Eggleston, A.
Ellison, C.	Ferris, J.
Gibson, B. F.	Harradine, B.
Heffernan, W.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	McGauran, J. J. J.
Newman, J. M.	O'Chee, W. G.*
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Vanstone, A. E.
Watson, J. O. W.	

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Collins, J. M. A.	Colston, M. A.
Cook, P. F. S.	Cooney, B.
Crowley, R. A.	Denman, K. J.
Evans, C. V.*	Faulkner, J. P.
Forshaw, M. G.	Gibbs, B.
Hogg, J.	Lees, M. H.
Lundy, K.	Mackay, S.
Margetts, D.	Murphy, S. M.
Murray, A.	O'Brien, K. W. K.
Quirke, J. A.	Ray, R. F.
Reynolds, M.	Schacht, C. C.
Sherry, N.	Stott Despoja, N.
West, S. M.	

PAIRS

Ferguson, A. B.	Conroy, S.
Macdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Woodley, J.
Minchin, N. H.	Crossin, P. M.
Troeth, J.	Neal, B. J.

*** denotes teller**

Question so resolved in the negative.

The CHAIRMAN—Given that the bill has been negatived, I will report to the President.

The PRESIDENT—The Chairman of Committees, Senator West, reports that the committee has considered the Telstra (Transi-

tion to Full Private Ownership) Bill 1998 and that the bill has been negatived in committee. The question is that the report of the committee be adopted.

Senator Ian Macdonald—Madam President, I rise on a point of order. What would happen if this vote was defeated?

The PRESIDENT—If the report of the committee is rejected, then the committee would have to reconsider it. The question is that the report of the committee be adopted.

Question resolved in the affirmative.

The PRESIDENT—The effect of the vote is that the bill has been negatived.

An incident having occurred in the gallery—

The PRESIDENT—Order! It is disorderly for the gallery to be applauding.

COPYRIGHT AMENDMENT BILL 1997

Second Reading

Debate resumed.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (8.25 p.m.)—We have had a number of speakers on the Copyright Amendment Bill 1997. I do not want to prolong the time of the Senate unduly. There are a number of amendments that will be considered. I do certainly express the hope that we will be able to achieve a package which will constitute a substantial step forward in copyright reform. I think it ought to be clear from the public debate that has been conducted in recent times that the refusal of the ALP to support a workable moral rights regime has led the government at this stage to withdraw this element of the bill pending further consideration and consultations.

The bill, when introduced, did contain provisions that would have vested the moral rights of integrity and attribution in the authors of works and the makers of films. The government remains committed to introducing a workable moral rights regime. It will be a regime that ensures that Australia meets its international obligations and, importantly, one that is fair to creators, producers and users of copyright material. The original impetus for the establishment of moral rights came from visual artists whose lack of bargaining power sometimes leads to exploitation and mistreatment of their works. This is particularly so in the case of indigenous artists. However, once this bill was introduced the justification for comprehensive moral rights protection became obscured by a debate over a provision to allow an up-front waiver for contracted works and films principally led by elements of the film industry.

Following the release of the Senate Legal and Constitutional Legislation Committee report in October 1997, where the majority recommended the extension of waiver at the time of commissioning a work or film, the government has held lengthy discussions over several months with the participants to try to broker an acceptable compromise on this issue that would satisfy all interests and maintain certainty and confidence in the industry. This has not proved possible to date. The government is therefore withdrawing the moral rights provisions from the bill.

However, we will continue to consult in an attempt to develop a consensus on a workable provision on waiver, and we remain committed to resubmitting the moral rights regime as a stand-alone bill in three months time or as soon as possible thereafter. It is a matter of regret to the government that this delay has been forced upon it, deferring the time that creators who most need protection will receive it. That is probably the most contentious aspect of the copyright legislation. I should, in passing, point to the hypocrisy of the Labor Party who now say that they are not in favour of a waiver for moral rights, yet prior to the last election they were. That, no doubt, will be well understood by those who have taken a keen interest in the subject.

There are particular factors that operate in relation to creative film workers, producers and directors. We have certainly endeavoured to ensure that all of those rights are respected. The moral rights regime would last as long as the copyright in a work or film, which would normally be 50 years from the death of an author of a work or 50 years from the making of a film. Where there are two or more joint

creators of a work or film they would each have moral rights. The majority and minority committee reports recommended that the bill be amended to provide that an author's right was not infringed when his or her joint authorship was misattributed.

Journalists' copyright is another important aspect of this legislation. The copyright in works produced by an employee usually vests with the employer. The exception to this is where the employee is a journalist. Employed journalists have retained copyright in their work except where it is published in a newspaper or magazine or is broadcast. The bill will leave journalists with copyright in their works when reproduced in books or photocopied for media monitoring services but transfer all other copyright to newspaper proprietors permitting them to develop on-line newspapers. The change reflects an agreement between the Media, Entertainment and Arts Alliance and some publishers. The proposed changes will leave employed journalists with their traditional rights to reproduce their articles in book form and to benefit from the photocopying of their articles.

The existing provisions of the Copyright Act give newspaper proprietors copyright in articles written by employed journalists for the purposes of publication in a newspaper or magazine or for broadcasting. The amendment will preserve existing employed journalists' rights but leave newspaper proprietors free to develop new modes of distribution, such as the Internet, for their publications.

We have taken account of the impact on media monitors. There will be a series of amendments to reflect the fact that media monitoring businesses will need to negotiate with publishers in relation to licensing the digital uses of newspapers to facilitate delivery of on-line media monitoring devices.

Media monitoring business has sought the introduction of a statutory licence to copy publishers' copyright material without their permission, subject to the Copyright Tribunal being able to arbitrate potential disputes about royalties for copying. The government rejected this proposal as it would have introduced a qualification of exclusive rights for which there is no demonstrated justification and which might be inconsistent with Australia's international copyright obligations. The majority report and the ALP minority report of the Senate Legal and Constitutional Legislation Committee on the Copyright Amendment Bill 1997 did not support the proposal put forward by media monitoring businesses.

The journalists union, the MEAA, has been consulted by the Attorney-General's Department in the development of the journalists' copyright proposals and, among other interests, the Australian Copyright Council, a peak body representing copyright interests, including the MEAA, was consulted in the final stages of drafting the bill and made no complaint about the extent of the consultation with journalists on this matter.

The National Competition Council considered a complaint from Media Monitors that the journalists' provisions breached the competition principles agreement which requires governments to consider the public interest in introducing anti-competitive legislation. In July 1997, the National Competition Council secretariat advised Media Monitors that the Commonwealth had complied with its obligations out of the competition principles agreement, and it did not intend to pursue Media Monitors complaint any further.

The objective of the journalists' copyright amendments is to ensure that publishers are able to use employed journalists works in the electronic publication and delivery of newspapers. Without the proposed amendments, proprietors will not be able to take advantage of these new technologies in the publication and delivery of newspapers and magazines. If publishers were impeded from taking advantage of new technologies, this could lead to limits on the access that consumers have to newspapers and magazines.

The Copyright Act does permit braille, large print and photographic versions of a work to be made for the benefit of print handicapped persons without infringing copyright. The Legal and Constitutional Legislation Committee recommended that the Attorney-General consider whether restricting works for the print handicapped to these formats disadvantaged the print handicapped by denying them access to electronic copies. The government

has considered the matter and has some sympathy for the committee's recommendations. However, the proposed change would be a substantial change in the statutory licence which would require consultation with the copyright owners, whereas what is being done by the current amendments is simply replacing the expression 'handicapped reader' with 'persons with a print disability' and expanding the purposes for which copies may be made. The Copyright Law Revision Committee may recommend such a change when reporting on its simplification reference, but there would need to be consultation with copyright owners. The government will consider this issue after it receives the CLRC's report.

Photographers' copyright is also a very important issue that will be addressed in this legislation, and I will provide detail of that during the committee stages. We have also taken account of the Copyright Law Review Committee's consideration of provisions in relation to the protection of sculptures. Again there are some positive aspects. There are also recommendations of the Australian Law Reform Commission in relation to the creation of a right of adaptation for owners of copyright in artistic works. The government is in an advanced stage in its consideration of the ALRC report on designs, including the recommendation that the owners of copyright in artistic works be granted an adaptation right. The results of the government's consideration should be known shortly.

The government is also committed to introducing a new communications right. A discussion paper on this issue *Copyright Reform and the Digital Agenda* was released in July last year. The paper proposed, amongst other things, the creation of a technology neutral right of communication to the public. The government is considering submissions in response to that paper and will release an exposure draft of proposed changes to the Copyright Act in due course.

Turning to indigenous copyright, the final report arising from the ATSIC funded discussions paper on *Indigenous Culture and Intellectual Property: Our Future* is yet to be considered by the ATSIC board. When it is considered, it is likely that the board will make recommendations to the Minister for Aboriginal and Torres Strait Islander Affairs and to the government as a whole arising from that report. When and if such recommendations are made they will be carefully considered by the government. In the interim, the government strongly supports the development of a mark of authenticity to assist in the marketing of authentic indigenous products. The introduction of moral rights requiring the proper attribution of creative effort and the maintenance of the integrity of artists' work will be of particular relevance and benefit to indigenous creators.

The Senate committee majority report also recommended that consideration be given to removing the one per cent ceiling on broadcasting royalties payable by commercial broadcasters for the broadcasting of recorded music. The question of whether the government should remove the current ceiling of one per cent of a broadcaster's income on the royalties payable by a commercial radio station for the broadcasting of recorded music is complex. As well as the interests of the owner of copyright on recorded music, the government has to consider the likely impact on the broadcasting industry and any likely flow-on effects a decision might have on the make up of music played on radio stations, bearing in mind that music recorded in America is not subject to any royalty for broadcasting.

There are also trade practices and competition issues to be considered. Consequently, while the government is giving consideration to this issue, it would not be appropriate to move an amendment on this issue as part of the current bill.

Another very important aspect of this legislation relates to parallel import barriers. The Copyright Act can be used by the owners of copyright in a label or packaging to prevent the import of otherwise non-infringing goods bearing the copyright label or in copyright packaging. This allows the importers of brand name goods to protect their franchises and to charge higher prices than would otherwise be the case. The removal of the parallel import restriction is expected to lead

to lower prices for the brand name goods in question.

The use of the Copyright Act to restrict the import of non-infringing goods has enabled the owners of the copyright and the labelling of such goods to charge higher prices than would otherwise be the case. The proposed changes will make it impossible to use copyright law to prevent the importation of goods which could otherwise be legally imported except for their copyright labelling or packaging. This misuse of the Copyright Act to restrict legitimate trade is beyond the purpose of the act which exists to protect intellectual property, not maintain non-tariff barriers. The removal of parallel import barriers should lead to a fall in prices of these goods and, to the extent that prices fall, the beneficiaries will be the public who would have had access otherwise to a wider range of cheaper goods. The only losers will be those who currently do very well from the high prices of brand name imports.

However, the government does realise that businesses have entered in good faith into arrangements based on the current provisions of the Copyright Act and, consequently, has moved to ensure that the new arrangements will not enter into force until 18 months after the commencement of this bill, giving businesses time to adjust to the new arrangements. Australia's actions in this regard are consistent with international trade law and Australia would not be alone, as senators may recall New Zealand's recent decision announced in its May budget to lift all restrictions on parallel imports.

Another important matter relates to the copying of art work. The Copyright Act permits educational institutions to copy an artistic work when this is incidental to the copying of text in a book. The relevant section 135ZM is ambiguous as to whether the owner of copyright in the artistic work is to receive remuneration for the copying. Both the majority and minority ALP and Democrat committee reports recommended repeal of the section apparently in the belief that this would ensure artists were paid if their work was copied.

Under the Copyright Act as it currently stands, section 135ZM permits the incidental copying of copyright artistic works during the copying of texts by educational institutions. However, there has been some dispute about whether this means that the owners of copyright in these artistic works are to be paid for this copying, and the government understands to date that they have not received any remuneration for copying under this provision of the licence.

The Legal and Constitutional Legislation Committee recommended that the section be repealed. It is arguable that artists are already entitled, however, to payment under the section, but the current provision is unclear and needs to be made unambiguous. If the section were to be repealed, it would be left to the courts to decide whether artists should receive remuneration. The government's amendments will ensure that artists receive remuneration without imposing additional costs on educational institutions. The proposed amendment has the support of VI$COPY.

Finally, I foreshadow an amendment in relation to photographers' rights. The bill presently provides in section 35A that newspaper proprietors may restrain the photocopying of more than 15 per cent of a newspaper or magazine in relation to the reform of the employed journalists' copyright. All parties agree that the provision is impractical and unworkable and should be deleted. There are also further amendments which propose that the photographer and not the commissioner should own the copyright of the work, except for photographs taken for private or domestic purposes—for example, weddings, family portraits, et cetera—which will remain with the commissioner.

I know from my own experience that photographers have been agitating on this matter for very many years. The reflection of the outcome that I have indicated is something that I think should go a considerable distance to us waging their concerns. The bill presently provides for the commissioner of the photograph to own the copyright. I certainly acknowledge that there are a significant number of very important but discrete ele-

ments in this legislation which I think do constitute a very significant step forward in copyright reform. I commend the bill to the Senate.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

Senator BOLKUS (South Australia) (8.44 p.m.)—We do have a running sheet with quite a number of amendments but, as a result of the discussions that have been going on between offices, the opposition either will not be proposing the amendments that were circulated or else the government will be proposing amendments which cover the field that we were trying to tackle.

I also suggest at this stage that in respect of schedule 3 and its implementation, on which I suspect the major debate will take place, there are different approaches proposed by the opposition. It might be appropriate when we get to the first item to debate all those options together rather than at the two or three different places as is indicated on the running sheet. For instance, our starting position is that we would like schedule 3 dropped altogether. The government of course opposes that. If the indication of the committee was that there is insufficient support for that position to get up, then we have a bundle of amendments that will go to the object of achieving a review of the impact of schedule 3 and deferred implementation pending that review.

Once again, if the committee was not disposed to support that, we also have a batch of amendments that allow for an industry by industry opting in of the application of the principles of schedule 3. The government has an amendment to differ implementation of it for 18 months. If that were to be carried by the committee, then we have a subsequent amendment to stretch that 18 months to two years. What I am suggesting at this stage is that when we get to the first of those items it might be appropriate to have the debate then and make a decision with all those options on the table rather than to proceed with the three or four pages of amendments.

Senator ALLISON (Victoria) (8.46 p.m.)—I indicate that we will not be moving the two amendments in my name to schedule 2 for many of the same reasons as Senator Bolkus has outlined.

The TEMPORARY CHAIRMAN (Senator Watson)—How does the committee therefore wish to proceed? Is it the wish of the committee to follow page 1 of the revised running sheet to start with?

Senator Bolkus—Subject to the qualification I suggested.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (8.47 p.m.)—I refer to schedule 1, government amendment No. 3—that is, the deletion of moral rights. I have already indicated in my second reading speech that the government favours the deletion of this schedule at this stage. We have decided to drop the moral rights provisions from the bill to allow for further industry consultation. We are committed to introducing a stand-alone bill on moral rights by the end of the year.

Senator BOLKUS (South Australia) (8.48 p.m.)—I am not in the business this evening of prolonging this debate other than to say that we from this side of the parliament are disappointed that we have not been able to pursue the moral rights issue at this stage. It has been some time that this legislation has been in the drafting and developing stages. Obviously, we cannot proceed with it tonight. We hope that the government can come back with something before the election. That may be too short a time burden to put on them. If they do not, then obviously we will have the responsibility soon afterwards.

Senator ALLISON (Victoria) (8.49 p.m)—We, too, will reluctantly support the splitting of this part of the bill. As I understood it, after some almost 12 months of negotiations the industry was happy with the consent clause that we had. I wonder what has changed in the last couple of weeks to alter that situation. As I understand it, we had a consent clause which had the agreement of the producers and the screenwriters. Is it possible to say how close we are to an agreement and what other intervening negotiations

have taken place such that the government does not feel it can put this forward?

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (8.50 p.m.)—I think it is not correct to say that there was consensus in the industry. Certainly producers did not ever support the position adopted by other elements of the film industry. My understanding is that they put out a number of press releases making it clear that they wanted a consent clause with a waiver. That is why there has been continuing disputation amongst different sections of the industry. It is not correct to say that there has ever been consensus.

The TEMPORARY CHAIRMAN—The question is that schedule 1 stand as printed.

Question resolved in the negative.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (8.50 p.m.)—I table a supplementary explanatory memorandum relating to the government amendments to be moved to this bill. This memorandum was circulated in the chamber on 2 July 1998.

Senator BOLKUS (South Australia) (8.51 p.m.)—The next item that comes before us is the question of photographers' rights and the rights of the public in respect of photographs.

Senator Alston—May I seek advice as to the basis on which Senator Bolkus says that? The running sheet that I have indicates that the next amendment is opposition amendment 1 on sheet 1080. I do not understand that to relate to photographers' rights.

Senator BOLKUS—You may very well be right when you look at the next amendments 4A and 4B which relate to restraint on reproduction. I suppose what we are dealing with here is a batch of amendments that do cover a range of areas. Maybe we should go back to amendment 1 on 1080.

The TEMPORARY CHAIRMAN—Do you wish to move that amendment, Senator Bolkus?

Senator BOLKUS—We are not going to proceed with that amendment.

The TEMPORARY CHAIRMAN—Therefore, we move to government amendments to schedule 2, items 1 and 3 on the running sheet.

Senator ELLISON (Western Australia—Minister for Schools, Vocational Education and Training) (8.52 p.m.)—by leave—I move:

(4) Schedule 2, item 1, page 25 (lines 29 to 32), omit the note.

(4A) Schedule 2, page 25 (after line 32), after item 1, insert:

(1A) Paragraph 35(5)(a)

After "photograph" insert "for a private or domestic purpose".

(4B) Schedule 2, item 2, page 26 (after line 4), after the definition of ***hard copy facsimile***, insert:

private or domestic purpose includes a portrait of family members, a wedding party or children.

Government amendments 4 and 5 delete the proposed right of restraint for newspaper publishers and section 35A from schedule 2 of the Copyright Amendment Bill 1997. The bill presently provides in section 35A that newspaper proprietors may restrain the photocopying of more than 15 per cent of a newspaper or magazine in relation to the reform of the employed journalists' copyright. All parties agree that the provision is impractical and unworkable and should be deleted. Amendments 4A and 4B propose that the photographer and not the commissioner own the copyright of the work, except for photographs taken for private or domestic purposes—for example, a wedding, family portraits and things of that sort. The bill presently provides for the commissioner of the photograph to own the copyright.

Senator BOLKUS (South Australia) (8.53 p.m.)—As I said a few moments ago, these clauses altogether amount to a range of different issues. In respect of the 15 per cent, our position has been placed on the record and we will not be opposing the government's amendments here. In respect of copyright—commissioned photographs—this is one of those areas that has been evolving in discussions between officers. I understand that the government's schedules, as proposed in their amendments 4A and 4B, do what the opposition said in the second reading debate that we wanted to do. I could elaborate at length on

that, but since it is on the record already I indicate that we will be supporting government amendments 4, 4A, 4B and 5. As a consequence, there are a number of opposition amendments that will not be proceeded with.

Senator HARRADINE (Tasmania) (8.54 p.m.)—I acknowledge and thank the government for the work it did on this matter. There were considerable discussions that took place on it. I thank the minister and the government.

Amendments agreed to.

The TEMPORARY CHAIRMAN—The question is that schedule 2, item 3 stand as printed.

Question resolved in the negative.

Senator BOLKUS (South Australia) (8.55 p.m.)—We will not be proceeding with the next three opposition amendments on the first page of the running sheet—that is, opposition amendment 1 on sheet 1113 and opposition amendments 2 and 3 on sheet 1080—given that the issue was satisfactorily concluded in the preceding amendments that were carried.

Senator ALLISON (Victoria) (8.55 p.m.)—As I indicated earlier, the Democrats will not be proceeding with the next two amendments.

Senator BOLKUS (South Australia) (8.55 p.m.)—Schedule 2, item 2, is also covered by government amendment 4A, so we are not proceeding with that one either. The next amendment is opposition amendment 4 to schedule 3 on sheet 1080.

This issue—the question of parallel imports and copyright in so-called accessories—was alluded to earlier by the minister and is of major concern not just to the opposition but to a broad cross-section of the parliament, particularly to a number of members of parliament in marginal seats. It is also of major concern to a broad cross-section of industry. We are talking here of parallel imports being goods manufactured outside the jurisdiction by or under the authority of the owner of an industrial property right relating to these goods but imported by someone other than the authorised importer or distributor. At present, sections 37, 38, 102 and 103 of the Copyright Act go towards protecting the rights of the authorised importer.

The issue before us in the context of this debate is the issue of copyright for packaging and labelling. This first became an issue in 1986-87 following the 1986 decision of Justice Young in the New South Wales Supreme Court in the case of Bailey v. Boccacio. In that case, the plaintiff was an overseas manufacturer of Bailey's Irish Cream liqueur and held the copyright in Australia for the bottle label. The plaintiff entered into an exclusive agreement with another company, a company that imported and distributed the product within Australia. The defendant, Boccacio, obtained bottles of the imported liqueur in the Netherlands and imported them into Australia.

In that case, Justice Young held that this infringed the plaintiff's copyright in the label. In 1988, soon after that case, the Copyright Law Reform Committee objected to the use of the Copyright Act in this way. In 1992, and admittedly without sufficient previous consultation, the previous Labor government introduced the Copyright Amendment Bill 1992, which included a provision similar to the present schedule 3. It lapsed at the time of the 1993 election. In 1995, once again without sufficient preparation, we urged reconsideration and introduced similar amendments. At that stage we decided not to proceed any further with them because it was acknowledged that there needed to be further consideration of the impact of the measure.

Schedule 3 of this legislation proposes amendments designed to prevent importers from blocking parallel imports on the basis of a copyright in the accessory items that are, in fact, peripheral to the substantive goods. Schedule 3 also inserts a definition of a non-infringing accessory and there are some government amendments in relation to that.

The government's justification for these amendments contained in schedule 3 is that the use of copyright to ban parallel imports is, as they say, an inappropriate and improper restraint on trade. Evidence before the parliamentary committee argued very strongly that the current provisions of the bill support monopolistic practices and would prevent the operation of competition. In essence, the

argument is that they have a deleterious effect on the concept of free trade.

There are issues and arguments running both ways. It is fair to say that this issue was quite extensively canvassed by the parliamentary committee. The government has argued that the provisions of the Copyright Act, for instance, should be used to address only issues of copyright and should not be used to help to address issues such as product safety. That is an issue that has been raised by the opposition and by industry. It is an issue that is quite important for the parliament to consider at this stage.

Before I go to the issue of product safety, let me say that the government can be commended for seeking enhanced competition in this area. Its attempts to try to limit monopoly in a product is also an objective which the Labor Party has concurred with for quite some time. We do not dispute that some malpractices may occur. In fact, there are some well documented examples where importers and distributors have misused mechanisms available to them under the Copyright Act.

There is some relief available to parallel importers through the use of the anticompetition provisions of the Trade Practices Act. For example, section 46B of the act prevents an abuse of market power, seemingly used by some parallel importers to ward off the use of the Copyright Act in this way. We maintain that it is a long way from acknowledging an abuse and from recognising the need to overcome that abuse and schedule 3 being passed at this stage. The government's argument ignores the fact that the market in one way or another does subject itself to some vigorous competition. The competition is not in relation to a particular brand of goods sold, but because the branded goods sold are often of a generic kind there is quite often competition from other branded and non-branded goods that perform precisely the same function.

For example, Billabong Australia produces branded clothing, principally beach or surf wear. No-one would doubt that the market for this clothing is highly competitive. Whilst Billabong would like to control the use of its name in order to, amongst other things, protect its image, it could hardly be said that it extracts monopoly profits as a result. There are a whole range of other beach or surf wear products that are highly competitive with Billabong. So we do not say that that competition argument can be argued consistently and generally in this case.

We are concerned that a broad measure such as schedule 3 does have both direct and indirect impacts that this parliament should not be embracing without some full consideration of them. We are concerned, for instance, about consumer issues. We are concerned by a number of arguments raised that the imports of branded goods may be of an inferior quality. You could be talking about pirate products; you could be talking about another range of products coming in under the same brand name.

This argument has been argued in relation to items such as toys and foodstuffs. This argument directly throws up issues of health and safety. As a former consumer affairs minister, can I say that it was almost impossible for the federal and state governments to act in a global market, a market where an increasing number of the products were made not just in one location in another part of the world but in a whole range of locations. In those circumstances it is becoming increasingly difficult, if not impossible, for governments to be able to protect adequately on health and safety grounds.

It could be argued that copyright legislation is not the proper way to go to offer such protection, but we on this side would argue that were you to do away with such copyright protection then it is important that one pay attention to the direct consequences of health, safety and quality of product and ensure that they are picked up one way or another. The mechanisms, broad though they might be at the moment, are not there.

The last thing we should be looking for is a situation where consumers have to take their own action after the injury or damage has taken place before they can protect other people from similar consequences of inferior goods. A proactive regime, a pre-emptive regime, is important. To the extent that brand

name control offers that, it is something that should be factored into any impact of this legislation.

The important issue which has been raised by industry, and one that is most striking in that it has not been taken into account by government, is the impact on jobs and on particular industry sectors. This government has introduced this legislation without consultation. As I said earlier, we made that mistake, but we realise it was a mistake and that we should not have proceeded with it and, as a consequence, we withdrew the second bill. You would have thought the bureaucracy, having gone down this road twice before, would have advised this government, or you would have thought this government on the advice of the bureaucracy, would have ensured that there was extensive consultation before this measure was actually produced to the parliament.

It is important to note that government has not done an economic assessment on jobs and industry of this schedule. It is important to note that the study by the industry itself clearly stated that the employment losses arising from the passage of schedule 3 would be over 9,000 jobs. It is amazing that in the current environment the government seems to care very little about these jobs and is attempting to assert that the companies complaining about schedule 3 are merely multinational companies.

If you look closely at the numbers in the Price Waterhouse study, you would see that the average employment per business involved in the 1,456 businesses—and that is a broad sweep—with a total employment of 15,843 people was only 12 employees per business. I would have thought that belies the fact that we are not talking here about what the government is arguing about, we are not talking about the so-called evil multinationals, but talking about small to medium sized Australian businesses. The impact of the changes in schedule 3 will be hard on Australian owned and operated companies. That is something that not just the government should recognise but also the Australian Democrats, who are going down the same road as the government on this issue, although a little bit more hesitantly .

Let both the government and the Democrats prove that the benefits exist because, in essence, this is another example of the government blindly following the path of the armchair economists, the economic rationalists. As I said earlier, the consumer has quite a number of interests in respect of health and safety that need to be taken into account.

I say to the government at this stage, as we seem to be steamrolling towards an election, despite what happened earlier this evening, that it should start to worry about the impact of this bill on Australian workers. The initial study showed some 9,000 workers potentially losing their jobs. Additional studies have pointed to the adverse impact of schedule 3 on employment in several marginal seats. I say to the member for Parramatta that in his seat about 2,000 job losses can be anticipated by the impact of this legislation, as has been advised by the Price Waterhouse survey. Paul Elliott, the Labor candidate for Parramatta, is certainly aware of this. He is concerned, but unfortunately the local member for Parramatta does not seem to be concerned that some 2,000 jobs may go in his electorate.

In the Gosford area, in the seat of Robertson, there are almost 1,200 jobs that the Price Waterhouse survey warns us could be lost. Senator Belinda Neal, who was in here earlier on this evening, will be running for Labor in that seat, and can I say to anyone listening that she has been a strong lobbyist for the opposition's position here.

These are just two examples of the impact on jobs from this legislation. Can I say to the government that you may dismiss this, you may be in the grips of the armchair economists who seem to dictate policy on a national level, but it will affect jobs. Even if you maintain strongly that it does not, you have not done the work, you have not done the homework, you have not done the surveys, you have not done the assessments and you have not done the economic impact statements to assure not just the community but also yourselves that the road you are going down is the right road.

The opposition says that we should defer implementation of schedule 3. There is no need for the government to have schedule 3 at this stage. The government has had an opportunity to do an economic assessment—I say this to Senator Murray in particular—and it is basically heading down this road with its eyes almost closed as to its impact. Your eyes are not totally closed because you have been warned by an economic assessment from a reputable national company, if not international company.

Drop schedule 3, but if you are not going to go down that road let us have a review. Let us defer implementation of schedule 3. Let us have a review. Let us have a study on the impact of this particular schedule. That, in a sense, is our option B in our amendments.

The third option that we are putting forward this evening is the industry by industry option. If the government is concerned about a particular industry and monopolistic practices and lack of competition in that industry, let it by regulation—and we have floated and circulated an amendment to this effect—incorporate that industry under the ambit of schedule 3. That is, as I say, an option available to us.

Finally, it is my view and the view of the opposition that you are talking here about a wide diversity of industries and companies. Give them time to accommodate this new regime. If, for instance, a company in the last couple of years has invested, as some have, up to $20 million to promote products that they have under exclusive licence, give them enough time to be able to absorb the impact of this decision on their industry and company. We say 18 months is not enough and we would like to extend that to two years.

Our basic point to the government, and particularly to the Australian Democrats, is that you do not know the impact of this study. You have been warned about it. Now is a good time to drop the schedule. Now is a good time to drop it pending a formal extensive review of all the impacts of this schedule.

When it comes to a vote I suggest that we move these as alternatives. In the meantime it would help the committee if we could get an indication of which of the proposals before the chair is going to get the support of a majority of the chamber.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (9.11 p.m.)—Did the minister want to take up Senator Bolkus's queries in his comments before I make some remarks?

Senator Ellison—It might be better if I deal with all of them together.

Senator STOTT DESPOJA—In relation to schedule 3, I on behalf of the Australian Democrats want to talk about the differences between the parallel import restrictions as they apply to packaging and labelling. It is an important distinction, the Democrats feel, and highlights the important objectives of copyright laws generally in Australia and the ways these objectives are being skewed.

I know that we have other bills of a comparable nature that are supposedly to be discussed this evening, albeit in a very restricted time frame, and once again I put on the record the Democrats' objection to the way debate has been gagged on a number of issues today and also the fact that we are dealing with copyright laws of reasonable significance now and later on this evening in a very short period. For those reasons, because we are dealing with another copyright bill after this, I would like to get some of the distinctions clearly on the record.

The packaging and labelling provisions in the Copyright Amendment Bill 1997 propose to remove the parallel import restrictions on copyright works attached to products. Certainly Senator Bolkus referred in his comments in the committee stage to the New South Wales Supreme Court case of Bailey v. Boccacio. That case involved a legally purchased and imported bottle of Bailey's Irish Cream being sold for a lower price by the unauthorised importer than that by the Australian distributor and authorised by the trademark and product owner.

The case turned on the argument that the lower priced import infringed copyright in the artistic work on the bottle's label. The effect of this case is to say that if you own the copyright in the package or label you can

control the import and distribution of whatever that package or label is attached too. In these circumstances the product becomes secondary to the packaging. The government's bill, we believe, is fixing up this particular anomaly and will allow products which have a copyright package or label to be parallel imported.

The Australian Democrats believe the benefit of removing the restrictions will actually lead to better business practices in Australia because the Copyright Act should not be used to compensate for contractual inadequacies in arrangements between owners, manufacturers, wholesalers and retailers. On balance, we think in this circumstance that the community will benefit from parallel importing through cheaper prices, better services, et cetera. Further, the existing trademark laws are specifically addressed at brands and of course logos, and that is the relevant law for brands' protection.

In contrast to proposals, for example, that may deal with sound recordings, a proposal such as that being put forward by the government where you propose the removal of parallel import restrictions on sound recordings so that a legally purchased sound recording can be imported into Australia for commercial purposes and sold without the permission of the Australian copyright owner, we find there are very strong distinctions and differences in these two copyright arguments. We say that, on balance, the removal of parallel import restrictions on sound recordings will have a detrimental impact on the Australian music industry by reducing artists' royalties and will result in lost jobs and increased levels of piracy.

The issue of parallel importing restrictions in packaging and labelling is different. We say that packaging and labelling covers attachments to products and controls their distribution; they are best addressed by trade marks and contracts; they are not required by international convention; and they are very likely to bring reduced prices as the price differences are significant. One example that has been drawn to our attention is that a Coleman 45-litre cooler is approximately 110 per cent more expensive in Australia than, say, the United States. This is even taking into account the on average 30 to 65 per cent increased cost of goods in Australia compared to the United States.

In relation to sound recordings, the Democrats say that this issue is about the product and the unique Australian culture in Australian music. The analysis is about weighing the benefits and detriments from allowing parallel importing, which is supposed to fix market failure in the production of creative works. Removing parallel import restrictions will detrimentally affect the Australian music industry by reducing royalties, reducing job opportunities and, as I mentioned earlier, increasing piracy.

The government claims, in relation to removing the parallel import restrictions from sound recordings, that this is necessary and will somehow result in cheaper CDs. We all want cheaper CDs; there is no debate about that. But we have said on many occasions that the policies put forward by the government fail to take into account in achieving that particular measure some of the negative impacts that policy may bring with it. We have always said that this claim deserves further attention and highlights the differences—and we are talking about parallel importing—between packaging and labelling and sound recordings. It is very important to get that distinction on record.

I could elaborate further but I will choose to do so in another debate on prices in the sound recording markets and the differentiation in prices not only within the domestic music market but on an international scale. Suffice it to say that an analysis of the concentration of a range of Australian industries showed that the music industry in Australia is not as concentrated as other industries, some of which—for example, everything from cinemas to tea and toothpaste—have been considered to be sufficiently competitive even though they are less competitive than the music industry.

As for packaging and labelling, the price data shows quite clearly some substantial differences between Australian prices and United States prices. We accept the usual differences of between 30 and 50 per cent,

but even here the price differences are considerable. I will set out these differences in a later debate if we get to that. I am not sure that we are going to have enough time to get through second readings, let alone pursue other policy in relation to copyright law.

Senator Murphy—If you keep it short we will.

Senator STOTT DESPOJA—I am happy to be short and I will end my remarks shortly. Mr Chairman, this is exactly the constraint that we should not be faced with tonight. We are dealing with important matters at law. I am being very careful not to anticipate the bill that is on the *Notice Paper*. But how we are going to deal in two hours with the future and the potentially devastating impact of a bill on the Australian music industry is beyond me. I put on the record that the gags and the procedural decisions that have taken place over the last 24 hours have been shameful and outrageous.

I will conclude by saying that the recommendation of the Australian Democrats to oppose the government's policy on sound recordings was a complex decision. It was a decision reached after comprehensive debate, discussion, committee investigation and after weighing up the facts, the figures, the economics et cetera. After considering all of that material before the Senate committee, we were persuaded that the bill—the intent of the policy—would adversely impact on the Australian music industry by reducing artists' royalties and increasing levels of piracy. These are significant issues which do not have a similar effect for the packaging and labelling bill. For these reasons we will support this bill on packaging and labelling, and reject the government's sound recording proposals. The issues are different and our decision reflects these differences.

Senator LUNDY (Australian Capital Territory) (9.20 p.m.)—I would like to add a few comments with respect to schedule 3. Certainly, in regard to the items at hand and the issues addressed with reference to non-infringing copies in the definition required in the bill, the relationship between those definitions and the implications upon the government's consideration of how to construct the Copyright Amendment Bill (No. 2) that we are going to be debating forthwith are one and the same in the sense that this clause pre-empts a requirement of copyright No. 2 bill to conform with international obligations. I say to the Democrats that the links are definitely there and we certainly view this clause as one of pre-empting a later debate and therefore that contributes obviously to our position on it.

Senator ELLISON (Western Australia—Minister for Schools, Vocational Education and Training) (9.21 p.m.)—In simple terms, the government is opposed to the practice of using copyright in artistic works on packages and labels to prevent businesses from importing and distributing legitimate products. Senator Bolkus has referred to the case of Bailey v. Boccacio in 1986 and that is how long this problem has been festering. The former government introduced legislation in the Copyright Amendment Bill 1992 in order to address that and the provisions of that bill are somewhat close to what is being proposed by the government here today.

The amendment allows the opening up of competition in relation to this matter, because what we have here is the use of copyright in relation to packaging and labelling to restrict trade and thereby to cause an impediment to the reduction in prices of those goods. As a former minister for consumer affairs, I can say that anything which reduces the prices of goods is good for the consumer. That is what this government is about.

There are also those who say that the removal of this protection would also infringe upon things such as misleading conduct, deception, use of wrong or illegal ingredients and unsafe goods. Those aspects are clearly covered by other pieces of legislation such as the Trade Practices Act, the Fair Trading Act, the Trademarks Act and the Commerce (Trade Descriptions) Act. It is really not correct to say that the removal of this will in any way have some deleterious effect on consumers. Quite the contrary—by opening up competition, it will in this area have a flow-on to the consumer in reduced prices.

The case of Bailey v. Boccacio clearly showed that there was a problem; that, by

having this control over the labelling, you could restrict importation. I thank the Democrats for their support in this issue, and I would support, in part, the comments made by Senator Stott Despoja. Therefore, the government cannot accept the position of the opposition. We will be standing by schedule 3 as proposed.

Senator BOLKUS (South Australia) (9.24 p.m.)—Could I say something before Senator Murray speaks. It is in response to Senator Stott Despoja, whose contribution, I must say, is quite amazing in its inadequacy. I do not know where she has been in the last few months, I do not know what she has been listening to and I do not know what she has addressed before she came in here, but for her to say that schedule 3 is nothing more than an issue about an anomaly shows an amazing degree not just of ignorance but of disregard of a whole range of issues that have been before this Senate, this parliament and parliamentary committees for quite some time now. She just cannot call an anomaly something which may in fact cost 9,000 Australian workers their jobs. She just cannot come in here and dismiss, in one glib word, something that may have an impact on the quality of consumer items in this country.

I must admit that I have been bewildered and stunned by Senator Stott Despoja's contribution on this particular issue. We are not talking here about an anomaly. We are talking here about an issue that has been on the public agenda for some six or seven years and which was withdrawn once before by the previous government, as it should have withdrawn it. It is a proposal which has not had sufficient working through by this government, a proposal which this government did not discuss with industry, though it deeply affects the rights and the future of so many companies in this country, and a proposal which Price Waterhouse has warned us could cost some 9,000 jobs.

For Senator Stott Despoja to come in and say that it is just an anomaly basically shows that, once again, she has not done her homework. I just wish she would take Australian jobs as seriously as she takes Australian music. 'Give them circuses but forget about the bread' seems to be the line here tonight. She told us, in terms of Copyright Amendment Bill (No. 2) 1997, that there is detailed consideration of all the facts and figures and extensive assessment by the Australian Democrats and that they were treating it seriously. Why hasn't she done the same thing with respect to schedule 3? It is something that I am really concerned about. If she is going to go ahead and make a decision on schedule 3 thinking it is just a minor technical anomaly along the way, she has got it wrong.

Could I say to her again that this is, and should be, an issue of concern. The Bailey case came through in 1986, some 12 or 13 years ago. The Australian marketplace has been opened up extensively in that 13 years, not just through changes to the Trade Practices Act but through the total globalisation of many parts of our economy. There is a lot more competition in the marketplace now. What we have said—and what the Australian Democrats have said up until this debate—is that when you do globalise, when you do open up, you have to have an assessment made of the impact on Australian industry. You also have to see how you handle the impact on individuals who may lose their jobs or lose some property rights in the process.

Senator Murray has spent a bit more time on this issue. I do not agree with Senator Murray's position, but I am very deeply concerned about Senator Stott Despoja. She should have spent more time before she came in here and made a very poor contribution.

Senator MURRAY (Western Australia) (9.27 p.m.)—I would like to deal with two senators' contributions. Senator Bolkus, I will get to the serious questions you have asked second, if I may. Firstly, I will briefly deal with Senator Lundy's remarks. We do consider the two issues to be separate. The question is whether we should vote against them both. Perhaps I can draw an analogy like this: if you took a recording of Midnight Oil and put 10 different labels on it, it would still be Midnight Oil. If you take the issue of non-infringing accessories, the attention is to the label, not the product. That is the difference. Where you are dealing with music or books, you are dealing with the product and

not the packaging. In schedule 3, we are dealing with non-infringing accessories, the copyright which attaches to the packaging.

I think the really serious question is not whether it is a separate issue, although I strongly believe it is, but the point that Senator Bolkus has raised as to what the potential effects of changing law on copyright and non-infringing accessories are. Senator Bolkus, if I miss any of your questions, please draw my attention to it. If I may respond to your remarks, you have indicated that this problem has been around a long time; I think you mentioned seven or eight years. My count is 15 years. I think it was first referred to a committee in 1983 by the newly elected Labor government at that time. It certainly has a long history. The fact that it has not yet come to resolution, if you like, may indicate the strengths of the competing arguments. You are without doubt correct in stating that there is a strong competing argument on either side. That being so, we are in a situation here where we are having to assess the evidence before us.

The group that is opposed to schedule 3—loosely termed the brands coalition—does, as you know, include some of the most powerful brand forces in the world. Brand protectors like that are often accused of buying the best lobbying that money can buy. That group has contracted Price Waterhouse, which is an internationally reputed organisation. If you look at the survey of Price Waterhouse, it is subjective. By that I mean that the company went out and asked a series of business people what the effects would be. If I were a business person and I have something which is worth something to me and somebody comes and asks me what the effect would be, I would put the most negative side on it, naturally. I think that is an appropriate reaction.

I am inclined to think that the Price Waterhouse survey shows the very worst consequences. I would not automatically accept all its findings, but I am not so naive as to think that there will not be negative downsides. Of course, if there is a negative downside with a business, there is a danger of losing jobs. Having seen the job programs that the Labor Party put in in its last years of government, I think that it became a government which was concerned in this area—and all of us do concern ourselves with that issue. Of course those businesses which will grow as a result of this change will create jobs. I am not in a position where I am able to judge, quite frankly, whether the net effect will balance out or not.

Of course the best lobbying money can buy has put the best picture before us. The government were, I suppose, foolish enough not to commission their own counteracting assessment. So I think Senator Bolkus has correctly painted the picture of the downside, but we should respect the fact that there is an upside. For those businesses that grow as a result of this, there will be job creation, sales growth, profits growth, lower prices and greater competition. In my minority report way back in October 1997 I outlined clearly the two opposing cases.

There is another point we need to make—and I am not going to refer in detail to the speech I made during the second reading debate, which filled up the full 20 minutes and was enlivened by an exchange with my good friend Senator Murphy. We have put our position as clearly as we could there. I think in all this we should recognise we are not doing away with copyright and we are not doing away with the protection that is afforded by copyright; we are doing away with a device of using Customs quickly and cheaply to interact where there are contractual inadequacies with any distributor's arrangements.

If we have arrived at this decision, Senator Bolkus, we now really need to come to what you have spelt out, which are a set of precautionary principles. I should advise you that we will not vote for the withdrawal of schedule 3. We do, however, think that your idea of there being exemption by regulation for any industries by the minister was a good one. However, the actual device you proposed to us—and you were kind enough to show it to us in advance of this debate—we felt did not do the job and, as you know, we have circulated an amendment which attempts the same approach from a different direction. You will

of course argue that it is not as strong, but we will argue that it is appropriate.

The second precautionary principle you have introduced is to recognise that, if the government puts an 18-month delay until such time as these provisions become contractually binding, you should use the intervening period successfully and credibly for an appropriate reference. You have circulated for the committee your amendment No. 1083. I would like to add a little to that because I think it is a little narrow. I think that is a first-rate idea because that reporting date in August 1999 is well before the 18 months.

This government tells us it is seriously concerned about jobs and economic downsides. If the result of that references committee evaluation was extraordinarily down-classed, the government would no doubt assess it and make adjustments to its law appropriately. I would expect that. If, on the other hand, Labor are returned as the government after the election, I would expect them to take the same approach. So certainly we would have no objection to a further detailed examination, but I would suggest that this reference be enlarged somewhat. I hope that, Senator Bolkus, covers the necessary response to the questions you asked.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (9.37 p.m.)—I rise briefly to respond to the rather personal and I thought patronising comments made by Senator Bolkus. The Australian Democrats' position has been outlined by Senator Murray during the second reading debate. The position that I put forward is no different from that of Senator Murray's. What I did tonight was put on record the difference between packaging and labelling and the sound recording issue when it came to parallel imports. In the interests of facilitating debate, partly requested by Senator Murphy, I restricted my comments to that issue. Then I went upstairs to hear Senator Bolkus's somewhat dulcet tones coming through on my television—

Senator Patterson—Dulcet? Dulcet?

Senator STOTT DESPOJA—Heavy sarcasm there, Senator Patterson. He was implying that we have not done our homework. We have, and what we are doing is trying to explain and put on record the importance of not only considering this issue but recognising the distinctions in relation to parallel importing and various effects, be it in relation to packaging, labelling or sound recordings. We have agreed to the 18-month delay and we are expecting you to support our amendments in relation to regulations.

With these two measures, we believe that your concerns, as you have outlined them, will be addressed. We also think, as a result of doing so, that the minister will be in a position to exclude those industries you have referred to which you suspect will be adversely affected or have been adversely affected in some way. We recognise that there are going to be some of those effects to which you have referred and we have addressed them. My position is no different from Senator Murray's, but I sought to make very clear this debate in relation to another debate and I emphasised the differences in those particular copyright laws. I do not understand how mine is a goose of a position, but you do not say the same thing of my male colleague.

Senator BOLKUS (South Australia) (9.39 p.m.)—I have just a few things, and I will start with Senator Murray's comments about the big difference between music and T-shirts. I can tell Senator Murray that I have come across Midnight Oil CDs and CDs from quite a number of Australian performers in some parts of the world. I have bought them and brought them home and they are either not Midnight Oil or a very scratchy version of Peter Garrett. If that is what you base your distinction on, I think you need to think again. Think about it in terms of T-shirts. You can buy a dozen or so Billabong T-shirts all over the world. In fact, you can go to Patpong in Thailand and buy all the number you like. You might have the Billabong label, if they spell it properly and sometimes they do, but you will not have the same T-shirt, you will not have the same material. To try to draw a distinction on those grounds is something which really does not take you all that far.

You are in a sense blinded by this competition argument. You said that the assessment of the evidence has been done by one side of

the debate, and you also say that they would be pushing their particular side of the argument aggressively and may not be given the full impact of the argument. I do not disagree with that at all. I am sure that some of the positive consequences may not have been taken into account, but the point that both you and I have been concerned about for some time now is that we are asked to open up an area but we are asked to do so without a full and proper analysis of the impact.

You have recognised that potentially there could be all sorts of dire consequences in terms of jobs, but you also said in your contribution that you do not find yourself in a position to judge the relative merits, and that is exactly the point that we are making. We are not in a position to judge the relative merits because the government are pushing the cart before the horse. They have not done the inquiry. They have not done the economic study.

When I was in the cabinet, and it was for quite a number of years, we were required to do economic assessments and produce economic impact statements for cabinet. If this government are going down the same road, they must have one available to them. If they have one available to them, then they should produce it to us. If they are not going down that road, they should be. Whether they are or not within their cabinet process, in a process like this when we are talking about a potential big impact on people's lives and corporate lives, don't you think there is a responsibility for them to come to us before they deregulate this area?

The government have not commissioned a survey. You say that you are not in a position to judge, but we say that you should not just follow the blind script of economic rationalism. Don't just say to us that there will be greater competition and greater job growth when, in so many of these industries, there is a lot more competition than there was in 1986 at the time of the Bailey's case, but the impact may be great on industry after industry. You do not address the issues of quality and product safety which we think are still important. This is a mechanism through which, if the government wants to proceed with it, we could force through some pretty important protections for consumers, but that could only happen if there was a full process of analysing the impact of this decision.

I suppose what I am saying at this particular part of the debate is that we did discuss an opting in approach for regulation to allow industries to be brought under the umbrella of schedule 3 and its impact only if the government can prove that they should be so brought in. We see your opting out proposal, I must say, as an unworkable one, so we are not going to support that. Can I just say in passing that Senator Stott Despoja did address the music issue. But to come in here and say that schedule 3 is an anomaly which needs to be fixed is something that I think—

Senator Stott Despoja—That is not what I said.

Senator BOLKUS—That is the word you used.

Senator Murray—On a point of order: I have been advised by the attendant that the Wallabies won 24 to 16.

The TEMPORARY CHAIRMAN (Senator Hogg)—There is no point of order. I already knew that.

Senator BOLKUS—I have nothing further to add.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (9.44 p.m.)—The government is aware that the Democrats are concerned that the operation of schedule 3 and its impact on industry should be subject to some study. I am happy to tell the Senate that, by virtue of a decision already taken by the government, there will be a very searching consideration of the impact on the economy of the Copyright Act amendments. This will include the expected impact of changes to the importation provisions of the act proposed in schedule 3, as well as other importation provisions which affect goods and works as diverse as amusement machines, books and software.

As part of the competition agreement between the Commonwealth, states and territories in 1995, the Commonwealth government decided on a program of reviews of legislation that has a restrictive effect on

competition. To the extent that intellectual property legislation does restrict competition, it will be the subject of review in this process. The review of intellectual property legislation, which will include the Copyright Act, will look at the costs, benefits and the likely effects on competition and the economy generally, amongst other things. The review is due to commence in the first half of 1999 and can be expected to be a high level independent inquiry. I trust that this is precisely the sort of inquiry that meets the concerns of the Australian Democrats.

Senator MURPHY (Tasmania) (9.45 p.m.)—The minister has just mentioned a study, and I would like more detail on what that study will be proposing. But the fact that the minister is proposing that study to take effect in 1999 is bad enough. Even though there will be, as I understand it, some delay with the implementation or the effect of this legislation, by then many people who are to be affected by the proposals of this legislation will have taken their course of action, and the jobs will be lost.

I accept that to some degree some practices probably are utilising the current laws to benefit themselves and are in breach of the what the laws are intended to achieve. But the fact is that we have allowed many of those businesses to grow under the current law, without really doing anything about changing other laws to bring in changes to ensure that those practices not be allowed to continue.

But there are many businesses over and above the ones outlined by the minister and over and above the ones referred to in the explanatory memorandum of the bill, that just goes to Bailey's Irish cream and toys; there are many other businesses. I do not necessarily like bringing one up with which I have a significant association, but the fishing industry—and it is not just the impact—

Senator Patterson—Oh, no.

Senator MURPHY—I can understand, Senator Patterson, although I would have thought, being someone involved with the scout and girl guide movement, you would have some understanding of outdoor operation. But there is another matter that you need to address later on. Nevertheless, Senator Patterson—through you, Mr Temporary Chairman—the fact is that the recreational fishing industry pays some $900 million in tax to the Commonwealth. It spends hundreds of millions of dollars on advertising, not unlike some other sporting goods operations that also provide huge amounts of sponsorship for competitions, athletes and competitors, et cetera.

If we just put in a law, potentially we can remove all of that. Of course, whilst I welcome the minister's proposal for a study, frankly, minister, we ought to be having the study first, and then introducing the necessary laws to avoid unfair practices. That is what we should be doing. But that is not what we are doing. I say to Democrat senators that really we ought not be proceeding with schedule 3 for those very reasons. I think the next bill that we are going to debate has some parallels with the two cases—no pun intended.

Senator Murray—I missed it.

Senator MURPHY—I know that you are still euphoric, just as I am, about Australia beating New Zealand, because nothing could have happened—

Senator Bolkus—What about the Telstra bill?

Senator MURPHY—The Telstra bill we won tonight. But that was capped off by Australia beating New Zealand. It is wonderful news.

Senator Quirke—But did the Wallabies have a guillotine to help them?

Senator MURPHY—We still won, even with the guillotine. Nevertheless, we do have a responsibility. Whether or not the Price Waterhouse figures are right about employment, even if they are half right, we do have a responsibility to minimise the effect on employment in Australian business. I would urge Senator Murray and his colleagues to reconsider their position with regard to schedule 3.

I would have thought the minister, who is part of a government that supposedly prides itself on the support of small business, would at least have proceeded to have a study and looked at ways and means to achieve these

things in the first instance. He clearly has no real understanding of the impact this will have—no understanding at all. As I said, he has mentioned having some study in 1999. But by then most people will have made their decision and so many will have lost their jobs.

That is the situation that exists. I do not dispute the fact of your being able to get Coleman coolers 100 per cent cheaper. I know that most of the fishing equipment I buy is imported, so I do have an understanding of the price differential. But to say that there is no competition out there is also wrong. There is competition—and I think we all know that.

I say to the Democrats—through you, Mr Temporary Chairman—that they ought to reconsider this. Quite frankly, I am disappointed and reject out of hand the minister's proposal for some study in 1999.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (9.51 p.m.)—As I understand it—and Senator Murphy may not be aware of this—this legislation was essentially introduced by the Labor government as long ago as 1992—

Senator Murphy—So what?

Senator ALSTON—Just hang on—and it was reintroduced in 1996. Labor never had any review before it introduced it on either occasion.

Senator Murphy—What is this—another 13 years of Labor argument?

Senator ALSTON—Just listen will you. This review will be completed long before this section of the legislation comes into force, because there will be an 18-month delay. If you had heard my second reading, you would have heard me say that. If you had looked at the bill, you would have seen that there was 12 months. You ought to understand, therefore, that the review will well and truly be concluded before any of this comes into effect.

Senator BOLKUS (South Australia) (9.52 p.m.)—I would like to get behind this deal that seems to have been entered into between the Democrats and the government. Minister, can you tell us who will be conducting this review; and will you give us an assurance that it will be a public review?

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (9.52 p.m.)—The precise form has not been determined, but it will be in accordance with the reviews that the Treasurer approves as part of the ongoing NCC review process. It will be in a form determined by the Attorney-General and me. It will be a high level independent review. I simply cannot tell you any more than that at this stage.

Senator BOLKUS (South Australia) (9.53 p.m.)—Can you give us an assurance that it will be a public review?

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (9.53 p.m.)—Yes, there will be ample opportunity for public input. The inquiry processes, as I understand it, will also be conducted in public.

Senator BOLKUS (South Australia) (9.53 p.m.)—Will it be conducted by the Public Service or will there be a person commissioned to conduct this review?

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (9.53 p.m.)—It will be conducted independently of the Public Service.

Senator MURRAY (Western Australia) (9.54 p.m.)—Senator Bolkus, I am sure you are tired. This is not the best place to be on a Saturday night. I remind you that, whenever you vote with the government, which is quite often, I do not accuse you of doing deals with the government.

Senator Bolkus—But your colleagues do.

Senator MURRAY—We have not done a deal here; we have simply come to a view. On this occasion, we have agreed with—

Senator Bolkus—You are starting to sound like Brian Harradine.

Senator MURRAY—You know that I have not accused you of doing deals before and I would be grateful if you did not accuse me. If I had done one, I would be glad to tell you.

I would have been pleased if I had done one, but I have not.

Senator Murphy in his contribution rather modestly indicated an interest in fishing. The Senate is probably not aware—nor those assembled advisers and those hanging on our every word out there—that he is actually one of Australia's finest fishermen.

Senator Quirke—He is the Don Bradman of the fishing industry.

Senator MURRAY—Yes. Senator Quirke, who is probably a bit partisan in these matters, refers to him as the Don Bradman of the fishing world. I do happen to know that Senator Murphy represented Australia in the international fly-fishing competition. Having tried it very badly a few times myself, I am full of admiration for your skills, Senator Murphy.

Senator Quirke—For attracting flies or for fly-fishing?

Senator MURRAY—We know you attract flies as well. Back to the serious matters on hand. Senator Bolkus, let me try again to explain the difference between the two bills we are dealing with. If you get Midnight Oil pirated or copied, it is still Midnight Oil; it is just a battered, corrupted and scratched version of it. It is a bit like if you have been through a soccer game: you do not look the same as when you began. If you took Midnight Oil manufactured in Australia and put 10 different labels on it, it would not be an infringement of the product; it would be an infringement of the label because the product itself would remain the same. If you take 10 different bottles of perfume and you put the same label on each of them, they are not the same product.

The argument that is put on the label problem is that different products can come in with the same label, but it is the label to which you must attach the importance. We merely say it is the product which is most important. I do not think we should argue about that. I think the issue is that which Senator Bolkus and Senator Murphy rightly raised—whether or not the net effect of this would be to the economic and social benefit of Australia. You argue that it will not; we argue that it will. We clearly distinguish between those two things and I think we should not get side-tracked with them.

You did say to me that we had not dealt with the arguments of those who are against the government amendments. But we have dealt with them at length not only in our speeches during the second reading debate but also in our minority reports. Just for the purpose of this committee stage, let us say the following things to you. Firstly, the arguments offered against the government amendments were that the parallel imported product may not be of the same quality or standard as the authorised imported product. That is true; of course that is true. The problem we are dealing with is not whether or not that is so but whether the remedy that is being used is appropriate.

The view of the previous government in their report and the view of this government is that the customs mechanism on non-infringing accessories is being used in a perverted fashion for something that should not be its purpose. If a product is imported which is not of the same quality or standard as the authorised imported product, it either breaches the distributor agreement with the brand owner and manufacturer and becomes their problem or it breaches trademark, patent or copyright. The problem is that the remedy may be a little more costly, and we accept that.

The second issue is whether parallel imported products get a free ride on advertising and marketing by the authorised distributor. That argument is well put, but as soon as you deal with those arguments you have to deal with the problems of similar goods which are easily substitutable or highly differentiated goods which you have difficulty in substituting. The free ride arguments again arise on whether brand owners and manufacturers are allowing other persons who receive their goods to embark on sending these goods into other markets.

The third argument is that Australian jobs will be at risk. You misrepresented or misunderstood my response to you. I said we were not in a position to evaluate the competing arguments about jobs. That is because

those are subjective assessments. Senator Murphy is quite right, neither he nor I could know whether it is 9,000 jobs or 4,500 jobs. He is also quite right in saying that, if it were 4,500 jobs, that would be a serious matter. I cannot assess where the line falls. It is our view that the job improvement will be greater than the job loss, but that is a subjective assessment.

The next area is that parallel imports will not necessarily be significantly cheaper. That is true. Some will not be and some will be. We have several pages which indicate that they will be substantially cheaper.

The next case that the opponents have is that parallel importing will inhibit the development of future markets in Australia. I must say I find that a very difficult one to swallow, but it may be so with one or two industries. They then go on to say a strong case has not been made for the changes. I thought that the Labor government in 1992 did make a strong case and I think that the government has made a strong case, but I recognise the countervailing arguments. They also say that alternative Australian legal remedies for preventing product imports on grounds of misrepresentation, health and safety and different constituents are slow, costly, ineffective, impractical and inadequate in comparison to copyright law.

That is the list of arguments against those things. They are not saying that health and safety protection does not exist. It does. They are saying that going to Customs just made it easier than going to the government and saying, 'Here's a problem.' They are not saying that the legal remedies on misrepresentation do not exist. They are just saying that going to Customs is much easier than going to court. They are not saying that, if the product has been distorted in some fashion, they do not have legal remedy. They are saying that not going to Customs makes it harder to attack.

We are saying that the whole process of non-infringing accessories being dealt with by using the labels and the Customs provisions to prevent competitive imports is a distortion of copyright and patent law. That is our understanding of the case. The whole issue revolves around whether there be a net economic detriment or a net economic benefit. Neither of us, frankly, in this argument is going to be able to prove that one way or the other. We are simply going to show a different position.

So my response to you, Senator Bolkus, is to suggest that, yes, we do have to allow provision for ministers to make exception by regulation. You have an amendment to that effect and so do we, just from different directions. Yes, you do have to have a review. The minister has indicated he will conduct a review, which we welcome, and you have proposed a separate Senate review. That is very welcome too because you might get two similar views or you might get two competing views. Once again, the parliament can determine these matters.

Senator BOLKUS (South Australia) (10.03 p.m.)—I want to touch on a couple of issues that arise from Senator Murray's contribution, and they basically show that we really have not had enough analysis of this particular proposal before us. Senator Murray, on the question of quality standards and on the question of consumer protection—

Senator Murphy—Service.

Senator BOLKUS—And service. You can come up with a whole range of arguments. For instance, if you had a particular mini disc recorder imported into Australia under exclusive importing but someone else was able to import another mini disc recorder—the same label, the same brand name, the same model, the same model number—it may look on the surface as being a reasonable thing to do. But anyone who has bought mini disc recorders overseas knows that, when they come back to Australia, they have to spend virtually another $60 or $70 buying adaptors, double adaptors and all sorts of other accessories to ensure that they can work under our voltage system. In some circumstances, they do not.

It is the same with buying videos overseas. If you were to allow the import of videos suitable to the American market into Australia—I do not mean the video players but the actual videos themselves—you would pretty soon find that they would be moving at a

much faster or a much slower rate than the ones that work in our video machines.

The fact that there are such differences in the impact on consumer protection, quality standards and safety in this country is something which you just cannot dismiss. I started this week trying to explain to Senator Harradine that X equals Y equals ABC one day and then something different the next day. I am finishing the week trying to explain to you that a mini disc recorder may not be a mini disc recorder, depending on where you buy it. It may be a mini disc recorder, but it may not be the one that will work for you in Australia. So the quality of those sorts of issues is still alive.

Once again, I say to you: do not lose this opportunity to have that economic assessment. When we talk about economic assessments here, we are not just talking about the number of jobs that may be affected—and there are arguments on both sides there. We are also talking, for instance, about what you do with the workers who may miss out. What do you do with a company that may have had a massive investment in the few months before this particular decision, before this legislation takes place?

A company, for instance, that may have invested, as one has, $20 million over the last six to 12 months or so may have made that decision on a projected income flow from having an exclusive licence. They may have to cop an opening up of the market, but should the government have some responsibility? Should there be some slower rate of implementation with respect to them? All of these issues have not really been addressed by this parliament. They are not anomalies; they are actually quite fundamental under the umbrella of economic issues.

I honestly believe that we do need more time to consider this. What is the relevance of that sort of review that the minister is promising if we have one side of the parliament, the Democrats, saying that any such review would be subjective, any assessment would be subjective? I would like for us to have custody and control of that review so that it does look at the sorts of things we are concerned about rather than leave it to this government, dry and deregulatory as it is, to have not a public review but a more limited one.

I have had lots of experience with the Attorney-General (Mr Williams) running reviews out of his department. They never see the light of day. They might get public input. Quite a number of them have had input from the public, but we have not seen the issues brought before the committees, we have not seen the review recommendations. So, if we are going to buy this sort of pup, I suggest that we may need to have a rethink about that. Given all the circumstances, I move:

That the committee report progress and ask leave to sit again.

The TEMPORARY CHAIRMAN (Senator Hogg)—The question is that the committee report progress.

Senator Alston—Mr Chairman, could I, on a point of order—

The TEMPORARY CHAIRMAN—No, I have to put the question, Minister.

Senator Alston—On a point of order: I wish to seek advice from you as to the effect of this motion in view of the guillotine. Is this simply in relation to the part of the debate that is presently being conducted, or is this to take us out of committee and away from the whole legislation? I thought that the guillotine overrode any of that.

Senator BOLKUS—On the point of order, this is a motion in the same terms moved previously both by the government and the opposition. This is not a request that we defer this particular provision. This is a motion that says that we report progress and it should be seen in that broader context.

Senator Alston—We think of this in terms of the guillotine already in place and the rest of the progress of the consideration of this bill.

The TEMPORARY CHAIRMAN—As I have been advised, if this motion were to be carried, progress would be reported and then the Senate would set a further time for the consideration of this bill, with the guillotine then still operating.

Senator Alston—I am not sure that those two positions are compatible.

Senator BOLKUS—You tried this an hour ago.

Senator Alston—As I apprehend, if Senator Bolkus is trying to avoid further consideration of this bill tonight, I would be happy for that to be clarified, so we could be quite clear.

The TEMPORARY CHAIRMAN—The advice I have is that that would be up to the Senate to determine.

Senator BOLKUS—On the point of order, we are having a discussion on this particular motion, but my understanding is that the motion needs to be put.

The TEMPORARY CHAIRMAN—Senator Murray, I have been advised that the correct position is to put the motion. Do you have a point of order?

Senator Murray—Yes. I am sorry to be a bit dim; maybe it is the time of night. But I would like clarified what is going on and what is the effect of what is being proposed.

The TEMPORARY CHAIRMAN—The effect, as I understand it, is that, if the motion were passed, then we would go out of committee and report progress. Then it would be up to the Senate to consider a motion which would see this put on the agenda for a later time.

Senator Alston—Let us put it another way, so that we all understand it. If this were carried, then either we would move a motion to resume the committee consideration or there would not be any further discussion on the bill. In other words, it is simply a tactic on the part of the opposition to avoid any further discussion this evening.

Senator BOLKUS—That's right.

Senator Alston—Let's be clear what it is.

Senator Carr—We are not debating the motion.

Senator Alston—We are not debating the motion. We are simply clarifying the intent so that there can be an informed vote. I hope it is perfectly clear that this is nothing more or less than a device to avoid further debate.

Senator Carr—On a point of order, an hour and a half ago this government moved a motion to report progress on the Telstra bill. Their hypocrisy in arguing this case now is quite extraordinary.

The TEMPORARY CHAIRMAN—I have to put the question. There is no point of order. The question is that the motion moved by Senator Bolkus be agreed to.

The committee divided. [10.15 p.m.]

(The Chairman—Senator S. M. West)

Ayes	24
Noes	39
Majority	15

AYES

Bishop, M.	Bolkus, N.
Brown, B.	Campbell, G.
Carr, K.	Collins, J. M. A.
Cook, P. F. S.	Cooney, B.
Crowley, R. A.	Denman, K. J.
Evans, C. V.*	Faulkner, J. P.
Forshaw, M. G.	Gibbs, B.
Hogg, J.	Lundy, K.
Mackay, S.	Margetts, D.
Murphy, S. M.	O'Brien, K. W. K.
Quirke, J. A.	Ray, R. F.
Reynolds, M.	West, S. M.

NOES

Abetz, E.	Allison, L.
Alston, R. K. R.	Bartlett, A. J. J.
Boswell, R. L. D.	Bourne, V.
Brownhill, D. G. C.	Calvert, P. H.*
Campbell, I. G.	Chapman, H. G. P.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Heffernan, W.
Herron, J.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Lees, M. H.	Lightfoot, P. R.
Macdonald, I.	McGauran, J. J. J.
Murray, A.	Newman, J. M.
O'Chee, W. G.	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Reid, M. E.	Stott Despoja, N.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Vanstone, A. E.
Watson, J. O. W.	

PAIRS

Conroy, S.	Ferguson, A. B.
Crossin, P. M.	Macdonald, S.
McKiernan, J. P.	MacGibbon, D. J.
Neal, B. J.	Minchin, N. H.
Schacht, C. C.	Troeth, J.
Sherry, N.	Woodley, J.

*** denotes teller**

Question so resolved in the negative.

The CHAIRMAN—The question is that schedule 3 stand as printed.

Question put.

The committee divided. [10.23 p.m.]

(The Chairman—Senator S. M. West)

Ayes	39
Noes	24
Majority	15

AYES

Abetz, E.	Allison, L.
Alston, R. K. R.	Bartlett, A. J. J.
Boswell, R. L. D.	Bourne, V.
Brownhill, D. G. C.	Calvert, P. H.*
Campbell, I. G.	Chapman, H. G. P.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Harradine, B.	Heffernan, W.
Herron, J.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Lees, M. H.	Lightfoot, P. R.
Macdonald, I.	McGauran, J. J. J.
Murray, A.	Newman, J. M.
O'Chee, W. G.	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Reid, M. E.	Stott Despoja, N.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Vanstone, A. E.
Watson, J. O. W.	

NOES

Bishop, M.	Bolkus, N.
Brown, B.	Campbell, G.
Carr, K.	Collins, J. M. A.
Cook, P. F. S.	Cooney, B.
Crowley, R. A.	Denman, K. J.
Evans, C. V.*	Faulkner, J. P.
Forshaw, M. G.	Gibbs, B.
Hogg, J.	Lundy, K.
Mackay, S.	Margetts, D.
Murphy, S. M.	O'Brien, K. W. K.
Quirke, J. A.	Ray, R. F.
Schacht, C. C.	West, S. M.

PAIRS

Ferguson, A. B.	Conroy, S.
Macdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Reynolds, M.
Minchin, N. H.	Crossin, P. M.
Troeth, J.	Neal, B. J.
Woodley, J.	Sherry, N.

*** denotes teller**

Question so resolved in the affirmative.

The CHAIRMAN—The time for the debate having expired, we shall now proceed to the putting of various amendments.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (10.25 p.m.)—by leave—I was simply going to indicate, Madam Chair, that a document has been circulated that groups the amendments into convenient bundles. There is one matter that follows from an undertaking that Senator Campbell gave this morning. Senator Campbell this morning undertook to ensure that all amendments which had been effectively in circulation this morning would be able to be considered and that they would be recirculated in the name of the government if they were in the names of other parties. That applied in relation to Telstra as we have recently seen, but I think there has been some technical problem that did not ensure that that happened in respect of non-government amendments. I simply seek leave to have those also considered. As you will see, they are included on the list. I therefore ask that the Senate simply proceed through as indicated.

Senator BOLKUS (South Australia) (10.26 p.m.)—by leave—Can I assist here? The third batch—government amendments 1 and 2—I would suggest, to expedite proceedings, we could defer down the list until after Democrat No. 9. They relate to the same issue. The Democrats have got their opting in regulatory scheme, and it would facilitate processes in decision making if we could do that. I also indicate that the opposition will be supporting as we go through it—

The CHAIRMAN—I cannot find Democrat No. 9.

Senator BOLKUS—No. 9 on the list.

The CHAIRMAN—Yes.

Senator BOLKUS—I suggest that the batch under item 3, which is government amendments, be decided upon at the end after we complete No. 9, which is Democrat amendments.

The CHAIRMAN—Is it the wish of the committee that that so happen? There being no objection, it is so ordered.

Senator BOLKUS—I also indicate that with respect to Nos 2, 5, 6, 7 and 8 the opposition will be voting with all those amendments. The only ones that we will not be voting with are 1 and 2.

The CHAIRMAN—No. '1' has gone.

Senator BOLKUS—Sorry; 1 and 4. But we will not be putting those to a vote.

The CHAIRMAN—I shall now proceed to putting the amendments. It is the wish of the committee that we deal with group No. 2 first, which is government amendments 6 to 14 and 16 to 26 on sheet 252 revised. The question is that following amendments be agreed to:

(6) Schedule 3, item 2, page 28 (lines 26 to 31), omit paragraph (e) of the definition of ***accessory*** and all the words after that paragraph, substitute:

(e) a record embodying an instructional sound recording, or a copy of an instructional cinematograph film, provided with the article;

but does not include:

(f) any label, packaging or container on which the olympic symbol (within the meaning of the *Olympic Insignia Protection Act 1987*) is reproduced; or

(g) a manual sold with computer software for use in connection with that software.

(7) Schedule 3, item 3, page 29 (lines 1 to 10), omit the definition of ***non-infringing accessory***, substitute:

non-infringing accessory means an accessory made in:

(a) a country that is a party to the International Convention for the Protection of Literary and Artistic Works concluded at Berne on 9 September 1886 as revised from time to time; or

(b) a country that is a member of the World Trade Organisation and has a law that provides consistently with the TRIPS Agreement for:

(i) the ownership and duration of copyright or a related right in works, sound recordings and cinematograph films; and

(ii) the owner of the copyright or related right to have rights relating to the reproduction of the work, sound recording or cinematograph film;

where:

(c) the making of any copy of a work, or any reproduction of a published edition of a work, that is on, or is embodied in, the accessory; or

(d) the making of any record embodying a sound recording, or any copy of a cinematograph film, that is the accessory;

was authorised by the owner of the copyright in that country in the work, edition, recording or film, as the case may be.

(8) Schedule 3, page 29 (after line 10), after item 3, insert:

3A Subsection 10(1)

Insert:

TRIPS Agreement means the Agreement on Trade-Related Aspects of Intellectual Property Rights set out in Annex 1C to the Marrakesh Agreement establishing the World Trade Organization, done at Marrakesh on 15 April 1994.

Note: The English text of the Marrakesh Agreement establishing the World Trade Organization is set out in Australian Treaty Series 1995 No. 8.

(9) Schedule 3, item 7, page 29 (line 23), omit "**At the end of Division 3 of Part III**", substitute "**After section 44B**".

(10) Schedule 3, item 11, page 30 (line 13), omit "**At the end of Division 6 of Part IV**", substitute "**After section 112B**".

(11) Schedule 7, after item 9, page 56 (after line 9), insert:

9A At the end of section 135ZM

Add:

(2) If:

(a) any remuneration is paid under this Part in respect of a page of a document that is:

(i) a copy of the whole or a part of an article (other than a part that is an artistic work) contained in a periodical publication; or

(ii) a copy of the whole or a part of a literary or dramatic work contained in a published anthology of works; or

(iii) a copy of the whole or a part of a literary, dramatic or musical work other than an article contained in a periodical publication; and

(b) the making of the page is not an infringement of the copyright in the article or work because of section 135ZJ, 135ZK or 135ZL; and

(c) the page includes an artistic work or artistic works provided for the purpose of explaining or illustrating the article or work;

the following paragraphs apply:

(d) one-half of the remuneration paid in respect of the making of the page is to be paid to the owner, or divided equally among the owners, of the copyright in the literary, dramatic or musical work or works which, or a part of which, appear on the page; and

(e) one-half of that remuneration is to be paid to the owner, or divided equally among the owners, of the copyright in the artistic work or artistic works which, or a part of which, appear on the page.

(12) Schedule 9, item 11, page 62 (lines 26 and 27), omit ", 44C, 112A or 112C", substitute "or 112A".

(13) Schedule 9, after item 11, page 62 (after line 27), insert:

11A After subsection 135(10)

Insert:

(10A) This Division does not apply to the importation into Australia of copies of copyright material whose importation does not constitute an infringement of copyright because of section 44C or 112C.

(14) Schedule 10, item 2, page 67 (line 1), omit "10(4)", substitute "10A(4)".

(16) Schedule 11, item 6, page 70 (line 26) to page 71 (line 2), omit paragraph (b), substitute:

(b) in a television broadcast (other than a broadcast transmitted for a fee payable to the person who made the broadcast) made from a place in Australia under the authority of:

(i) a licence allocated by the Australian Broadcasting Authority under the *Broadcasting Services Act 1992*; or

(ii) a class licence determined by that Authority under that Act; and

(17) Schedule 11, item 7, page 71 (lines 5 to 8), omit paragraph (d), substitute:

(d) in a sound broadcast (other than a broadcast transmitted for a fee payable to the person who made the broadcast) made from a place in Australia under the authority of:

(i) a licence allocated by the Australian Broadcasting Authority under the *Broadcasting Services Act 1992*; or

(ii) a class licence determined by that Authority under that Act.

(18) Schedule 11, item 9, page 71 (lines 18 to 20), omit the item, substitute:

9 Paragraph 99(b)

Omit "or permit granted under the *Broadcasting Act 1942*", substitute "allocated by the Australian Broadcasting Authority under the *Broadcasting Services Act 1992*".

(19) Schedule 11, page 71 (after line 20), after item 9, insert:

9A At the end of section 99

Add:

; and (c) a person who makes a television broadcast or sound broadcast under the authority of a class licence determined by the Australian Broadcasting Authority under the *Broadcasting Services Act 1992* is the owner of any copyright subsisting in the broadcast.

(20) Schedule 11, item 18, page 72 (lines 17 to 21), omit paragraph (b) of the definition of ***transmission***, substitute:

(b) a television transmission to subscribers to a diffusion service.

(21) Schedule 11, page 74 (after line 24), after item 39, insert:

39A Subsection 152(1) (at the end of paragraphs (a) and (aa) of the definition of *broadcaster*)

Add "or".

(22) Schedule 11, item 40, page 74 (lines 25 to 28), omit the item, substitute:

40 Subsection 152(1) (paragraph (b) of the definition of *broadcaster*)

Repeal the paragraph, substitute:

(b) the holder of a licence allocated by the Australian Broadcasting Authority under the *Broadcasting Services Act 1992*; or

(c) a person making a broadcast under the authority of a class licence determined by the Australian Broadcasting Authority under the *Broadcasting Services Act 1992*; or

(23) Schedule 11, items 42 and 43, page 75 (lines 5 to 14), omit the items, substitute:

42 Subsections 152(8) and (9)

Repeal the subsections, substitute:

(8) The Tribunal must not make an order that would require a broadcaster who is:

(a) the holder of a licence allocated by the Australian Broadcasting Authority under the *Broadcasting Services Act 1992* that

authorises the holder to broadcast radio programs; or

(b) a person authorised by a class licence determined by that Authority under that Act to broadcast radio programs;

to pay, in respect of the broadcasting of published sound recordings during the period covered by the order, an amount exceeding 1% of the amount determined by the Tribunal to be the gross earnings of the broadcaster during the period equal to the period covered by the order that ended on the last 30 June that occurred before the period covered by the order.

(9) If a broadcaster that is:

(a) the holder of a licence allocated by the Australian Broadcasting Authority under the *Broadcasting Services Act 1992* that authorises the holder to broadcast radio programs; or

(b) a person authorised by a class licence determined by that Authority under that Act to broadcast radio programs;

has, with the permission of that Authority, adopted an accounting period ending on a day other than 30 June, the reference in subsection (8) to 30 June is, in relation to that broadcaster, a reference to that other day.

(24) Schedule 11, item 47, page 75 (lines 21 to 23), omit the item, substitute:

47 Paragraph 184(1)(f)

Omit "by a holder of a licence or permit granted under the *Broadcasting Act 1942*", substitute "by a holder of a licence allocated by the Australian Broadcasting Authority under the *Broadcasting Services Act 1992*, by a person authorised to make the broadcasts by a class licence determined by that Authority under that Act".

(25) Schedule 11, items 49 and 50, page 75 (line 26) to page 76 (line 3), omit the items, substitute:

49 Paragraphs 199(7)(a) and (b)

Omit "by the holder of a licence or permit granted under the *Broadcasting Act 1942*", substitute "by a holder of a licence allocated by the Australian Broadcasting Authority under the *Broadcasting Services Act 1992*, by a person authorised to make the broadcasts by a class licence determined by that Authority under that Act".

(26) Schedule 11, page 76 (after line 7), at the end of the Schedule, add:

53 Saving

Copyright that subsisted in a television broadcast or a sound broadcast made before the commencement of this Schedule continues to subsist for the period for which that copyright would have subsisted if the amendments made by this Schedule had not been made, and the person who was the owner of that copyright immediately before that commencement continues to be the owner for that period.

Question resolved in the affirmative.

The CHAIRMAN—The next one is group 4, which is schedule 11, items 1 and 2. The question is that schedule 11, items 1 and 2 stand as printed.

Question resolved in the negative.

The CHAIRMAN—The next one is group 5, that is opposition amendment No.3. The question is that that the following amendment be agreed to:

(3) Page 2 (after line 2), after clause 3, insert:

4 Regulations

(1) The Governor-General may make regulations prescribing matters:

(a) required or permitted by this Act to be prescribed; or

(b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.

(2) In particular, regulations may be made to apply the amendments made by Schedule 3 of this Act to prescribed industries or classes of industries.

(3) Regulations made under subsection (2) must be consistent with the following objectives:

(a) the objective that the amendments made by Schedule 3 of this Act shall not come into effect in respect of any industry or class of industry for at least one year after the commencement of Schedule 3;

(b) the objective that any industry or class of industry which is to be a prescribed industry or class of industry for the purpose of Schedule 3 is given at least one year's notice.

Question resolved in the negative.

The CHAIRMAN—The next one is opposition amendments Nos 1 and 2 on sheet 1081. The question is that the following amendments be agreed to:

(1) Clause 2, page 1 (lines 6 to 8), omit the clause, substitute:

2 Commencement

(1) Subject to subsection (2), this Act commences on the day on which it receives the Royal Assent.

(2) Schedule 3 commences on a day to be fixed by Proclamation.

(3) A Proclamation under subsection (2) must not be made except in accordance with a resolution passed by each House of the Parliament in pursuance of a motion of which notice has been given not less than 15 sitting days of that House before the motion is moved.

(4) A Proclamation under subsection (2) must not be made before the day which is 28 days after the day on which a report is presented to the Senate by a Senate standing or select committee on the impact of Schedule 3.

(2) Clause 3, page 1 (line 10), omit "Each Act", substitute "Subject to section 2, each Act".

Question resolved in the negative.

The CHAIRMAN—We now turn to opposition amendments 1, 2 and 4 on sheet 1086. The question is that the following amendments be agreed to:

(1) Clause 2, page 1 (lines 6 to 8), omit the clause, substitute:

2 Commencement

(1) Subject to subsection (2), this Act commences on the day on which it receives the Royal Assent.

(2) Schedule 3 commences at the end of one year after the day on which this Act receives the Royal Assent.

(2) Clause 3, page 1 (line 10), omit "Each Act", substitute "Subject to section 2, each Act".

(4) Page 31 (after line 2), at the end of Schedule 3, add:

12 Application

The amendments made by this Schedule apply only in relation to prescribed industries.

Question resolved in the negative.

The CHAIRMAN—The next one is opposition amendments 1 and 2 on sheet 1091. The question is that the following amendments be agreed to:

(1) Clause 2, page 1 (lines 6 to 8), omit the clause, substitute:

2 Commencement

(1) Subject to subsection (2), this Act commences on the day on which it receives the Royal Assent.

(2) Schedule 3 commences at the end of 2 years after the day on which this Act receives the Royal Assent.

(2) Clause 3, page 1 (line 10), omit "Each Act", substitute "Subject to section 2, each Act".

Question resolved in the negative.

The CHAIRMAN—The next one is Democrat amendments 1 on sheet 1118 and 3 on sheet 1075. The question is that the following amendments be agreed to:

(1) Page 2 (after line 2), after clause 3, insert:

4 Regulations

(1) The Governor-General may make regulations prescribing matters:

(a) required or permitted by this Act to be prescribed; or

(b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.

(2) In particular, regulations may be made to exclude prescribed industries or classes of industries from the amendments made by Schedule 3 of this Act.

(3) Schedule 11, page 74 (after line 11), after item 37, insert:

37A Subsection 1361) (definition of *licence*)

After "dramatic" (first occurring), insert ", artistic".

37B Subsection 136(1) (at the end of the definition of *licence*)

Add:

or (c) in the case of a literary or artistic work—a licence to transmit the work to subscribers to a diffusion service or to make a digital reproduction of the work.

37C Subsection 136(1) (paragraph (a) of the definition of *licensor*)

After "dramatic", insert ", artistic".

Question resolved in the negative.

Senator Bolkus—The opposition has agreed to support the Democrat amendments in batch No. 9.

The CHAIRMAN—Well, the noes have it. Now we come to government amendments 1

and 2 on sheet 252, revised. The question is that the following amendments be agreed to:

(1) Clause 2, page 1 (lines 6 to 8), omit the clause, substitute:

2 Commencement

(1) Subject to subsection (2), this Act commences on the day on which it receives the Royal Assent.

(2) Items 5, 7, 9 and 11 in Schedule 3 and item 11A in Schedule 9 commence at the end of 18 months after the day on which this Act receives the Royal Assent.

(2) Clause 3, page 1 (line 10), omit "Each Act", substitute "Subject to section 2, each Act".

Question resolved in the affirmative.

Bill, as amended, agreed to.

Bill reported with amendments.

The PRESIDENT—The question is that the remaining stages of the bill be agreed to and the bill be now passed.

Question resolved in the affirmative.

Bill read a third time.

COPYRIGHT AMENDMENT BILL (No. 2) 1997

Second Reading

Debate resumed from 27 November 1997, on a motion by **Senator Ellison**:

That this bill be now read a second time

Senator MURPHY (Tasmania) (10.32 p.m.)—This bill, the Copyright Amendment Bill (No. 2) 1997, would probably be better known if we were to call it Senator Richard Alston's 'I hate the music industry' bill. This bill proposes to amend the Copyright Act 1968 in a number of ways. The net effect is to allow the parallel importation of CDs.

The Senate Legal and Constitutional Legislation Committee held an inquiry into this bill. We received a significant number of submissions. The government's argument for the bill, as set out in the proposals—and I am taking some of this from the explanatory memorandum—is essentially that there would be a reduction in the price of CDs to the Australian public. Those estimates by the Bureau of Transport and Communications Economics vary from $1.60 to $3 and, of course, the ACCC, which certainly seems not to be the consumer's friend, says somewhere between $3 and $10.

The government also put a proposition that there would be, somehow, an increased availability of sound recording titles to Australian consumers; that retail sales would be more competitive with Internet purchasers; and that retailers would have a choice of suppliers due to competition between local and overseas manufacturers and wholesalers. Last but not least, the government said, 'To offer some protection for what is going to be a decimated music industry if this legislation is passed, we will have increased penalties for sound recording piracy, et cetera.'

The arguments against the bill are clearly those that go to the effects on the music industry, not the least of which is employment in the industry. Studies have shown that the industry employs a significant number of people. Submissions given to the committee during the conduct of its inquiry estimated that some 5,055 people were employed in live performance and merchandising while somewhere in the order of 4,350 people were employed in music retail, a further 33,500 were artists and some 13,300 were song writers. That is not a small number in terms of employment.

If you look at that in an overall sense, consider the fact that 95 per cent of the CDs sold in Australia are actually produced here. As I say, we have had many arguments put by the government and backed up—I don't know why—by the ACCC, the supposed consumer's friend. The ACCC has really done absolutely nothing to ingratiate itself with the Australian public by its arguments here.

If we go to the legal and constitutional committee's inquiry and deal, in the first instance, with the issue of price, we see the government produced no evidence—not one single scrap of evidence—that would support its argument for a price reduction. But, of course, we did receive many submissions that clearly demonstrated that, at best, we could hope that the prices would remain the same but, at worst, in some instances they may even go up.

No viewpoint was put better than Professor Ron Bewley's. In a submission to the com-

mittee, he made a very good point with some good examples, saying that there was no evidence that a reduction in import restrictions would increase competition and reduce prices. He said we should consider price comparisons between the US and Australian markets of similar goods. The Minister for Communications, the Information Economy and the Arts has come in here on many occasions and said, 'Look, it's about the US prices and it's about the prices somewhere else.' When we really look at some goods—and this is what Professor Bewley adequately pointed out—we see similar goods that are available in this country without import restrictions.

Everybody buys torch batteries. I will quote the prices that relate to the small, AA-size Energiser four pack of batteries. In the US they cost $US3.69 which, converted into Australian dollars in February 1998—it would be a bit more now given the exchange rate and the dollar—was $5.65. But the price in Australia at that time was $7.95. In fact, I bought some the other day and they were about $8.50 or $8.60. Zip disks in a 10 pack cost $US129.99; in Australia, they cost $269. As I said, there are no import restrictions on any of the goods that Professor Bewley compared. All are more expensive, ranging from a low of 30.57 per cent to 40.62 per cent and up as high as 65 per cent.

Did the government endeavour to actually repudiate that? Did it offer any evidence to the contrary? No. In submissions received from CD retailers who import CDs they said the same thing. Did the government counter that? No. Did the ACCC counter it? No. They just maintained the position that somehow we would get cheaper CDs and that, because of the large retailers and more flexibility for retailers, there would be cheaper CDs.

Because of the late hour I do not want to take up too much of the Senate's time, but there are three important points that we need to deal with. Firstly, the government was never able to provide any evidence on prices. Secondly, as to protection for the music industry—which I will go back to in terms of the effect on employment and loss of income—there were many submissions, none of which the government countered on the basis of how you promote the industry, how you look after the artists, how you look after royalties, et cetera.

Another very important aspect, which the government clearly seemed to want to hang its hat on in defence of its taking this move, is its capacity to protect the industry through legislative means—having new laws that applied new penalties. We found a fundamental flaw in this first up. Proposed section 130A, which was supposed to provide protection with regard to infringing copyright, goes to the matter of where CDs may be manufactured overseas and of pirated CDs exported to this country and sold on the market in competition with locally produced goods for which there has been no copyright agreement reached.

The minister—this is even picked up in the library's research document—had convinced those in the industry about the protection mechanism. The *Bills Digest*, which is from the library's Information Research Service, states:

> Proposed section 130A reverses the onus of proof . . .

That is just how much the minister for communications had convinced the library that that was what he was going to do. He went about the country trying to convince the public. He made a number of radio interviews on a number of occasions. In one interview, John Laws asked him:

> Is it true that the Australian Federal Police have advised the Government that there's no way they could cope with the flood of pirated records if the changes were made?

He replied:

> No. . . You can increase penalties and you can reverse the onus of proof. . .

He then goes on ABC Radio National and says:

> If anything we will strengthen it, and the reversal of the onus of proof just makes it easier to track down the source of any illegal imports.

Then he says on Sydney 2BL:

> We'll be tightening the rules, increasing the penalties, reversing the onus of proof, making it absolutely clear that we won't have a bar of pirated imports.

Again, in a recent doorstop interview at Treasury Place in Melbourne, he says, while talking about copyright laws:

> . . . we will be strengthening them by . . . reversing the onus of proof. . .

He goes on to make those comments any number of times. You may remember that when I asked Senator Alston, who is generally only too willing to give advice when it comes to legal matters, a question in this place about what he means by the reversal of onus of proof—the Attorney-General's Department said that the government will not reverse the onus of proof—he stood up in here and said, 'I do not know what you mean by the reversal of onus of proof.' It can be found in the *Oxford Dictionary*. It is fairly clear.

But, that aside, if you go to this issue of the reversal of onus of proof, as is acknowledged by the Attorney-General's Department, in the bill you still have to prove a case. How do we deal with this issue when we get to the rules of evidence? Again, has the government responded to and answered those questions? No. Currently the music industry, with the laws we have in place, spends millions of dollars. It can be said that those laws are restrictive, but they are restrictive for a very good reason. The only way the music industry has any capacity to really protect itself and to protect the Australian artists, composers and all the people who are employed in this industry is through good, sound copyright laws, which we have, and it still spends millions of dollars defending that industry.

If we remove the parallel import restrictions, we will have imports flooding into this country. We know from Customs the problems that a country like this confronts already in a whole host of areas, let alone the illegal importation of CDs. There is a huge problem. But has the government responded to that, except for Senator Alston to say, 'We'll reverse the onus of proof'? He has never acknowledged that, nor has the government. The Attorney-General's Department has because they are contradicting Senator Alston. I am pleased that the Minister for Justice (Senator Vanstone) is in the chamber. She might like to get up and explain how Senator Alston got it so wrong. There is absolutely no capacity for the music industry to protect itself once you remove these laws.

The ACCC did its usual trick. Alan Fels seems to have become an officer of the government to the extent that we may as well not have an ACCC that is supposed to be a competition and consumer council. He does absolutely nothing with regard to that. I raised the question with him about the closure of small business and the impact on small business this will have in terms of distribution. He said, 'Oh, no, no impact at all.' He made another suggestion about how you would fund artists. He said, 'We'd get Woolworths and Coles and Myers. They'd provide some money for artists.' Yeah, and pigs might fly too!

The minister, the ACCC and that other wonderful organisation that is supposed to support consumers made another claim about the removal of the parallel import restrictions. They kept referring to a US Supreme Court case. I said to the minister, 'Look what's happened. Look what has happened in the US. There's been a court case that has overturned their laws.' What they failed to tell the people and what they failed to address was the fact that that court case had nothing to do with the laws that we are proposing to remove here. It was a totally different issue. But of course we did not hear the people who champion the cause such as Alan Fels come out and say, 'Oh, no, we were wrong.' No. They wanted to continue the myth that they had perpetrated.

The potential for pirated imports to come into this country is huge. Even Customs admitted—albeit they did not want to admit it but they did admit it—that they will have difficulty covering all of the bases. We know that, as is the case now, whether it is CDs or whether it is other matters. In fact, Customs have actually picked up and stopped very few. They said that they rely totally on the existing music industry for the tracking down of illegal imports. That statement alone says it all. Customs will have no hope.

Why does the government really want to change these laws, apart from the fact that it thinks it is a popular move with the general

public over the provision of cheaper CDs? Everybody agrees we would all like cheaper CDs. Nobody would dispute that. But the facts are that there is no evidence that we would get them. Indeed, the indications are that exactly the opposite would happen. There would not be cheaper CDs. We would wipe out our own music industry, which is a valuable export earner for this country, something we should be very proud of and something we should be promoting to a greater extent. But, no, not this government. Give it the old ABC treatment. That is what it wants to do. Here we are at 10 to 11 on a Saturday night. It really does show the disdain that this government has for the music industry, no less than it has for the ABC.

Senator Heffernan—If you're a farmer you are working all the time. Days of the week don't matter.

Senator MURPHY—I look forward to the day you work a full day in your life. The whole approach of this government to the music industry with this legislation has the stench of populist politics. I think they might be in the process of wanting to change their mind. It is this pious attitude that they have that will not allow them to do it. It is going to be up to other senators in this place to ensure that Australia does have and continues to have a very successful music industry and that we do have the resources we need to promote it and to make sure that it is a continuing and growing export industry for this country. *(Time expired)*

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (10.52 p.m.)—I rise to speak on the Copyright Amendment Bill (No. 2) 1997 on behalf of the Australian Democrats. Before I begin my remarks on this bill and explain the Democrats' rationale for not supporting the government's agenda in this case, I acknowledge the comments by Senator Murphy and the fact that we are debating this bill at five minutes to 11 on a Saturday night. This bill has been rushed through with undue haste, and I do not know if we will get through the second reading speeches, let alone any kind of analysis or comprehensive debate about the ensuing amendments. So, Senator Murphy, I am with you on that one. It is not my idea of a fun night out, and it is probably a bit ironic, considering some of the issues we are debating.

The Senate is considering provisions which would remove copyright control over importation of legitimate copies of sound recordings. The government has claimed, in pursuing its policy agenda, that it has sought a wide range of views through a cross-section of the Australian music industry and copyright industries, including representatives of performers, record producers, music publishers and consumers. The Senate referred this bill to the Senate Legal and Constitutional Legislation Committee, which duly inquired and reported in April this year, and we have paid close attention to the findings and the recommendations of that committee.

The Democrats acknowledge that parallel import restrictions are an ongoing debate in this country, dating back to the Copyright Law Review Committee in 1988. That report was followed by the Prices Surveillance Authority report back in 1990. The Labor government of the day initiated this debate and they courted the issue before deciding to leave it for another time. That was partly due to something that we have readily acknowledged, and that is the complexity of the issue before us.

The Australian Democrats have welcomed at all stages a debate, a discussion and a review of the intellectual property laws in this country and also the participation of Australians in the international debate about property laws. I have said a number of times in this place that our intellectual property laws generally need to be refined to meet the modern day changes, demands and technologies, whether in relation to copyrights, patents or copyright designs, et cetera.

The United States case of Quality King Distributors and L'anza Research International and the Australian case of APRA and Telstra highlight the need for ongoing debate and discussion, and they highlight some of the conflicts within our existing copyright laws. I look forward to the opportunity, perhaps at another time, to discuss the digital agenda issues which, I believe, will expose some of

these further problems and provide us with opportunities to fix up our laws for the benefit of the community.

The Democrats position on parallel import provisions in the Copyright Act was put by Senator Andrew Murray in his minority report for the Senate Legal and Constitutional Legislation Committee considering the Copyright Amendment Bill. He stated:

> The Australian Democrats are opposed to oppressive, unnecessarily restrictive, predatory, monopolistic, oligopolistic or cartel-like market behaviour which can result from abuse of the protection afforded by copyright law.

Since then, the sound recording bill was also referred to the Senate Legal and Constitutional Legislation Committee. In that report, I concluded on behalf of the Democrats:

> The Australian Democrats recommend this legislation be rejected on the grounds that the projected benefits have not been established or are unlikely to be achieved.

I acknowledge this was a complex decision because the Democrats are very conscious of the need for territorial distinctions in a number of areas and the specific advantages of being Australian and having a distinctly Australian culture. However, we are also aware that we have to balance that up with the potential benefits that can follow globalisation of our economy through cheaper imports and more efficient allocation of the world's resources—hopefully for a greener and sustainable future.

The Democrats are also aware of the potential adverse effects of globalisation on some sections of our community and, often, the failure of governments to equitably share the benefits of globalisation. When this issue came to the Senate, we observed the opposition's position, which seemed a very simple one at the time. It was to simply oppose the legislation, but the Democrats confronted this with an open mind. We endeavoured to get to the bottom of this debate and worked very hard to expand it into the broader community.

It was a very wide-ranging consultation process which attracted considerable community attention. We also opened this up through an on-line consultation process, and the responses here were quite significant and exposed what people considered were good and bad aspects of the bill. We were particularly sensitive in this process to the number of responses, on all sides of the debate, which said that they want to see more of an emphasis on new Australian music, whether it is rock-and-roll or whether it is country, and of course there were many laurels for the ABC's Triple J in promoting Australian music.

We made our offices accessible—Senator Bartlett and I in particular—for anyone who wanted to discuss this issue, and the result was quite overwhelming on all sides. We have spoken to just about everyone involved in this area, whether it be the ACA, the ACCC or the range of small, large or independent companies, and I defy anyone to suggest otherwise. This extensive process did highlight the complexity of this debate and the significant effect—and this is something that has not been recognised enough in this is debate—that new technology is likely to have, not only on the music industry but on other sound recordings. I cannot say this enough: new technology will make this debate potentially redundant in the near future. So those who are relying on parallel import restrictions of sound recordings to make their businesses work need to recognise that this may change in the future, and they will have to work hard to get ready for the future.

I would like to turn now to some general issues in relation to copyright. Firstly, copyright can be argued to be a right but it is also an economic tool to correct market failure. Basically, the legislative theory behind the granting of a temporary copyright monopoly can only be justified to overcome the market failure and ensure the efficient production of more copyright materials. Of course, as with most theories, the reality is a lot more complex. The blind application—and this is what we have seen in most circumstances—of this simple theory can have effects across the Australian community and in the existing Australian music industry. It is these effects that we must consider to justify the grant of a parallel import restriction on sound recordings.

The Democrats are concerned with balancing the public interests in having cheaper sound recordings and making sure that copyright owners, both authors and others, have adequate protection to encourage them and ensure that new materials can be made. The guiding principles should be that the benefits to the community in the granting of the monopoly must outweigh the detriment to the community. We have balanced and weighed up those particular arguments. After considerable thought, the Democrats believe the analysis supporting the government's bill has not taken into account the likely adverse impacts of changing the parallel import restrictions.

From a range of submissions from individuals and representative organisations, both small and large and including independents, particularly in the Australian music industry, it is apparent that Australian artists, record companies, manufacturers and retailers are likely to be adversely affected by this legislation. The government has recognised some of these consequences and identified local manufacturers, sound recording companies and composers as possible losers in this process.

It is also worth noting the recent decision in New Zealand to remove their parallel import restrictions. The New Zealand Institute of Economic Research recognised that there were likely to be significant detrimental impacts as a result of this policy change. For example, they specifically noted the adverse effects on creators by reducing the return to creators, the disincentive to invest in new creations and, of course, the legitimate concern about piracy—an issue which has come through this debate in Australia as well. At the end of the day we say these detriments outweigh the potential benefits.

Other areas of concern for the Democrats include free riding and circumvention of copyright laws, both of which are likely to be detrimental to the Australian music industry. These are all valid concerns and I am sure the government would agree. We do not believe that they have been addressed in this bill.

We believe that strong and enforceable intellectual property laws are necessary. They can attract technology and foreign investment as a basis for economic development. But, where there are no strict international obligations to meet minimum standards, Australians should carefully consider each circumstance and, of course, look to our national interest. That is what we should be looking to. We understand and we have considered these arguments, but we also believe strongly that we should be looking out for ourselves in that marketplace and dealing fairly and equitably with all comers in the marketplace.

The premise of the government's legislation, as referred to by the former speaker, was that removing parallel import provisions will reduce sound recording prices. In relation to CD prices, the Democrats are not satisfied that there is any evidence which conclusively establishes that the price of sound recordings will fall if parallel import restrictions are removed. In fact, the data that was presented to the committee was obscured by different comparisons, the age of the data and a whole range of inconsistencies. This analysis is made more difficult, of course, because of the changing global music industry and pricing differences in different intraterritory regions, as well as discounting across age and music styles. These complexities—and they are complexities—make any assessment of price difference inconclusive. That is certainly something that was very obvious to us in the committee's deliberations and is reflected in the Democrats' dissenting report.

The government seems to be relying on the Prices Surveillance Authority report from 1990 to support the bill. But, unfortunately, the major focus of the PSA report was sound recordings made up mostly of cassette tapes. In 1989 cassette tapes made up 56 per cent of the market compared to 29 per cent for CDs. Of course, in 1998 CDs make up 94 per cent of the market. This is significant, given that the PSA report concluded that Australia remain towards the top of the price range for sound recordings, except in the case of CDs. We also consider that it is significant that the PSA report attracted considerable disagreement about its analysis and findings at the time. So it is by no means a reliable study for this bill.

Interestingly, data presented to the committee showed considerable CD price variation within the Australian market for top-40 release CDs. By way of example, the Spice Girls' *Spiceworld* could be purchased at Brashs Miranda for $19.95, while the same sound recording at HMV City Sydney was $26.95 and at Sanity Roselands it was $29.95. Similarly, Savage Garden's CD was available at Sanity Roselands for $30.95, CC Music Preston for $29.95 and JB HiFi Heidelberg for only $23.95. So the claimed price drops by government and others of up to $7 seem quite unlikely when you can see the absolute differentiation in prices, not only on an international level, but within the domestic market. If price was the only or the most significant factor in this debate, we believe that consumers would be ringing around for the best prices, and the $10 differences would be crippling those most expensive stores already. So, clearly, price is not the only issue here.

Other data presented to the committee showed price comparisons between Australia and the United States across a range of products, and actually showed that Australian products were generally 30 to 65 per cent more expensive. The significant issue here, of course, is that the United States does have parallel import restrictions in place. Therefore, factors other than parallel import restrictions are involved in the so-called higher prices in Australia compared to the US.

The Australian Competition and Consumer Commission suggested there was price discrimination, that increased competition would reduce prices and that present prices were the result of monopoly rents. Ron Bewley provided an analysis of the concentration of some Australian industries which showed that the music industry in Australia is not as concentrated as other industries, such as—and I referred to them earlier tonight—the cinema, tea and toothpaste industries which have been considered to be sufficiently competitive even though they are so-called less competitive than the music industry.

The ACCC also referred to the findings of the PSA report in relation to 'exceptionally high' company profits of an average return to shareholders' funds of 55.2 per cent in 1989, compared to the company average of 10.9 per cent that year. The ABS actually found that operating profit before tax for record companies as a percentage of total income was in fact 6.1 per cent.

If monopoly profits are being taken, this, yet again, was not established by the committee. The evidence was not definitive because the existing reporting requirements for corporations are not sufficient to give us a clear picture. We acknowledge that. Greater accountability and transparency in corporate accounting is something that the Democrats call for to clear up some of these claims and perhaps give us an insight into the real turnover, profits and finances.

Perhaps the most significant issue in this debate has been Australian culture. We are a distinct group, with the benefits of multiculturalism and a diversity that makes us unique, interesting and creative. The Democrats believe the Australian music industry makes a significant and valuable contribution to our unique culture. But increasing globalisation and the predominance of entertainment from just a few overseas countries is having a direct effect on our culture. We have to balance these effects by promoting Australian culture, including the Australian music industry.

Promoting Australian culture with parallel import restrictions alone clearly is not enough. It is not satisfactory. Other forms of direct industry assistance are needed. This might be assistance targeted at those areas which have a particular need. The Australian content requirements should be reviewed, with the possible introduction of recent release Australian music content requirements. We believe that would be a start. We also advocate touring support, Internet set-ups, point of promotion distribution and anything else which can actually produce effective promotion of Australian music. That is something the Democrats strongly promote.

We are also concerned about the contraction of radio station ownership and the move to syndicated formats, which tend to adversely affect Australian music. I am happy to hear that the government is considering some of

these matters now. I assure them that the Democrats are more than happy to provide them with some good ideas on this topic.

The other big issue here is piracy. The Australian Democrats accept that piracy is detrimental to sound recording copyrights. An issue before the committee was the level of piracy and how parallel import restrictions actually reduced piracy. I am concerned that the new technology which allows sound recordings to be stored and reproduced means that copying is likely to become easier to do and harder to detect. This is significant because the bundle of rights that is copyright is not the same as the traded good. The Australian Democrats support measures directed at reducing piracy, particularly electronic piracy.

Royalties are another significant issue. Royalties are the only financial return to Australian artists for their sound recordings. Therefore, the adverse affects on royalties are a serious issue. The Democrats concluded that this is another issue on which this legislation should be rejected. Even though the majority of Australian artists record, manufacture and sell their music in Australia, we are concerned that the removal of parallel import restrictions will open the way for their music to be taken offshore and imported back into Australia. This will undermine their royalty flows. The Australian Consumers Association showed royalties to be around 24 per cent of the cost of a CD in 1997. This is a substantial proportion of the value of a sale and is likely to provide considerable cost benefits if the royalty payment can be reduced or avoided. This bill does not address this issue.

The impact of this bill on jobs remains unclear. The committee heard a high mark of jobs—50,000 jobs—potentially being affected, but we also heard a low mark of around 3,886 jobs. Of course, the true level is somewhere in between. This is an important issue. We know perfectly well that we should not be squandering jobs for the sake of untried economic theories. We should make sure that we are not left with low paid, low skilled jobs when we could have access to better paid, high skilled jobs which will benefit all Australians.

As a sweetener for this bill, the government has proposed reversing the onus of proof. The evidence before the committee raised considerable doubt as to whether or not this measure would achieve its desired ends.

I have set out the major concerns that the Democrats have with this bill in relation to costs, piracy, royalties and Australian culture. It has been a complex decision, but we have made the correct one. We have concerned ourselves with the likely impacts of technology which will make our decision potentially redundant or irrelevant in the near future. We believe that, on balance, this bill in its present form will not achieve the aims set out by this government. The impact on Australian artists, possible royalty reductions and piracy are significant. For those reasons, we strongly oppose the bill before us and the economic theory on which it is based. I seek leave to incorporate the last remaining paragraphs of my speech if that is acceptable to the chamber.

Leave granted.

The speech read as follows—

The specific market conditions, the bill's increased piracy measures and the global actions to reduce piracy are not sufficient, in my opinion, to protect Australian artists' sound recording copyrights and the existing delicate balance relied on by Australian artists to reap the rewards of their copyright are threatened by piracy.

I am concerned that even though the majority of Australian artists record, manufacture and sell their music in Australia, the removal of parallel import restrictions will open the way for their music to be taken offshore and imported back into Australia. This will undermine their royalty flows. The Australian Consumers' Association showed royalties as proportion of the cost of a CD in 1997 to be 24%. This is a substantial proportion of the value of a sale and is likely to provide considerable costs benefits if the royalty payment can be reduced or avoided. This bill does not address this issue.

The Australian Democrats are always reluctant to reverse the onus of proof without some very good reasons. We have not been convinced this measure will stop piracy and we think the plaintiff will still be required to make a case, and will be open to significant penalty for the slightest evidence from the defendant. This does not appear to assist possible plaintiffs.

However, artists and those employed in the Australian music industry need to re-assess their industry

in light of the evolving technology to deal with substantial changes just around the corner. I believe these advances will impose change and reform on this industry. These reforms are not distant and the industry at every level must address these changes. The Government has a role in assisting this change, and I hope there will be positive and collaborative move to make Australian music, as a key element of our distinct and unique culture, a success for the future.

Senator BROWN (Tasmania) (11.12 p.m.)—The Greens are opposed to the Copyright Amendment Bill (No. 2) 1997. I am not going to elaborate greatly on the words of the speaker before me or the speaker after me. Being sandwiched between Senator Stott Despoja and Senator Lundy frees me up to be a little bit self-indulgent rather than explanatory. Members opposite will agree that the argument that Senator Stott Despoja has put was extremely enlightening, and I think, from the looks on faces opposite, it may have changed a few minds. I have no doubt that it will be followed by an equally enlightening dissertation from Senator Lundy.

I, like Senator Stott Despoja, was very open minded about this legislation when it hit the decks here last year. We knew it was complex and we knew that it was not the first round. I decided to keep a completely open mind about it, recognising that at the two ends of the debate were, firstly, the carrot of a drop in prices for CDs if the legislation went through, and, secondly, the stick belting the Australian music industry around the head if the legislation went through. It was with those two things in mind that we set out to find out what to do.

The Australian Consumers Association was off the mark very quickly. I find few people more impressive in lobbying than Mara Bun and her associates. They do a phenomenal job for consumers right around this country. They did produce a very compelling case for a fall in prices of CDs were this legislation to get through.

Politics being a matter of the short term, something has happened since then to knock some of the stuffing out of that argument—that is, the fall in the Australian dollar. This means that the comparative gain they were able to put to us in terms of prices if this legislation went through has been somewhat whittled away in the meantime. I recognise that if the dollar goes back up, and if the so-called floodgates are opened and imports are allowed into the country, so the gain to consumers may well increase, too.

On the other hand the very compelling arguments from the music industry—including my good and long-term friend Peter Garrett, but many others, both performers and creators, not to speak of some small retailers as well—that this legislation would have a devastating effect on the home-grown industry had to be taken into account. I was extraordinarily impressed by the genuineness of Mr Ross Gengos, who has Abels Music here in the ACT, and the arguments he put forward against this legislation. They were genuine, they were very compelling and they gave me reassurance that the right thing to do was to block this legislation.

Here was a retailer who felt that the government had got it wrong. Here was a retailer, moreover a home-grown business which puts its money back into the local market, that was not frightened by the argument that to oppose this legislation was simply to support the multinationals. From Peter Garrett—if I can truncate his argument—came the news that performers like him, or bands like Midnight Oil, may get up to $1.70 in royalties per CD under the current circumstances. In other countries it is different. If the CDs were to be produced in Malaysia or Singapore or, more particularly, the Philippines, the return to the Australian performer might be as low as 30c, or even lower. Now that is a dramatic difference.

If we have the imported CDs competing with the Australian CDs successfully, obviously what we are faced with is that the local performers and the creators behind them are going to lose out dramatically. Add to that the concern about piracy and the potential for large numbers of CDs to come into the country, with no stipend at all going to the performers who create the music in this country—none at all. You can see why the home-grown music industry is very worried indeed.

The argument about multinationals was one that worried me quite a bit, because I am no defender of multinationals. There are too many woodchipping corporations ripping the heartland out of the world heritage forests of Tasmania—and one in particular, North, is about to push into the Jabiluka valley with a uranium mine in the north of this country—for me to want to get very close to corporations with those sorts of scruples. However, we cannot tar them all with the one brush. But when Senator Alston, the minister in charge of this legislation, started to criticise me for lining up on the side of the multinationals, I recognised that the argument might have been very hollow indeed.

We had to try to find somewhere in the world where this issue might already have been run. Norway was the case in point. In between 1963 and 1993, Norway dropped the protection of the local industry. It was found that the local industry did get knocked about, but that the prices did not necessarily fall. So in 1993 Norway reintroduced the prohibition on the easy import of music from elsewhere other than from the European Union.

The proof of the pudding there is that the parliament in Norway, a country with similar circumstances to our own, voted just a couple of months ago to defend the parallel importing arrangements they have in that country and not to change them. The experience they had had in the past did create problems for the industry.

Senator Kemp—You're wrong, Bob.

Senator BROWN—I am sure the minister, who did not know before but has just checked with his advisers, is the one who is wrong, not me.

Senator Kemp—No, you are inventing arguments to support multinationals. You are wrong, just wrong.

The ACTING DEPUTY PRESIDENT (Senator Hogg)—Order!

Senator BROWN—In Norway it was the equivalent arch-conservative party that recently made a move on the home-grown music industry. It is extraordinary, isn't it? The problem is that they failed, and they failed miserably in the parliament. It went down by a vote of 66 to 29. I think the margin is not going to be as big here tonight, but I hope it goes the same way because the same arguments do pertain.

Senator Kemp—You are supporting the multinationals in the guise of supporting the consumers.

Senator BROWN—Let me tell you the thing that impressed me most in all of this: it was the approach to Senator Alston's office last year by my office, and I have no doubt other people—

Senator Kemp—Support the bill and the consumers association.

The ACTING DEPUTY PRESIDENT—Order!

Senator BROWN—I would not make a CD of it, Mr Acting Deputy President, but I am quite happy if he keeps going. In the approach we made to Senator Alston's office we said, 'We think we are listening to the arguments of the local music industry. We'd like the consumers to have the potential for lower prices, but you come up with a package that is going to help the music industry in this country—that really is going to help them. Don't come up with something like those multinationals are talking about, flagged when the Keating government tried this legislation, because they welshed on that. Come up with something that we can see has got teeth in it and is really going to protect the local industry.'

But the government did not; Senator Alston's office has still to come out with such a package. You would have thought that if the government really wanted to win this debate they would have come out with a package that was going to stimulate the Australian music industry which could have, amongst other things, raised the mandatory content of Australian made music going out on the airwaves from radio around this country. But, of course, they did not.

I do not know how Senator Alston runs his office. Maybe he is too busy beating the ABC around the head and trying to scare people about the ABC. I do not know why the office failed to come up with a package. I thought to myself: if Senator Alston, with all the

backing of government, really wants this, the government could come up with a package that is going to reassure people like me about the music industry. They did not really try. They came around and asked, 'Have you got some ideas, Senator Brown?' and I said, 'Well, I have, but I really do not know the industry well enough. You come up with the package that is going to convince us.' But it did not arrive. I can honestly say that that was the clincher. I suspect that Senator Alston simply came up with the economic rationalist doctrine: get rid of any protection, throw it open to the market and, at the same time, pull the rug from under the home-grown industry.

Senator Kemp—But you are the ones supporting the multinationals.

Senator BROWN—The senator opposite says, 'You are supporting the multinationals.' Who is going to make the profits from imported CDs if we open the floodgates? The answer is the multinationals—the ones who operate branches elsewhere as well as those they operate here in Australia. That argument does not hold water.

I want to thank everybody who lobbied me on this. It has been a very difficult matter. From the Australian Consumers Association through to the people in the industry—in all its diversity—the lobbying has been clear and concise. It has been very heartfelt at times, but it was done in good spirit, and it has left me with the very clear idea at the end of the day that I am making the right decision here.

I also want to comment on my home newspaper, the *Mercury*. A couple of weeks ago, it printed a full-page article against my stand on this issue. A number of letters were sent to the *Mercury* responding to that article. None of them have been printed. If that were to become the even-handedness with which debates in this country are run, then none of us would be adequately informed or would get a fair go when trying to determine the facts on which to make decisions on important issues like this. As it is, I feel good about backing the Australian industry. I feel good about having made a tough decision which is going to ensure that music and the creative arts—the things that help to make Australia different and that give us pride in this country—will be defended. I oppose this legislation and hope that other members of the chamber who may not have made up their minds will go the same way.

Finally, I have discovered that Australian consumers do not mind paying a dollar or two extra to support their industry. They really do not. They can think beyond the dollar being the only measure that is important to this country. It is a pity that Senator Alston and the government were not a little closer to these consumers. They would find out that there are other values in this country besides an open market and the lowest dollar being the determinant of everything that is good, true or valuable for Australians.

Senator LUNDY (Australian Capital Territory) (11.27 p.m.)—I also rise to indicate that the opposition will be opposing the Copyright Amendment Bill (No. 2) 1997. One of the more interesting observations throughout this debate has been the sheer procrastination of the Minister for Communications, the Information Economy and the Arts (Senator Alston) in presenting this bill. Time after time, we have seen it turn up on the *Notice Paper* before being shifted down the legislative program. The reason for this is of course that the government did not get it right the first time around, and they are still not getting it right. They are still trying to find ways to make this flawed and faulty—and, in fact, irretrievably bad—policy work. We have watched this legislation moving down the government's program of business to the point where at 11.30 on a Saturday night, on the last day of this sitting, we finally have the opportunity to debate the Copyright Amendment Bill (No. 2).

I want to canvass a couple of the features of the legislation. Firstly, there was the shameful attempt by the government to utilise taxpayers' money to fund an information campaign prior to this legislation even being dealt with in this place. The government knew that, if people were asked how they felt about the future of the Australian music industry as compared with the government's unprovable claim that somehow CD prices would drop, a $750,000 campaign would be needed to prop up their assertion. The government needed to

spend that amount of taxpayers' money just to give this bill some credibility upon bringing it to this place. The minister has consistently been unable to demonstrate the facts in this debate—even to gain credibility with his own backbench. Who else do we find in the list of people within this information strategy that the government had to target? Senator Kemp, you are on the front bench, but all your backbench members were actually listed by this minister as targets in this information strategy to be funded by taxpayers. Where is the credibility of the policy they are putting forward?

Let us look at who else was targeted within this information strategy: editorial staff of major newspapers and of radio and television stations. There is nothing like running a taxpayer funded campaign to target the means by which we communicate in this country. All this was necessary because this is a flawed policy and it needs all the help it can get.

As we have just heard from Senator Brown in his due consideration of this matter, there was an attempt at negotiations between him and the minister concerning a contemporary music fund and, perhaps, a little bit of industry support designed to offset the more negative effects of parallel importation.

I have no doubt that those discussions were in good faith on both parts, but, once again, the minister failed to deliver. Even his own frontbench, the cabinet, did not find it within their hearts to support a boost to industry development with respect to contemporary music. The minister failed to deliver. Hence, you have already heard from Senator Brown the implications of that failure to deliver. The issue goes on.

As the last vestiges of credibility for Minister Alston slip away, we find now a series of amendments put forward by the minister which seek to address one of the fundamental flaws within the legislation, and I will turn to those throughout my contribution. The fact that these amendments have come up at this point that address some of the highly critical implications of the effect of this bill on our international obligations only serves to highlight once again the fact that it is unworkable and bad for the Australian contemporary music industry.

Turning to the report, as with most contentious bills, we were afforded an opportunity—in fact, it does not always happen with this government; they tend to gag and guillotine debates—to conduct a Senate inquiry with respect to this bill. It is very important to note that the report arising from that inquiry did not enjoy bipartisan support. In fact, the government chose to stand alone with respect to that report. The Labor Party and the Australian Democrats prepared their own report. Some 192 submissions were received by the Senate committee and over 160 opposed the bill. The only real supporters of changing the Copyright Act to allow parallel imports of recorded music were major retail chains like Woolworths, Professor Fels from the ACCC and, not surprisingly, the suitable government departments that were the proponents of this policy shift in the first instance.

There is no broad community or industry support. The majority of submissions expressed the view that this policy is harmful to the industry. What is most critical to understand is that this bill will wipe out the private property rights that exist on hundreds and thousands of musical works. The restriction on parallel imports ensures that those Australians who write and perform unique and original works receive the royalty payments to which they are entitled. This is the principle being undermined with respect to this bill. Despite the simplistic arguments by the minister—the minister for irrelevance on price—our opposition to parallel imports is based on protecting our cultural identity. Along with protecting our cultural identity is the protection of thousands of jobs and thousands of small businesses that rely on that industry.

In challenging the minister's assertions, I would like to first turn to the claim that there is some sort of monopoly. In fact, there are five multinational companies operating. Unlike other areas of distribution of content, at least the parent companies of those five major companies are spread across five different countries. Regardless of that, there are well over 250 independent Australian

owned record companies. What sort of monopoly is that? I do not believe one exists. It is a reflection on the minister's adherence to very simplistic mantras. We heard Senator Kemp interjecting earlier. In fact, he sat there and said it is about monopolies. How can it possibly be about monopolies, Minister? It is extremely misleading for you to describe five multinational subsidiaries and 250 Australian record companies as representing a monopoly.

There is also the issue of our international obligations. Australia is a signatory to the Bern convention for the protection of literary and artistic works. We are also signatories to the Rome convention that protects performers and producers of sound recordings. As a member of the World Trade Organisation, we signed the TRIPS agreement on intellectual property rights. I must stress that most other countries have sought stronger controls over intellectual property and copyright. The members of the European Union and North American free trade agreement have already ruled out parallel imports of CDs. Yet this government is going the other way. It is going backwards by trying to wind back copyright protection.

In their scrabbled attempt to try to address the concerns raised, I am sure that, if they were doing their job by the Attorney-General's Department about the potential infringement upon these international conventions, we would see pulled together a series of amendments which would make some pitiful attempt to sharpen up the sanctions in the bill and sharpen up the references to these international conventions to try to, again, scrabble together a bill that has any hope of not being completely torn apart by subsequent legal challenges, if they are successful in getting it through.

This government wants to repeal a system that has allowed Australia to develop an internationally respected music culture. This is what the Australian Music Publishers Association informed the Senate committee:

> Copyright cannot be viewed through the narrow perspective of industry protection. It is the lawfully established, internationally accepted way of defining and protecting creative intellectual products . . . the Australian music industry is not seeking protection in the sense of special treatment. It is seeking to operate on exactly the same basis as our competitors in the English speaking world.

In considering the implications of this legislation, the Labor Party looked carefully at inquiries conducted in other nations. In England the Monopolies and Mergers Commission concluded that uncontrolled importation of CDs would result in a worse situation for consumers. They found that the removal of parallel import provisions in the UK would be damaging because of the increased risks of piracy and the threat that weakened copyright protection would cause. A report to the Irish government also concluded that parallel imports would erode the share of revenues returned to local composers, publishers, venues, recording and production companies and record retailers. If this was to happen, then their music industry 'will wither and die'.

Most importantly, jobs and prosperity in Ireland were found to be dependent on the protection of intellectual property rights. It is worth pointing out that Ireland—like Australia—has one of the most recognised and respected music industries in the world. It is also worth noting that Ireland looked to Australia for inspiration and guidance on what type of regime to put in place with respect to intellectual property.

I also want to mention Norway. After experimenting with parallel imports, they recently reversed their decision after a trial period which saw a 40 per cent rise in music piracy and the virtual collapse of their industry. Australia must learn from these examples. This government has shown that they will not. They instead choose to remind blind to overwhelming international evidence that this is bad policy.

These examples demonstrate that a number of recognised government inquiries have concluded that strong copyright laws are required in order for music industries to survive and thrive. That is the conclusion. Copyright laws also protect those who have invested in and nurture cultural industries. Major record companies do enjoy a level of prosperity; however, Australia benefits in numerous ways from having internationally successful entertainers and performers.

Then there is the issue of music piracy arising from the uncontrolled imports of CDs. Pirated CDs mean no income for artists, composers or record companies. The Senate inquiries with the Australian Customs Service and the Australasian Mechanical Copyright Owners Society confirmed that parallel imports would make identification and prosecution of pirated music virtually impossible.

To demonstrate the point, in the explanation circulated with the government amendments, they actually try to address the concerns of this nature raised in the Senate inquiry report, but in the pitiful way of propping up the sanctions by a mere 10 per cent in the vain hope that increasing sanctions in what is effectively an unenforceable law will somehow slow what will be a tidal wave of pirated CDs if this legislation is passed.

We know CD piracy is particularly rife in Asia, and Emmanuel Candi from ARIA has pointed out that the sophistication of pirates is so advanced that they the facilities to manufacture CDs in container ships that move up and down coastlines. Yet we are told that this does not pose a threat here.

The Office of Strategic Crime Assessment has forecast an increase in CD piracy due to technological advances and increased skills in avoiding detection. They have told the Minister for Justice and the Attorney-General that there will be an increased demand for criminal enforcement of copyright offences. They also stress that, as piracy is such a lucrative business, the cost of civil action is factored into these people's illegal operations.

The Australian Copyright Council stated that, if this bill proceeds:

> It will be much more difficult for copyright owners to initiate a customs seizure of pirate recordings because it will be very difficult to differentiate pirate recordings from non-pirate recordings.

An estimated 20,000 consignments of CDs enter Australia each year. However, the Customs Service does not open or check every container that arrives. Customs inspect an average of two per cent of all cargoes entering Australia. They might check invoices, but they do not have the resources to actually check the containers or boxes.

Senior police officers advised the music industry piracy investigations that 'they will not undertake copyright investigations in any circumstances'. If they found any serious breaches, they would refer them to the vastly underresourced Australian Federal Police, whose job it is to investigate major criminal activities. None of these are viable solutions or viable proposals on behalf of the government to deal with the piracy problem.

Music industry piracy investigations have seized 270,000 illegal units. By contrast, the Australian Customs Service seized only 1,000. In fairness, the job of Australian Customs is not to check each and every CD to ascertain if it infringes on licensing agreements. Furthermore, the US administration has urged the Howard government not to allow parallel imports because of the piracy problem, but in true arrogant fashion they are still proceeding.

Before the Senate votes on this issue, we should look very closely at who are the winners and who are the losers from allowing parallel imports of CDs into Australia. The losers list is a long one. It includes the thousands of musicians who play in bands or perform live. Without industry support, the live scene—which employs thousands of Australians directly and indirectly—will suffer. The result is massive job losses, and included are the managers, crew members and roadies who support this industry.

Australian composers and writers of original works need a strong record industry to nurture their intellectual talent. The result of this bill will be less Australian music on the radio and in music stores, and more generic overseas music. Live music venues will suffer. Many of them will close down as fewer local bands are available and this will in turn force even more people into unemployment.

Manufacturers of compact discs are the losers because 95 per cent of CDs sold here are made here. These manufacturing jobs will go, along with those people employed in graphic design, negative making, printing and the whole chain of events that occurs in the production of a CD. The advertising and marketing of recorded music brings in millions of dollars, and the future of many

music publications, video shows and a host of related industries will be at risk.

Then there are record stores. The music retail sector employs thousands of Australians, many of whom are specialist sales people. If this bill is passed, Woolies might add another checkout lane, but it will be at the expense of small and family owned businesses right round the country.

Who are the winners? We know Woolworths will win and a few major retail chains that have the buying power to directly import stock from overseas warehouses. I cannot actually find any other winners. They are the only ones I know. We will just leave it at that.

Senator Kemp—What does the Australian Consumer Association say?

Senator LUNDY—It is a short list. The government interjects across the chamber and comes out with its litanies of monopolies, multinationals and things like that, but let us ask who the winners are in this legislation. We know who it is. It will be Woolies and other major chain stores which have the earning power and capacity to buy the quantities that will allow them theoretically to reduce their prices.

I have deliberately left the issue of CD prices until last, because this debate is about copyright protection and ensuring that composers and performers are not ripped off. As the Australian dollar continues to slide, it is now more expensive to buy CDs from Europe and America than it is to purchase an Australian manufactured CD. If imported CDs are so cheap, perhaps Senator Alston can explain why US and European CDs are selling for between $35 and $40 in Sydney.

While Senator Alston is answering that one, perhaps he could retract the statement that Australians pay more than consumers in Europe and North America for CDs. The claim by the Prime Minister (Mr Howard) that under this amendment imported CDs will sell in Woolies for around $24 is patently ignorant and demonstrates a complete lack of understanding of this issue and the economics that traverse it.

The Liberal member for Sturt, Christopher Pyne, let slip on Foxtel on 14 May the real agenda when I asked him what evidence he had to support the claim that CD prices would drop by up to $7. He said that the government's guarantee was based on the fact that Woolies told them so. That is it; that is all the evidence they have. That is what this legislation is based on, and the whole credibility of the government's claim that somehow the Copyright Amendment Bill (No. 2) 1997 will result in some benefit for consumers is based on a Woolies say-so to the PM. Well, well, well! Once again we have very sophisticated policy making on behalf of this intellectually deficient Minister Alston.

There will be no winners from the government's proposals. Consumers will not enjoy cheaper prices. Small retailers will be squeezed out and investment in Australian music will decline and jobs will be lost. Like musicians and composers in New Zealand, Australian musicians and composers will migrate to countries that reward creativity with strong and effective intellectual property laws. *(Time expired)*

Senator COONEY (Victoria) (11.47 p.m.)—I have been listening to the contributions on the Copyright Amendment Bill (No. 2) 1997, including those made by Senator Lundy, Senator Brown, Senator Stott Despoja and Senator Murphy. They have put forward the case why this bill should not be passed, because the evidence quite clearly is against the passing of this bill. If you look at the argument put against that made by the senators I have mentioned, you have to go to the second reading speech. The second reading speech, as you know, Mr Acting Deputy President, is that speech which underpins this bill—it sets out the logic, if you like; it sets out the reasons; it sets out the basis upon which the government is putting forward its case—and on the first page it states:

> At present, the provisions of the Copyright Act can be used by the owners of copyright in sound recordings to stop anyone else importing copies of their sound recordings.

What is wrong with having an ability to stop somebody else from selling your goods? Is the government's proposition that the present

law which stops people from selling cars belonging to other people should be repealed, that people should be able to sell the cars of others?

We are looking in this bill at people who write music, who discover music and who add music to our culture. They also expect to get a return from their efforts. They have to go and earn their money. Their money is not determined beforehand, as is the pay of everybody in the well of this chamber. Everybody here gets a regular pay from the resources of the Commonwealth, and that gives a bedding to those people who are in the well of this chamber. We do not feel the cold hand of doubt as to whether or not we are going to earn some money from the abilities that we may have.

This bill must be approached on the basis that we are people who are well paid, regularly paid and paid according to an act and that we do not have to worry about going out and earning our own living. The Minister for Communications, the Information Economy and the Arts (Senator Alston) will remember those hard days when his ability, which was considerable, was the basis upon which he earned his fees, not a regular payment according to a program set down by a tribunal.

Senator Forshaw—He has had a hard day today.

Senator COONEY—He has had a very hard day.

Senator Alston—I made real money in those days.

Senator COONEY—I quoted Charles Dickens the other night, and I think it is proper that I quote him again tonight, because he points out the tragedy where people are not able to get a full return for the efforts they have put into their writing.

Senator Sherry interjecting—

Senator COONEY—Perhaps the Romans and the Greeks denied them this. This was the speech that Charles Dickens made—and I referred to this the other night—when a banquet was held in honour of the great man at Hartford on 7 February 1842 when copyright law was not as progressive as it is now and when people were not seeking to turn it back, as this bill attempts to do tonight. Charles Dickens had this to say when he was talking about Sir Walter Scott, who was a great writer:

> It was well observed the other night by a beautiful speaker, whose words went to the heart of every man who heard him, that if there had existed any law in this respect, Scott might not have sunk beneath the mighty pressure on his brain, but might have lived to add new creatures of his fancy to the crowd which swarm about you in your summer walks and gather round your winter evening hearths.

That is what we are protecting here. Those people who will listen to music written by Australians, as they take their summer walks and gather round their winter hearths, and those people who have that mighty pressure imposed on their brains, as Charles Dickens would say, and who give us those pleasures should be properly rewarded.

The minister might well find on re-reading this second reading speech that this harsh statement should be put aside. The statement says, and I will repeat it:

> At present, the provisions of the Copyright Act can be used by the owners of copyright in sound recordings to stop anyone else importing copies of their sound recordings.

It seems to me to be very reasonable that people should be able to earn money from their intellectual efforts. They do not have the comfort of being paid under a system which returns them a salary, no matter how and to what degree they use their brains. Intellectual property is perhaps the most need of protection in this day and age as new technology comes on board and it is only proper that we have every regard we can for it.

Further on in the second reading speech the government goes into its justification for this bill when it says:

> Concerns have long been held that the importation provisions of the Copyright Act have been used to obtain higher prices for records and CDs than those prevailing in some other countries, notably the USA.

As has been said tonight by many speakers, nobody can resist and oppose a system that returns lower prices for anything, as long as all other relevant matters are taken into account. For example, in the Telstra bill that

we discussed earlier in the day, this was said on page 14 of the second reading speech:

> Telstra has a vital continuing strategic role in the national economy. Australia's long term national interest therefore demands that it not simply be sold off to the highest bidder but that it remains an Australian owned and Australian controlled corporation.

The government is saying there that there is more to be taken into account than simply matters of price and that matters such as the strategic interests of the national economy temper the enthusiasm we all have to get lower prices in. And it is the same here. Simply looking at price is not sufficient. The evidence quoted in the second reading speech is that concerns were raised by the Copyright Law Review Committee on which it reported in 1988. That is a decade ago.

In a matter as vital as this, you would expect more recent evidence than that, so you look for what this more recent evidence is. The second reading speech goes on to say that the Copyright Law Review Committee was followed by an inquiry into the prices of sound recordings by the then Prices Surveillance Authority in 1990—eight years ago. It says:

> The PSA found that prices of sound recordings were unreasonably high in Australia and recommended either partial or full removal of copyright control over importation of legitimate copies, thereby introducing direct competition as a mechanism for reducing prices.

That is eight years ago. The second reading speech goes on to say that in the meantime the Labor government did not do anything and that that took up some time. And now we come to the present position. The government faces up to that and says it will do something about it, but it will not do anything without regard to possible changes in market behaviour since 1990, which is a reasonable point. There is no evidence produced, except the comment that:

> In our election commitments we said we would consult the industry and the community on the most effective means of lowering prices for music CDs, and we have done so.

The result of that is it is not detailed, except in terms of conclusions without any evidence to support those conclusions.

What happened, amongst other things, is that the Senate Legal and Constitutional Legislation Committee conducted an inquiry into this. As you know, Mr Acting Deputy President, that is perhaps one of the most prestigious committees in this parliament. The majority came back with a report which says that this bill ought be passed. That is a reasonable proposition, if the evidence is there. But if you look at the conclusion and recommendations in chapter 5 of the majority report you will find a couple of comments that give some concern. For example, one is in paragraph 5.18 which says:

> Nevertheless, the Committee—

that is, the Senate Legal and Constitutional Legislation Committee—

> sees the possible merit in an inquiry which establishes the economics and 'work practices' of the industry more definitively and in more detail. Such an inquiry, by an organisation such as the Productivity Commission, would provide useful information in any discussion of the need for a music industry policy as advocated by some who provided evidence to the committee.

So here we have a report which says that we really need more evidence but which then, having said that, goes ahead and draws a conclusion. The majority report has this to say at paragraph 5.19:

> The Committee received much evidence on the potential effect of the Bill on Australian composers.

I love my Australian music, Mr Acting Deputy President, and I take it that you do too.

Senator Hill—What's your favourite, Barney?

Senator COONEY—I have a lot of favourites, but I mention two of our national songs, the national anthem and *Waltzing Matilda*. They are songs that everybody in Australia would know. Haven't we got some pride in them?

Senator Hill—What about contemporary songs?

Senator COONEY—There are a lot of contemporary groups. On your next trip through Melbourne, I will take you up to my son's rooms. He has got lots and lots of these things. He is very proud of them. He does not

mind paying a reasonable price. I will just read this again:

> The committee received much evidence on the potential effect of the bill on Australian composers.

You have heard that evidence being related by speakers before me. It goes on:

> With some exceptions, the majority of royalties received by Australian composers are derived from recordings of their work by Australian artists, usually the bands of which they are members. These recordings will usually not be internationally released. In only a small number of cases will Australian recordings be made overseas and then imported into Australia.

The point that was made by the people who gave evidence to the committee was that, unless you had a local music industry that was able to make CDs on which their music was recorded, they were not able to get time on the air, whether through radio or television, and then perhaps go on to be known as great artists around the world. That is the point that was made. Yet this conclusion by the majority does not address that point. It simply gets over it by going on to say in the next paragraph, 5.20:

> Falls in royalty income as a result of lower-priced CDs are likely to be compensated through increased sales.

The difficulty with all this is that what is being looked at here is policy and a particular attitude to things, and that is fair enough. Paragraph 5.2 of the conclusions of the majority says this:

> In principle and in practice, competitive markets yield the best possible prices for consumers.

Then it quotes the Australian Chamber of Commerce. Of course the Australian Chamber of Commerce is going to take a particular approach and of course there is a principle that people might want to follow. If you want to follow a particular economic theory, or a theory in anything, fair enough. But the test should be applied, and the test is the evidence. How does the principle face up in the light of the evidence?

The United States is a place from which music, art, films and matters of the soul generally pour in great abundance. It is very interesting to look at what they say. The chairman of the Senate Legal and Constitutional Legislation Committee, Senator Eric Abetz, received a letter from Genta Hawkins Holmes, the US ambassador. She addressed it to 'Senator the Right Honourable Eric Abetz, Chairman, Senate Legal and Constitutional Committee.' She made some comments and she said she would circulate a statement, which she did. She gave the committee a statement that has this to say about copyright holders:

> In the view of the United States, elimination of the ability of the copyright holder to control parallel importation of their work is contrary to the basic structure of international copyright protection where protection within each country is granted by the country's laws and limited geographically to its borders.

She is saying, 'Don't go down the path that this bill goes down.' The statement continues:

> The United States maintains that price-distorting practices in the manufacturing, distribution and retail industries that are based on anti-competitive practices should be addressed through anti-competition laws rather than through the unrelated act of lowering the level of protection provided to the copyright holders.

That is from what is clearly the most successful country in the world, the country that dominates culture, and that is its approach. It says, 'Don't go down the path of this bill.'

In the closing minutes of my address, I would like to say something about the people from the Attorney-General's Department who have worked hard on this for many years now. I see some of them here. They are deserving of great commendation for the work they have done. They have not had success in the sense of getting the bill on the statute books, and I hope they do not tonight. I know they are simply carrying out policy and they have done a lot of work, but in the end, in spite of all that good work and in spite of all the deeply felt and deeply held beliefs that the government has, the evidence in this matter is against this bill going through. If it did go through, it would be unfair on those people who have to face the uncertainty of earning their living. In a certain sense, we earn our living in a very easy way. Perhaps it is not so easy over the last couple of days, but at least it is regular. These people's income is not regular, and their intellectual property should be protected.

Sunday, 12 July 1998

Senator MARGETTS (Western Australia) (12.06 a.m.)—Senator Cooney says that the work is regular. He should speak for himself. It is a bit different being a minor party senator in a state like Western Australia. However, I understand what he means, that the income comes at a regular rate.

Tonight we are talking about the Copyright Amendment Bill (No. 2) 1997, a very important issue. It is not a very large bill. As bills go it is a very short bill, but it is a bill which has generated a great deal of community concern, especially from young people and from the music industry. It deals with issues of cultural importance and these often get left out of the economic rationalist equation. Economic rationalism deals with free trade, competition policy and all those things that are pushing a lot of people's buttons at the moment. One example in recent times has been the level of concern and the furore that occurred as a result of a decision in the courts relating to the New Zealand trade treaty agreement. It was not a furore caused by the court decision but rather a concern about the impact of those treaty decisions on legal frameworks within Australia and New Zealand and the impact on local content and so on.

I bring this up because culture really does get left out in a lot of these considerations of so-called free trade. We know that in the negotiations currently for the Multilateral Agreement on Investment, culture does not get a guernsey. Theoretically, if the Multilateral Agreement on Investment is signed then we may find that on issues of culture, music, theatre and other forms of culture in Australia we are unable to come to a situation where we can continue to develop and nurture Australian culture and Australian industry in cultural areas.

I am not going to go into the history of this issue of parallel imports and CDs over the last 10 years. I am sure my ALP Senate colleagues have the ability to do so and have covered this area in far more detail than I have or would be able to. Suffice to say that no government has yet found an adequate way to address the parallel import issue of sound recordings. Other people, as we know, have tried.

In a nutshell, the copyright regime currently provides that in Australia, under the parallel import restrictions found in sections 37 and 38 of the Copyright Act for musical and literary works, and in sections 102 and 103 for sound recordings, it is illegal to buy copies of CDs from an overseas outlet and market these copies in Australia unless a licence is obtained from the person or company in Australia authorised to assert copyright.

What is the argument under free trade? The free trade argument is that the current system creates a concentration in the market which does not benefit consumers in terms of more open competition. The free trade people also argue that lower prices may stimulate a larger volume of sales and therefore maintain profitability for a large number of players in the industry.

The most consistent argument put forward by competition and consumer lobbies is that, if copyright holders are able to control the distribution chain beyond the factory gate, opportunities are created for monopolistic exploitation. In this way, large multinational record companies can abuse the parallel import restrictions by ensuring that only their subsidiaries in Australia have access to the company's product. Without competition, they are only limited in what they charge by the general price demands of a CD. They are arguing that they might be controlled by the large companies.

Another argument put forward for a lifting of the restrictions is that major record companies in Australia, with licences to import from overseas companies, are not interested in catering for minority tastes and take a long time to fill orders. It has been suggested that record companies are only interested in the mass market. There may be a level of truth in this.

It is important to note that this issue has been a particular thorn in the side of Professor Allan Fels, and he pushed strongly for the lifting of parallel import restrictions when he was head of the Prices Surveillance Authority.

During the debate on the issue in 1992 he stated:

> The importation provisions of the Copyright Act impose a barrier to free trade. Without such a barrier it would be possible and profitable for parallel importers to import goods into the high price market from the low price market.

Having acknowledged those arguments and perhaps even conceding that parallel import restrictions are not the most efficient or desirable way to support our domestic contemporary music industry, the fact remains that the impact of removing these restrictions would have a number of damaging effects on our cultural integrity. I will give some examples.

There is real concern over the issue of royalties and intellectual property for Australian artists. Royalty payments in Australia tend to be a lot higher than, for example, in the United States. Thus, if an Australian artist's product was sold overseas by the copyright holder and then imported back into Australia, the artist's royalties could be cut by more than half. Things are much worse with overseas remaindered or deleted stock for which artists receive no royalties whatsoever. One of the people who rang me to lobby me was a person who likes to sell compilation albums and would prefer not to pay royalties at all.

Another example was in the 1992 debate on this issue. It was recommended that parallel importation only be permitted from countries which gave adequate copyright protection to address the danger of pirated copies flooding the Australian market. It was accepted that it would be very difficult to distinguish between a legal and an illegal copy. The original government legislation appears to have no restrictions on where imports originate. On the other hand, if the government seeks to amend this bill by restricting the countries from which parallel imports can be received, Australia appears to run the risk of breaching a number of international agreements. Just selecting out countries is obviously going to be a problem.

Another example is that small music retail businesses undoubtedly will be hurt by these changes. It is unlikely that small retailers will be able to compete with the overseas purchasing power of large overseas chains such as Blockbuster and HMV. In a way, we could simply be shifting the power of multinationals to control the market from the productions sector to the retail sector and we would have gained nothing. At least in the production sector there exists some obligation to invest in the development of Australian talent. In addition, an increase in pirated copies will have a detrimental impact.

The savings figure with regard to latest releases appears to be questionable. The minister has said that the Bureau of Transport and Communications Economics has predicted prices would fall by around $1.60 to $3. This is a far cry from the $10 savings figure touted earlier in the debate, but even those lower revised figures may be wrong now due to the recent fall in the Australian dollar.

Comparisons with overseas regimes are often erroneous due to language barriers. For example, Senator Alston has commented that the proposed changes will align us with Japan, our major trading partner. In fact, parallel importation is prohibited from domestically produced sound carriers in Japan which represent over 80 per cent of the market. In Australia, the opposite applies—80 per cent of our market comes from overseas English speaking countries. In addition, it appears that quite a few countries have experienced very negative impacts from removing import restrictions. Other countries such as the United States, the UK, Canada and New Zealand do not allow open slather on parallel imports.

There seems to have been little analysis of the effect of this legislation on Australia's involvement in the World Intellectual Property Organisation, WIPO, or of Australia's international standing as a country with strict copyright laws. There are probably associated international investment issues connected with our reputation as a country which protects intellectual property. There is a real fear that Australia could be used as a platform for copyright fraud.

At present our law enforcement agencies are finding it difficult to stop pirated material. Unless there is a significant increase in resources, not just fines, this will become

even more difficult in a free trade environment. There could well be a significant effect on struggling local artists. Quite aside from the fact that record companies may be less able to promote and nurture local talent, bands which produce their own CDs, now the majority, first of all will have to compete with a flood of cheap deleted stock from overseas and, secondly, will probably have fewer small retailers to stock their material and will find it more difficult to convince music supermarkets to accept their product.

The live music touring industry will be affected. Touring seldom takes place without product release and recordings are seldom released without live performances to support them. Any reduced level of recording due to reduced record company investment will result in less touring. This will go on to affect pubs, clubs, the music press, printers and royalties from live performances by grassroots performers who do not receive recording royalties. We already know that a lot of these venues are having difficulty now.

Australia does have a CD manufacturing industry. There are at least eight CD manufacturers in Australia who have invested millions of dollars in plant and equipment. I understand that Sony's plant alone employs 600 people. We have maintained trade barriers to protect other manufacturing sectors. Why are we making an exception here in relation to the music industry? I should make it clear that I have no desire to see oligopolies maintained for multinational record corporations. That has never been my intention. The consultations that I have had with the Western Australian Music Industry Association, with independent musicians and with small recording companies seem to suggest that the multinationals have not done nearly enough to develop the local industry and have benefited more than any other group from the current import restrictions. Various speakers have spoken tonight to mention that they have an obligation to do much better than they are doing now.

However, the issues that I have raised previously point to the fact that a free trade regime is not overall of benefit to Australian society, either. What is certain is that this debate is ensuing without any coherent music industry policy—zero. For example, the grassroots industry has asked for sensible strategies to free independent musicians from the stranglehold of the multinationals. They have asked for, first of all, the provision of interest free loans for bans to produce CDs, assistance with marketing and promotional plans and provision of funding for quality music which may not necessarily have widespread commercial appeal. They have asked for the facilitation of radio stations and record companies committed to the full-scale production and promotion of 10 to 12 emerging acts each year and increasing Australian content on radio—not a lot to expect, I think most people would agree.

I am not claiming that the Greens (WA) or indeed the groups we have liaised with are the font of all wisdom on the development of music policy. I am sure that a whole range of music industry policy initiatives would come to light if input was invited from the industry and the community. I acknowledge that the ALP has committed to a number of very positive initiatives in recent weeks. However, one thing is certain: Senator Alston would have spent his time in a far more productive fashion over the last 12 months if he had concentrated on proactively assisting the Australian music industry, rather than waging a full-scale battle against it. We have to work cooperatively with industry. Simply waging a war on it is not going to help. There are some real issues in relation to assistance for the small players in Australian industry. This bill, unfortunately, does not solve their problems and does not, we believe, bring a net benefit to the Australian music industry.

Senator HARRADINE (Tasmania) (12.20 a.m.)—I have listened to this debate for almost an hour. I think it is an hour—

Senator Robert Ray—One hundred minutes, actually.

Senator HARRADINE—Yes.

Senator Robert Ray—It seemed longer.

Senator HARRADINE—No. A number of the contributions were very worth while. Of course, the nature of the subject as such is that people cannot avoid dealing with the particular issues and if they have a particular

point of view they will repeat what others have said. I was very interested in Senator Cooney's remarks about the letter that was sent to the chairman of the committee, Senator Eric Abetz, and the view that was taken in that letter about whether the use of copyright law to prohibit parallel importing and give distributors exclusive rights is an inappropriate use of copyright law—whether the copyright law should be used as a trade barrier. I wonder whether to use the copyright law for that purpose is an appropriate tool, because copyright law is intended to be used to protect the ideas of the creators. Despite the presentation given by Senator Cooney, the question is whether it was ever intended that copyright law should be used for that purpose.

Time is at a premium, and I believe that Senator Alston wants to respond to a number of matters that have been raised in the debate. I will allow him to do that by not saying much more, other than that I have studied all angles of this matter—from the consumer side and from the recording side—and a number of other aspects as well. I am conscious of the points that have been made by ARIA, for example, but I am particularly conscious of points that have been made by the Consumers Association. Of course I am also conscious of points that were made by Allan Fels. I am not convinced that viewpoints from that source are necessarily all-inclusive. I heard somebody talk about economic rationalism—it might have been Senator Brown—and I understand the point. But I did listen closely to what the Consumers Association and other organisations that have been in touch with me have said. I have also had the opportunity of talking to a number of musicians. On balance at this juncture, unless the minister convinces me otherwise, I will be supporting the bill.

Senator BARTLETT (Queensland) (12.24 a.m.)—Given the time, I will not speak for long. I would simply like to reiterate how crucial this legislation, the Copyright Amendment Bill (No. 2) 1997, is and that it should be voted against. I am probably one of the few people in this place who has actually signed a recording contract with a record company as a musician. It is no great secret that I did not become an internationally renowned superstar, and that in itself probably gives me good grounds to look for opportunities to kick multinational record companies in the head, because they did not give me the chance to have the fame that was rightfully mine.

In that sense, I probably came to this legislation thinking it was a good idea—cheaper CDs and wreaking my revenge on the multinationals. But, having sat through almost all the committee hearings and having read every single submission, I was particularly impressed by the evidence from the grassroots musicians, the small record companies and the independent companies. It is not the multinationals that will suffer if this legislation goes through; it will be the grassroots musicians and those who are most responsible for developing music in this country and keeping it fresh, vibrant, growing, earning export dollars and generating a great cultural asset for our nation. The people least likely to suffer are the multinationals. It may be that their overseas arms will get a bit more money than their Australian based sections, but they will be able to adjust. The local industry, the local labels and the local musicians are the ones that will suffer.

The other part of this is that there are no guarantees that CDs will be cheaper. The suggestion that Australian CDs are dearer than those in most other countries in the world is simply not correct. If this legislation goes through, it is potentially a major disaster for the Australian music industry.

The ACTING DEPUTY PRESIDENT (Senator Patterson)—Senator Faulkner.

Senator Faulkner—Yes.

The ACTING DEPUTY PRESIDENT—You are walking between me and Senator Bartlett.

Senator Faulkner—I know that.

The ACTING DEPUTY PRESIDENT—Senator Faulkner!

Senator BARTLETT—This isn't the only aspect that is involved, and there are other issues the industry needs to address. Technological change will mean major challenges for that industry in the near future, and more media support and more radio support for new

Australian music of all varieties is desperately needed. But that is no excuse for bringing down such a major negative impact as this bill will provide if it goes through.

As I said, in listening to all the evidence provided to what was a very extensive committee hearing, the most impressive thing was the unanimity of view from people at all levels of the industry—all those who actually know how it works—about how much damage this legislation will cause if it goes through. I urge the Senate to make sure that it does not go through. It will be not a kick in the teeth for multinationals; it will be a kick in the teeth for Australian music.

The DEPUTY PRESIDENT—Minister?

Senator Alston—Madam Deputy President—

Senator Patterson—Madam Deputy President, on a point of order: Senator Faulkner walked between the speaker and the chair. I called him to order and he disobeyed my calling to order. I would ask you to report that to the President because I find the behaviour in the chamber is degenerating. It does not matter what time it is. I found his behaviour unacceptable and I would ask you to report that to the President.

The DEPUTY PRESIDENT—I will take that on board.

Senator Faulkner interjecting—

The DEPUTY PRESIDENT—Order! Senator Faulkner, you are not in your place.

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (12.28 a.m.)—In the four minutes that I have left, could I firstly indicate that the government is very concerned to ensure that there are no transitional difficulties that might result from the introduction of this legislation, the Copyright Amendment Bill (No. 2) 1997. We do not believe there will be, but, given the ferocity of the scare campaign that has been run by the multinational companies and their propensity to scale back the very meagre assistance that they already give, I simply confirm for the public record that if the legislation is passed the government will introduce a $10 million music industry package. This package will provide initiatives to help distribution of bands on the Internet and development for travel—for touring and for festivals. We will extend the Contemporary Music Export Fund and there will be a business development support program to assist with business plans, to assist in promotion and to assist in travel to regional areas, and there will be pilot programs conducted in Tasmania and South Australia. I also table some documents. Let me just say—

Senator Lundy—No, hang on.

The DEPUTY PRESIDENT—The minister can table documents.

Senator ALSTON—We do not accept the proposition that independents will not benefit from this legislation. It is the multinationals which have put so little back into the country. There are very many independent artists who will benefit very substantially. There are very many independent record companies as well as retail chains who fervently believe that prices will fall dramatically.

I am amazed to hear that Senator Bartlett could have sat through committee hearings and not taken any notice of people like Phil Dwyer, who acts for very many independent record artists, and heard his stories about the difficulties imposed by the multinationals. You ought to know what happened to Savage Garden. You ought to know that Savage Garden had to rely on independents and got no assistance at all from the multinationals.

You should also know what the evidence from the Bureau of Transport and Communications Economics, the Australian Consumers Association and the ACCC is in relation to the extraordinary high price of CDs in comparison with the rest of the world. I am surprised you have never been outside Australia. It is a great shame that you have not looked at comparative record prices. You ought to know that sales of CDs in this country are falling quite significantly because people are purchasing on the Internet and waiting until they travel overseas.

There is a lot to be said for freeing up the industry in ways that will completely protect the copyright of Australian artists. Indeed, there is no basis for believing that they will

be jeopardised unless they consent to their records being sold offshore and released simultaneously with the domestic release. That simply does not happen. Ninety per cent of sales occur in the first three months and hardly any records are sold overseas in that period of time. Maybe the Peter Garretts of this world are big enough and brash enough to be able to do it, but I can assure you that the vast bulk of Australian artists' work is released domestically and the great bulk of their sales occurs in that first three months.

So there can be no basis for suggesting that somehow Australian artists will get less copyright. Indeed, we have increased the penalties for piracy. We know that piracy is not a problem in developed countries like Australia in any event. You know, however, we have also reversed the onus of proof in terms of the evidentiary onus. It seems to be completely beyond Senator Murphy's ability to distinguish between evidentiary onus and the ultimate onus.

The DEPUTY PRESIDENT—Order! The time for consideration of the bill has expired.

Question put:

That the bill be now read a second time.

The Senate divided. [12.37 a.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	33
Noes	32
Majority	1

AYES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Coonan, H.
Crane, W.	Eggleston, A.
Ellison, C.	Ferris, J.
Gibson, B. F.	Harradine, B.
Heffernan, W.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	McGauran, J. J. J.
Newman, J. M.	O'Chee, W. G. *
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Vanstone, A. E.
Watson, J. O. W.	

NOES

Allison, L.	Bartlett, A. J. J.
Bishop, M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Collins, J. M. A.	Cook, P. F. S.
Cooney, B.	Crowley, R. A.
Denman, K. J.	Evans, C. V. *
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Lees, M. H.	Lundy, K.
Mackay, S.	Margetts, D.
Murphy, S. M.	Murray, A.
O'Brien, K. W. K.	Quirke, J. A.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Sherry, N.
Stott Despoja, N.	West, S. M.

PAIRS

Ferguson, A. B.	Conroy, S.
Macdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Woodley, J.
Minchin, N. H.	Crossin, P. M.
Troeth, J.	Neal, B. J.

*** denotes teller**

Question so resolved in the affirmative.

Bill read a second time.

The PRESIDENT—The question now is that the following government amendments as circulated be agreed to.

(1) Clause 2, page 1 (after line 9), at the end of the clause, add:

(2) However, this Act commences immediately after the commencement of item 1 of Schedule 3 to the *Copyright Amendment Act (No. 1) 1998* if that Act receives the Royal Assent on a day that is the same as, or later than, the day on which this Act receives the Royal Assent.

(2) Schedule 1, item 2, page 3 (lines 10 to 30), omit the item, substitute:

2 Subsection 10(1)

Insert:

non-infringing copy of a sound recording has the meaning given by section 10AA.

2A After section 10

Insert:

10AA *Non-infringing copy* of a sound recording

Minimum requirements

(1) A copy of a sound recording is a ***non-infringing copy*** only if it is made by or with the consent of:

(a) the owner of the copyright or related right in the sound recording in the

country (the ***copy country***) in which the copy was made; or

(b) the owner of the copyright or related right in the sound recording in the country (the ***original recording country***) in which the sound recording was made, if the law of the copy country did not provide for copyright or a related right in sound recordings when the sound recording was made; or

(c) the maker of the sound recording, if neither the law of the copy country nor the law of the original recording country (whether those countries are different or not) provided for copyright or a related right in sound recordings when the sound recording was made.

Extra requirements for copies of recordings of works subject to Australian copyright

(2) If the sound recording is of a work that is a literary, dramatic or musical work in which copyright subsists in Australia, the copy is a ***non-infringing copy*** only if:

(a) copyright subsists in the work under the law of the copy country; and

(b) the making of the copy does not infringe the copyright in the work under the law of the copy country; and

(c) the copy country meets the requirements of subsection (3).

To avoid doubt, the requirements of this subsection are additional to those of subsection (1).

Requirements for copy country

(3) The copy country mentioned in subsection (2) must:

(a) be a party to the International Convention for the Protection of Literary and Artistic Works concluded at Berne on 9 September 1886 as revised from time to time; or

(b) be a member of the World Trade Organization and have a law that provides consistently with the TRIPS Agreement for:

(i) the ownership and duration of copyright in literary, dramatic and musical works; and

(ii) the owner of the copyright in the work to have rights relating to the reproduction of the work.

Australian copyright may result from Act or regulations

(4) For the purposes of subsection (2) it does not matter whether the copyright in the work subsists in Australia as a result of this Act or as a result of the regulations made for the purposes of section 184.

(3) Schedule 1, item 3, page 5 (after line 3), at the end of section 44D, add:

(4) The copyright in a work a copy of which is on, or embodied in, a non-infringing accessory to a non-infringing copy of a sound recording is not infringed by importing the accessory with the copy.

(5) Section 38 does not apply to a copy of a work, being a copy that is on, or embodied in, a non-infringing accessory to a non-infringing copy of a sound recording, if the importation of the accessory is not an infringement of copyright in the work.

(4) Schedule 1, item 7, page 6 (lines 25 and 26), omit the item, substitute:

7 Subsection 135(10)

Omit "44A or 112A", substitute "44A, 44D, 112A or 112D".

(5) Schedule 2, item 1, page 7 (line 9), omit "500", substitute "550".

(6) Schedule 2, item 4, page 7 (line 27), omit "500", substitute "550".

(7) Schedule 2, item 5, page 8 (line 4), omit "500", substitute "550".

(8) Schedule 2, item 6, page 8 (line 12), omit "500", substitute "550".

Question resolved in the affirmative.

The PRESIDENT—The question is that the remaining stages of the bill be agreed to and that the bill be now passed.

Question resolved in the affirmative.

Bill read a third time.

ORDER OF BUSINESS

Days and Hours of Meeting and Routine of Business

Motion (by **Senator Ian Campbell**)—by leave—put:

(1) The order of the Senate of 3 December 1997, relating to the days and hours of meeting for 1998 and routine of business, be varied to provide that:

(a) the Senate not sit on:

Monday, 10 August to Thursday, 13 August 1998

Monday, 17 August to Thursday, 20 August 1998

Monday, 14 September to Thursday, 17 September 1998.

(b) the Senate sit on:

Monday, 31 August to Friday, 4 September 1998

Friday, 11 September 1998

Monday, 14 December to Thursday, 17 December 1998; and

(c) the routine of business on Friday, 4 September and Friday, 11 September 1998 be government business only.

(2) That the order of the Senate of 26 March 1998, relating to estimates hearings, be varied to provide that:

(a) meetings of legislation committees to consider the 1998-99 budget estimates supplementary hearings not occur from Monday, 3 August to Thursday, 6 August 1998; and

(b) the budget estimates supplementary hearings be held on:

Monday, 14 September and Tuesday, 15 September (*Group A*)

Wednesday, 16 September and Thursday, 17 September (*Group B*).

The Senate divided. [12.44 a.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	37
Noes	24
Majority	13

AYES

Abetz, E.	Allison, L.
Alston, R. K. R.	Boswell, R. L. D.
Bourne, V.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Coonan, H.
Crane, W.	Eggleston, A.
Ellison, C.	Ferris, J.
Gibson, B. F.	Harradine, B.
Heffernan, W. *	Herron, J.
Kemp, R.	Knowles, S. C.
Lees, M. H.	Lightfoot, P. R.
Macdonald, I.	Margetts, D.
McGauran, J. J. J.	Murray, A.
Newman, J. M.	O'Chee, W. G.
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Vanstone, A. E.
Watson, J. O. W.	

NOES

Bishop, M.	Bolkus, N.
Brown, B.	Campbell, G.
Carr, K.	Collins, J. M. A.
Cook, P. F. S.	Cooney, B.
Crowley, R. A.	Denman, K. J.
Evans, C. V. *	Faulkner, J. P.
Forshaw, M. G.	Gibbs, B.
Hogg, J.	Lundy, K.
Mackay, S.	Murphy, S. M.
O'Brien, K. W. K.	Ray, R. F.
Reynolds, M.	Schacht, C. C.
Sherry, N.	West, S. M.

PAIRS

Ferguson, A. B.	Conroy, S.
Macdonald, S.	McKiernan, J. P.
MacGibbon, D. J.	Neal, B. J.
Minchin, N. H.	Crossin, P. M.
Troeth, J.	Quirke, J. A.

*** denotes teller**

Question so resolved in the affirmative.

DOCUMENTS

Auditor-General's Reports

Report No. 2 of 1998-99

The PRESIDENT—I present the Auditor-General's report No. 2 of 1998-99: *Performance audit—Commercial Support Program—Department of Defence*. With the concurrence of the Senate, I suggest that the document be listed on the *Notice Paper*.

COMMITTEES

Environment, Recreation, Communications and the Arts References Committee

Report

Senator O'CHEE—At the request of Senator Allison, I present 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*, together with submissions and *Hansard* transcript of evidence.

Ordered that the report be printed.

INTER-PARLIAMENTARY UNION CONFERENCE

Senator O'CHEE—by leave—I present the report of the delegation to the 99th Inter-

Parliamentary Union Conference, dated July 1988—Erratum.

COMMITTEES

Superannuation Committee

Report

Senator O'CHEE—At the request of Senator Watson, I present the 31st report of the Select Committee on Superannuation entitled *Resolving superannuation complaints: Options for dispute resolution following the Federal Court decision in Wilkinson v CARE*, dated July 1998, and the *Hansard* record of the committee's proceedings.

Ordered that the report be printed.

Selection of Bills Committee

Report

Motion (by **Senator O'Chee**)—by leave—agreed to:

That the order of the Senate of 24 June 1998 adopting the Selection of Bills Committee report No. 8 of 1998, with an amendment, be varied to provide that the Taxation Laws Amendment (Political Donations) Bill 1998 not be referred to the Economics Legislation Committee.

LEAVE OF ABSENCE

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

That leave of absence be granted to every member of the Senate from the termination of the sitting this day to the day on which the Senate next meets.

Senator BARTLETT (Queensland) (12.50 a.m.)—I wish to speak to this question, and to the previous vote of the Senate in relation to the Copyright Amendment Bill 1997, if we are talking about sitting hours. We have just passed legislation which will have a major impact on an Australian industry, irrespective of whether people think it is good or bad.

The PRESIDENT—Senator, what are you speaking to?

Senator BARTLETT—I am speaking to this motion regarding leave of absence. We had a vote taken at 12.30 on a Sunday morning, when a senator was absent on grounds of ill health, and we are supposed to believe that that is an appropriate process.

The PRESIDENT—Senator, that is not really relevant to the motion that has been moved.

Senator BARTLETT—It has not been possible to say anything else at any other time given the gags happening around this place. I was wanting to place on record the problem—

Honourable senators interjecting—

The PRESIDENT—Order, order! We are dealing with a motion relating to the leave of absence of senators.

Senator BARTLETT—I am talking about a senator who was absent tonight from a crucial vote on a bill that he had indicated he would vote against, so he would have stopped that bill going through. It may be more appropriate to raise it as a point of order or an issue for you to address.

Government senators interjecting—

The PRESIDENT—Order! Senators on my right will allow me to hear what is being said.

Senator BARTLETT—They are not used to people actually being able to raise an issue, obviously. Perhaps it may be more appropriate for me to raise it as a point of order.

Senator Ian Campbell—I raise a point of order, Madam President. If Senator Bartlett would like me to amend the motion to grant leave of absence to everyone except him, I am happy to do so, if that would speed things up.

The PRESIDENT—Order! There is no point of order.

Senator BARTLETT—Let us have a whole lot of votes and overturn all the rubbish you just put through this week. Perhaps I can raise—

Opposition senators interjecting—

The PRESIDENT—Senator, you are reflecting on a vote of the Senate and it is in breach of the standing orders for you to do so. Senator Carr and other senators will cease shouting.

Senator BARTLETT—I withdraw that reflection. Can I ask you, rather, in your role as President, to look simply at the issue of votes being taken at that time on a Sunday

morning and senators being unable to participate because of ill health.

The PRESIDENT—Senator, it is not a matter for me. It was done in accordance with a vote of the Senate taken earlier this day.

Question resolved in the affirmative.

ADJOURNMENT

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

That the Senate do now adjourn.

Landfill

Senator HILL (South Australia—Minister for the Environment) (12.52 a.m.)—Madam President, I am tabling a petition from 65,291 citizens of Werribee, and other interested persons. I am unable to table the petition in the usual way because it is not in the form prescribed by the tabling of petitions under Standing Order No. 70. Given the large number of signatures on the petition, it would have been difficult and time consuming for the petitioners to amend the petition to bring it into conformity.

The petition draws the attention of the Prime Minister (Mr Howard) and me as Minister for the Environment to the proposal to construct a prescribed waste landfill facility at West Road, Werribee, adjacent to Australian Wetlands Site No. 18.

The PRESIDENT—Order! There is too much noise in the chamber and too many people moving about.

Senator Carr interjecting—

The PRESIDENT—Order! Senator Carr, cease interjecting, and will other senators take their seats or leave the chamber.

Senator HILL—I recently met with a delegation of people from Werribee and listened to their concerns about the proposed facility. They were brought to me by the Hon. Barry Jones MP. I recognise that a number of members and senators have been taking an interest in this matter—in particular, I mention Senator Synon, who has been involved with this issue. I am mindful of the proximity of the proposed landfill site to Port Phillip Bay and the Bellarine Peninsula Ramsar wetland. The site is approximately 600 metres from the boundary of the Ramsar site and 3.5 kilometres from the sensitive shore bird habitat areas.

The PRESIDENT—Order! There are too many senators standing in the chamber. Please leave the chamber or take your seats.

Senator HILL—The Victorian government has responsibility for the management of the Ramsar site. I am advised that an environmental effects statement has been conducted, which concluded that the proposed facility would not significantly impact on ground water or surface water in the vicinity.

The Victorian Environmental Protection Authority's independent evaluation of the potential impact of the proposal on ground water has agreed with the EES findings. I understand that should the proposal proceed the landfill operation would be subject to Victorian EPA controls, including controls to protect the ground water. The advice from my department has been that on the basis of the Victorian assessment there is a low risk of adverse impact to surface water and ground water as a result of the landfill and a correspondingly low risk that the ecological character of the Port Phillip Bay Ramsar site will be adversely affected by the proposal. However, in view of the extraordinary level of public concern as demonstrated by this petition, I have asked for additional advice on the matter and will report further to the Senate in due course.

In conclusion I remind the Senate that the Natural Heritage Trust is funding the preparation of management plans for Ramsar sites, which will enhance management practices and ensure the protection of the biodiversity of Australia's precious wetlands in the future.

Mr Paul Keating: Piggery

Senator O'CHEE (Queensland) (12.55 a.m.)—On Thursday night the former Prime Minister of Australia, Mr Keating, appeared on the *7.30 Report* to attempt to deny the mounting evidence of lies and deceit in the highest office in the land. Mr Keating's appearance on the *7.30 Report*, however, was significant as much for what he did not say as for what he did say. The same is true of the press release issued by Mr Keating that day.

In his press release Mr Keating quotes Mr Coudounaris as saying that the memorandum noting a discussion about a payment of moneys is, 'Not an accurate reflection of any meeting I had or of any arrangements that were put in place.' What he does not do is deny the essence of the scheme described or that Coudounaris gave instructions along those lines.

In his interview Mr Keating refused to say how much he received either directly or indirectly for his piggery interests. He refused to say who had introduced Mr Soeryadjaya, he refused to say when the transactions actually took place, and he refused to say categorically that he did not know the piggery would pass into Indonesian hands. Instead he merely rebutted an assertion that he had received money from Mr Suharto—a suggestion which had never been made.

When asked about the identity of the buyer and whether he knew that the piggery would end up in the hands of Mr Soeryadjaya, the exchange went like this:

Kerry O'Brien: Were you aware of the Indonesians' interest when you sold your share in the piggery to your partner, Constantinidis?

Paul Keating: Yes, I was. But there was no question that there could be any certainty that you would close a transaction on something as complex as this. The same Indonesian group had been looking at the Adelaide piggeries of the Adelaide Steamship groups a year or two earlier. They had looked at the ones I think in Mr Fischer's electorate at Corowa. They've been right around the pork industry.

It might be true that they had looked at a lot of piggeries—we can't tell. It is clear, though, that Mr Keating's version of events is at odds with his former business partner, Mr Constantinidis. In the *Sydney Morning Herald* article that appeared this week, Mr Constantinidis is on the record as saying that the deal was put together by Mr Keating's advisers and that, 'The deal was presented to me as a fait accompli.' Someone is clearly not telling the truth. If Mr Constantinidis is correct, then Mr Keating lied on the *7.30 Report*, and he certainly misled the Registrar of Members' Interests in hiding the true identity of the buyer.

In this transaction there is every reason to believe that the truth is being told by Mr Constantinidis and that it is Mr Keating who was not telling the truth. Remember, too, that at this point in time, Mr Constantinidis was more than a mere business partner; he was Mr Keating's accountant and he was also the holder of a power of attorney for Mr Keating. This is a significant fact.

What was the date on which the alleged transaction took place? This too is unclear. If one is to believe Mr Keating's letter to the Registrar of Members' Interests, the transaction took place on 7 March 1994. This, however, does not explain a number of other occurrences. It was not until 8 July 1994, for example, that Mr Bradley Kerr, the man nominated to represent the interests of Mr William Soeryadjaya, was appointed as a director of the company Euphron Pty Ltd, which Mr Keating claims he sold in March of that year. And who did Mr Kerr replace? It was none other than the man Mr Keating admits in his press release to have been his solicitor, Mr Chris Coudounaris, who had resigned as a director of Euphron on that day.

Similarly, Mr Kerr was not appointed as a director of Hunter Valley Piggery Pty Ltd or Darling Downs Piggery Pty Ltd—these were the operating subsidiaries—until the same date, that is, 8 July 1994. Surely, given the investment of over $6 million, this is an extraordinary omission by an astute international investor such as Mr Soeryadjaya.

But there is something even more interesting: the joint secretaries of Pleuron Pty Ltd, Mr Keating's family company, were none other than the former Prime Minister and his brother Mr Greg Keating. They resigned from their positions on 5 July 1994. That was just three days before these other events took place.

Most importantly, the man who replaced them was none other than Mr Chris Coudounaris and therefore it was Mr Coudounaris, not Mr Keating or his brother, who had the legal obligation to lodge any necessary transfer documents for a sale occurring on 8 July 1994. All the evidence—the resignation of Mr Coudounaris as a director, the appointment of Mr Kerr in his place, the replacement by Mr

Coudounaris of the then Prime Minister and his brother as joint secretaries of Pleuron Pty Ltd—points to persons associated with the then Prime Minister being in control of the company well after the date on which Mr Keating says he sold his interest. That means Mr Keating misled the registrar of members' interests in saying that his share in the piggeries was sold in March. It means that Mr Keating lied.

Mr Keating also refused to answer the question from Mr Kerry O'Brien on the *7.30 Report* as to how much he was paid for the piggery. Let us look at the disbursement from the now infamous $6 million held in the Gadens Ridgeway trust account.

Senator Heffernan—In what?

Senator O'CHEE—US dollars. All of the $6,376,647.30, with the exception of the account due to Gadens Ridgeway for $7,346, was paid out to, or on behalf of, various companies associated with Pleuron Pty Ltd in some way or other before 8 July 1994.

Mr Coudounaris was, in fact, a director of many of these entities. Mr Keating must explain these strange events. Given the doubts cast over his version of events, he must also detail how much he was paid, when and by whom. Mr Keating has so far provided no proof to substantiate his story. He has merely denied the facts which have come to light and has offered no evidence to disprove them.

Mr Keating cannot run away anymore. He must provide the proof to show that his version of events is not a lie, a fiction put together for his own convenience. No doubt, Mr Keating will try to ignore the facts set out here tonight but that will no longer work, and his silence can only be construed as consent.

Telstra

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (1.03 a.m.)—I want to address the issue of Telstra and the events in the parliament in the Senate over the past few days because I think the Senate has been able tonight not only to expose John Howard's plan for the full privatisation of Telstra—

Honourable senators interjecting—

The PRESIDENT—Order! Senator Schacht!

Senator FAULKNER—Thank you for your protection, Madam President, from Senator Schacht.

The PRESIDENT—Of course, Senator Faulkner.

Senator FAULKNER—Tonight not only have we seen Mr Howard's plans in relation to the full privatisation of Telstra turn to ashes; what we have also really seen is the total humiliation of the National Party of Australia. I find it absolutely extraordinary that Senator O'Chee—

Senator Bolkus—The rural rump.

Senator FAULKNER—yes, you are right, Senator Bolkus—representing the National Party from the state of Queensland, was not able to make a contribution on behalf of the rural and regional constituencies, on behalf of the bush in Queensland, that he claims to represent. But he could make a speech on the adjournment debate.

He could not talk about Telstra. He was not willing to come into the debate on Telstra at any stage to protect the interests of his constituency. Not on any occasion could he make a speech before this chamber, but tonight—after the Telstra debate was over, after the vote was concluded—he could come in and try to throw a bit of mud around in a bit of amateur hour grubby politics from Senator O'Chee. That is the best he could do while matters of great importance and of great significance to regional and rural Australia were being debated in this parliament over the past week.

Honourable senators interjecting—

The PRESIDENT—Order! Senators on both sides will cease interjecting. Senator Kemp!

Senator FAULKNER—Doesn't that say an awful lot about the National Party? Doesn't that show the depths to which they have sunk? The National Party have been humiliated in a vote in the Senate just a few hours ago.

The National Party team in the Senate—Senator Boswell, Senator O'Chee, Senator

McGauran and Senator Brownhill—really wanted to stand up to the Prime Minister; they really wanted to have the guts and the bottle to take on John Howard, but they did not have it in them.

Honourable senators interjecting—

The PRESIDENT—Order! If Senator Schacht and Senator Kemp want to hold a conversation, I would ask them to leave the chamber and go outside and do it, and not do it across the chamber. It is very distracting for everybody, including Senator Faulkner.

Senator FAULKNER—Madam President, you have a situation where Mrs De-Anne Kelly, the member for Dawson in the House of Representatives, is apparently willing to take Mr Howard on, on the issue of Telstra, now. She voted for the full privatisation of Telstra in the House of Representatives, but she has made a statement. At last she is going to stand up for her rural constituency. Mr Katter is the same. He did not vote at all in the House of Representatives when the full privatisation of Telstra went through.

Every other member of the National Party joined forces with the Liberals to try to knock over the majority public ownership of our telecommunications carrier in this country. But, no, none of the Senate Nationals stood up for the bush. Not one of them was willing to put the interests of their constituency, the interests of the bush, first. Not one of them. To give Senator Boswell his due, you have got to say that at least he engaged in the debate.

Senator Schacht—That is right.

Senator FAULKNER—We did see Senator Boswell come down and try to throw a few punches on behalf of the much discredited and, properly now, completely maligned and humiliated National Party. But at least he had a bit of a go. Senator O'Chee did nothing. Even Senator Brownhill, who has only made three speeches now in this chamber in 1998, made a very short speech in the committee stage of the debate on Telstra. It was only for six or seven minutes and it was only from a prepared text that someone from the Liberal Party had handed to him, but at least he made it and that counted for his third speech in 1998 in the Senate. I do not want to mention this, but I feel obliged. The second of those speeches he made was of 20 seconds duration.

Senator Brownhill—Madam President, on a point of order: I would like you to make Senator Faulkner talk a bit of fact rather than fiction, which he has been talking for the last few days. What he said is absolutely untrue.

Senator Schacht—Senator Blank was his name, wasn't it?

The PRESIDENT—Order! Senator Schacht! Senator Faulkner has the call. If you want me to put your name on the list, I will be happy to do so. I call Senator Faulkner.

Senator FAULKNER—Thank you, Madam President, and thank you again for your protection. What a discredited bunch the Senate Nationals are. What a discredited bunch, and don't they look dopey tonight! After all this debate, they might have got a bit of credit in their own constituency if they had joined Labor in the fight to protect the interests of the bush, but they were missing in action. What has become clear again is that there is only one major political party in this country that will ever stand up for the interests of the bush, that will ever stand up for the interests of regional and rural Australia, and that is the Australian Labor Party. There is only one way that people can be protected and keep their national communications carrier in majority public ownership and that is by voting Labor in the next federal election.

What this debate has exposed is the fact that the National Party and the Liberal Party have an agenda out there in the public for everyone to see. The Liberals want to privatise Telstra and the Nationals want to privatise Telstra. Only Labor will defend Telstra. That is the truth of the matter and that is clear for all Australians to see after the battle in the Senate over the past few weeks.

I want to thank my colleagues in the Australian Labor Party—the Labor Senate team—for a magnificent fight to defend Telstra. Every single Labor senator put their shoulder to the wheel, as did every member of the Labor Party, to defend the interests of the vast majority of Australians who want to keep

Telstra in majority public ownership. It has been a difficult fight. Admittedly, we were up against tactical incompetence, a few dopes on the other side, and that always helps. What genius from the Liberal Party to put in place a guillotine so they actually ensured they did not have enough time to put the fix in! That really takes tactical genius. Oh, you have been very clever! The gag motions, they were clever too! Not one gag, not two gags, not three, but four. All of them blew up in your face.

Senator Alston—Oh, did they?

Senator Hill—In our faces?

Senator FAULKNER—You really blew it. You really proved to be yet again very—

The PRESIDENT—Order! Senator Faulkner, there are far too many interjections. It makes it very difficult to hear—and impossible, I should think, for *Hansard*.

Senator FAULKNER—You should not have called me to order for that, Madam President.

The PRESIDENT—I have called you to order so I can address those who are interjecting. You may now continue.

Senator FAULKNER—Thank you very much, Madam President. What I was saying is that we are dealing with a coalition Senate team that really are not up to the mark obviously in terms of parliamentary tactics. They are poorly led and poorly managed. I think the capacity, competence and credibility of the Labor Senate team stands in very stark contrast to what we have on the other side of the chamber. Madam President, Labor will continue to fight to protect Telstra and we will make this a major election issue. We will make this a focus of Labor's campaign. All Australians will know that to protect Telstra you vote Labor. *(Time expired)*

Mr Paul Keating: Piggery

Senator ALSTON (Victoria—Minister for Communications, the Information Economy and the Arts) (1.14 a.m.)—I would like to commence my remarks by thanking Senator Faulkner profusely for his contribution today because, without him, we could not possibly have achieved a guillotine and therefore ultimate success for either copyright bill. There was never a prospect of either of those bills going through this parliament until we had the most sordid and squalid display this morning when Senator Faulkner was not even prepared to allow the Lord's Prayer to be said at the commencement of proceedings.

Senator Carr—That is not true.

Senator ALSTON—Not only that—

Senator Carr—Madam President, on a point of order: this is a clear case of the minister misrepresenting the situation and misleading the Senate. He ought be instructed not to conduct those sorts of misrepresentations in here.

The PRESIDENT—There is no point of order.

Government senators interjecting—

Senator ALSTON—That says it all. Senator Carr has absolutely nothing—

Senator Schacht—Tell us about the Telstra success!

The PRESIDENT—Order! There are far too many interjections. Senator Schacht, I have already spoken to you twice recently.

Senator ALSTON—Senator Carr put up the feeblest defence you have ever seen. In other words, he effectively went through the motions. He knows that, if it had not been for Senator Faulkner, we would not have come within a bull's roar of getting either copyright bill through this parliament. I came into this place thinking there was not a dog's chance, and it is all due to Senator Faulkner. So, if you want to know about tactical competence, just take him aside, tell him not to do it again and tell him that you just hope that he will think before he speaks.

I would also acknowledge the way in which Senator Faulkner conspicuously failed to defend Paul Keating. That is a very significant event. When that document was tabled the other day by Senator Hill, did you see what Senator Faulkner did? He looked at that document, his jaw dropped—and it is one of the biggest jaws you would ever see, lantern though it might be—and he knew that Keating was gone. It is a very serious matter. I would be very interested to see those oppos-

ite get up and defend him, very interested indeed.

Senator Hill—No one has yet.

Senator ALSTON—This affair is getting murkier and murkier. Senator O'Chee has spelt out in very graphic terms the case that needs to be answered. If Mr Keating thinks he can slide onto a soft interview with Kerry O'Brien when he is not taken through that document piece by piece, as he could have been and should have been, then he has another think coming.

As for what we know about the dealings of Mr Keating, there is very little on the public record to date. But I would point out a couple of things that I think demand an explanation. Why is it that Mr Keating and his brother were replaced as joint secretaries to Pleuron just three days before his solicitor ceased to be a director of the piggery companies and was replaced by a representative of William Soeryadjaya? But, more importantly, another person was appointed to be a secretary or director of a string of Keating piggery companies in April 1994 only to disappear into thin air shortly after Keating lost the last federal election. That person was one Asimo Hantzis.

Senator Heffernan—Who was that person; are they male or female?

Senator ALSTON—You may well ask because that is the $64 question. Asimo Hantzis—male or female, we do not know—is listed as a director or secretary of no less than 11 Keating companies: Olympia Sales, Jensay, Olympia Manufacturing, Brown and Hatton Group, Euphron, Rincraft, Olympia Interiors, Brown and Hatton Wholesalers, Brown and Hatton Rural, Labvac, Parkville Piggery.

It defies belief to think that this bloke could have been in the parliament, setting up the most elaborate and contrived schemes in order to enrich himself, being not satisfied, no doubt, with the couple of hundred grand he was picking up as Prime Minister. But the very important thing is that there is absolutely no evidence on the researches that have been undertaken to date to indicate that such a person as Asimo Hantzis even exists.

That raises the fact that the annual return for Euphron for 1994-95 still has not been lodged. That means that Mr Keating has been able to avoid scrutiny of his actions at the very time when all this devious and dishonest behaviour has been going on. The role of Asimo Hantzis in all these transactions is critical because, particularly, there are statutory obligations to be complied with. If the fact is that Asimo Hantzis does not exist, then that raises very serious questions of fraud, breaches of the Corporations Law; any person associated with the management of the company when appointed or when served could be liable for prosecution.

Madam President, I think there is a long way to go in this little affair. Let us just look at the *Weekend Australian*, for example—and this is published without having to worry about defamation, isn't it! No, this is out in the public arena. Do you remember Mr Keating on the *7.30 Report* saying, 'I've got assets worth about $3 million and I've got a mortgage on a very high proportion of that'? According to the *Australian*, he has assets of $5.75 million and his mortgage is about 55 per cent.

Senator Schacht—What a grub!

Senator Bolkus—Madam President, I raise a point of order.

Senator Carr—Let's have a look at your assets.

The PRESIDENT—Order! Senator Carr.

Senator Bolkus—It is something like 1.20 on a Sunday morning and Senator Alston, the big loser of the day, cannot get himself out of the gutter. What he is implying here is totally inappropriate for this place.

The PRESIDENT—What is the matter of order that you are raising?

Senator Bolkus—The point of order is that we are paying a huge expense to have people service this place while the government, under orders of Prime Minister Howard, are doing nothing more than indulging in gutter politics. You should pull them up and end the process.

The PRESIDENT—Senator Bolkus, there is no point of order.

Senator ALSTON—That is actually incorrect; it is pig trough politics—

Senator Carr—If it is, then your snout is in there well and truly!

Senator ALSTON—and there is one bloke right in the middle of it. Until you come clean about the nature and extent of your involvement and knowledge in all these matters, then these matters—

Senator Bolkus—Get out of the gutter.

The PRESIDENT—Senator Bolkus!

Senator ALSTON—will demand an explanation. I must say that I envy Mr Keating—

Senator Bolkus—What about your apartment? What about all your deals? How degenerate are you? Straight out of the gutter. Madam President, I raise a point of order.

The PRESIDENT—Order! Senator Bolkus, stop shouting across the chamber. What is the matter of order you wish to raise?

Senator Bolkus—Madam President, my point of order goes to relevance and property acquisition. Maybe Senator Alston can tell us about his property deal with Mervac.

The PRESIDENT—There is no point of order, and you know it.

Senator Carr—Madam President, on the point of order: I think, since Senator Alston is so keen to discuss the question of public assets, he ought to discuss questions involving the Tower of Babel in Melbourne and his relationship with the Crown Casino.

The PRESIDENT—There is no point of order.

Senator ALSTON—It sounds as though some very easy money has been made, Madam President. Perhaps you would just like to pop outside for a short while, repeat that—and away we will go. Not content with being cleaned up once for defamation, he wants to have another go. The bloke never learns. With a prior conviction for defamation—

Senator Carr—Madam President, on the point of order again: perhaps the good minister for communications could explain why the media companies in this country paid his legal bills for that defamation action.

The PRESIDENT—There is no point of order. It seems like—

Senator ALSTON—I may just say, in case there is any doubt—

Senator Schacht—Just say it outside, Richard.

The PRESIDENT—Senator Alston, I have not recalled you.

Senator ALSTON—Madam President, I just want to clear up one matter. Do you know who paid my legal fees? Senator Carr—and I am very grateful to him. I will tell you what: it took a great load off my mind, son. That is absolutely true. I have to say, much and all as it might hurt, I am very grateful to you. All I ask is, please do it again. I would love a second helping.

Senator Faulkner—Madam President, I raise a point of order. I draw your attention to a breach of the standing orders by Senator Alston and ask you to rule on this matter. That is, that—

Senator ALSTON—Here he comes. You are still here, are you?

The PRESIDENT—Order! Please resume your seat, Senator Alston.

Senator Faulkner—Madam President, the procedural matter I would like to draw to your attention is the fact that Senator Alston is not addressing his remarks through the chair, and I would ask you to ask him to do so.

The PRESIDENT—There are so many breaches of standing orders at the moment. Senator Alston, it would probably help if you addressed your remarks correctly, but it would help also, Senator Faulkner, if you would perhaps encourage some of yours not to interject.

Senator Faulkner—I will.

The PRESIDENT—And if Senator Hill would do likewise.

Senator ALSTON—One would have to say that we have reached a new low in this place after that vicious and cowardly attack that Senator Faulkner launched, in terms of unparalleled ferocity, on Senator Colston. I do not care what you think someone might have done; to talk in those terms is absolutely

unforgivable and yet you have no sense, no comprehension of anything.

Senator Faulkner—Oh, really? Oh, you poor thing.

The PRESIDENT—Senator Alston, address your remarks through the chair.

Senator ALSTON—It is all just part of a political debate, Madam President. That is the attitude that is taken.

Senator Faulkner—I happen to think that that was a fairly moderate attack on Senator Colston. He deserves a lot more.

Senator ALSTON—I simply want to say, in conclusion, that this is a very attractive deal.

Senator Faulkner—He deserves a lot more. I consider him absolute scum.

The PRESIDENT—Senator Faulkner, just desist.

Senator ALSTON—Mr Keating sold a terrace house to his own company for $1.2 million in June 1996 and took out a mortgage with the Commonwealth Bank on the same property for $1.3 million—

Senator Bolkus—I raise a point of order. In terms of relevance—

Senator ALSTON—I know it is hurting.

Senator Bolkus—No, it does not hurt, whoever said that. In terms of relevance, this minister has been involved in two self loans in Sydney and Melbourne. Maybe he should tell us the truth about those in respect of apartments, the Crown Casino and also—

The PRESIDENT—Senator Bolkus, there is no point of order and you are in breach of the standing orders.

Senator ALSTON—Oh, boy. I was simply pointing out that Mr Keating has this magical capacity to persuade the Commonwealth Bank to provide him with a $1.3 million mortgage on a property that he had purchased—

Senator Schacht—What about your mates in Melbourne?

Senator ALSTON—three months earlier for $1.2 million.

Senator Carr—Tell us about the Crown Casino.

Senator ALSTON—That is a pretty good performance, to take out a mortgage for about 105 per cent of the property value. A lot of us would like to do it. A lot of us would like to know the secret. I am sure you would too. Once again, there is a very big stench about these matters. I can assure the Senate that—

Senator Schacht—Just say it outside, Richard.

Senator ALSTON—Yes, I am hoping that a lot more is said outside. I will certainly retire early, I can promise you.

Senator Faulkner—Madam President, I raise a point of order. Senator Alston is flouting your ruling again. He is not—

The PRESIDENT—It has been a very long day, Senator, and he is in breach of the standing orders. Senator Alston, I would ask you that you direct your remarks in accordance with the standing orders.

Senator ALSTON—Madam President, I have finished.

Senator Faulkner—You are. You are finished. You are out. I think that is something that we can all agree with.

The PRESIDENT—Senator Faulkner!

Senator Schacht—Yes, you are finished.

Senator Faulkner—You are finished, Richard. You said it, you are definitely finished. You have had it.

The PRESIDENT—Order!

Senate: Sittings

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (1.25 a.m.)—Madam President, it is interesting to see that more coalition senators were in this chamber tonight for the attack on the former Prime Minister, Paul Keating than were in here at any time during the debate on Telstra. I just think that says something about the priorities that the coalition has in this chamber.

On the television news tonight it was said that this was the second time in the history of the Senate, since Federation, that it had sat on a Saturday. Indeed, it might have gone on to say that it was the first time that it had actually sat on a Sunday. I do not know if it is.

Senator Carr—What happened to family values?

Senator COOK—The point the newsreader was making was that this today was a historic sitting. It is a historic sitting from many points of view. It will become known colloquially, and go down in history, as the own goal sitting.

Senator Heffernan—Madam President, I draw your attention to the state of the chamber.

Senator Chris Evans—Oh, you will regret that.

(Quorum formed)

Senator COOK—This will be a historic sitting because it will be the own goal sitting.

Senator Faulkner—And that is the own goal quorum called too. It will not be forgotten.

Senator COOK—This will go down in history as the sitting in which the government guillotined the debate over Telstra and, at the end of the day, sitting on a winter's day in the middle of a weekend, lost the vote.

Senator Calvert—Don't threaten us.

Senator Faulkner—You are a fool—a real dumb fool.

The PRESIDENT—Order! Senator Calvert, cease interjecting. Senator Faulkner!

Senator Calvert—So what? So what?

Senator Faulkner—You have really blown it. I don't need you to—

The PRESIDENT—Senator Faulkner, you are out of order to be shouting from that part of the chamber.

Senator COOK—The other reason why this is historic is that, at the end of the day, when they did lose the vote, what did they do? They decided to go and jump straight into the gutter and smear the former Prime Minister, Paul Keating. That is what they decided to do. We had a speech here from Senator O'Chee who, during the whole debate, was not game to stand up and defend his party's position on Telstra.

Senator Carr—And called a quorum so you could not defend it.

Senator COOK—He was not game to do that. He was not game to actually participate in the debate today but, the first opportunity he got, he slid straight into the gutter and attacked the former Prime Minister. This will also go down as a debate which plumbed the depths of gutter politics from that point of view as well.

I want to spend a few minutes, though, if I have the opportunity, to talk about what lies in wait for the Australian people. Between now and when the Senate resumes, the government will put down its much vaunted tax package. We will have a debate around Australia not only about Telstra but also about tax. That will be, front and centre, a debate on the GST. For those who have stood up here today, and Senator Boswell was—

The PRESIDENT—Order! The time for this debate has concluded. In closing the Senate, I want to say thank you to all staff of the parliament who have been required to work today to support this session.

Senate adjourned at 1.32 a.m. (Sunday), until 12.30 p.m. on Monday, 31 August 1998, in accordance with the resolution agreed to earlier this day.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk on 9 July 1998:

Export Control Act—Export Control (Orders) Regulations—Export Control (Fees) Orders (Amendment)—Export Control Orders No. 2 of 1998.

Migration Act—Statements for period 1 January to 30 June 1998 under section—

48B [3].

72 [3].

345 [2].

351 [3].

417 [15].

Taxation Determination TD 93/44 (Addendum).

Taxation Ruling TR 98/12.

Tabling

The following documents were tabled by the Clerk on 11 July 1998:

Aboriginal and Torres Strait Islander Commission Act—Regional Council Election Amendment Rules (No. 1) 1998.

Administrative Appeals Tribunal Act—Regulations—Statutory Rules 1998 No. 223.

Aged Care Act—Determination under section—

44—ACA Ch. 3 No. 10/1998.

48—ACA Ch. 3 No. 11/1998.

52—ACA Ch. 3 No. 12/1998.

Christmas Island Act—Ordinance—No. 3 of 1998 (Casino Control (Amendment) Ordinance 1998).

Civil Aviation Act—Civil Aviation Regulations—

Civil Aviation Orders—Exemption No. CASA 26/98.

Statutory Rules 1998 No. 219.

Family Law Act—Regulations—Statutory Rules 1998 No. 222.

Fisheries Management Act—Regulations—Statutory Rules 1998 No. 217.

Health Insurance Act—

Health Insurance (Approval of Billing Agents) Guidelines 1998.

Health Insurance (Billing Agents—Conditions of Approval) Determination 1998.

Regulations—Statutory Rules 1998 No. 220.

Two Way Agency Determination 1998.

Meat and Live-stock Industry Act—Order under section 68—

Orders Nos L17/1998 and L18/1998.

Order No. M80/1998.

Native Title Act—Regulations—Statutory Rules 1998 No. 221.

Public Service Act—Locally Engaged Staff Determination 1998/29.

Quarantine Act—Quarantine Proclamation 1998.

Rice Levy Act—Rice Levy Specification No. 1 of 1998.

Sales Tax Assessment Act—Regulations—Statutory Rules 1998 No. 218.

PROCLAMATIONS

Proclamations by His Excellency the Governor-General were tabled on 9 July 1998, notifying that he had proclaimed the following act and provisions of acts to come into operation on the dates specified:

Australian Prudential Regulation Authority Act 1998—1 July 1998 (*Gazette* No. S316, 30 June 1998).

Company Law Review Act 1998—Section 3 and Schedules 1, 2, 3 and 4—1 July 1998 (*Gazette* No. S317, 30 June 1998).

Taxation Laws Amendment (Company Law Review) Act 1998—Act, except for items 23, 54, 55 and 56 of Schedule 5 and Schedule 6—1 July 1998 (*Gazette* No. S325, 1 July 1998).

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Public Health Association of Australia: Funding

(Question No. 1198)

Senator Quirke asked the Minister representing the Minister for Health and Family Services, upon notice, on 25 May 1998:

(1) What, if any, Commonwealth funds are provided to the Public Health Association of Australia Incorporated in the financial years 1996-97 and 1997-98.

(2) (a) Were any other material benefits such as office, telephone, postage, secretarial services provided to this organisation in the financial years 1996-97 and 1997-98.

(3) Are travel benefits provided broadly to this organisation or any of its officials; if so, how much, why, and what other details can be provided.

(4) (a) Does the 1998 Budget contain further provisions of funding for this organisation; if so, how much, over what period, and for what purposes will this funding be provided; and (b) which individuals of this organisation will be the benefactors of any of this funding.

Senator Herron—The Minister for Health and Family Services has provided the following answer to the honourable senator's question:

(1) Under the National Public Health Program the following funds were paid to the Public Health Association of Australia:

1996/97

$100,000 - To cover the costs of a part time secretariat to administer a Quality Enhancement Program relating to the peer review of participating institutions funded under the Public Health Education and Research Program and other participating institutions. Funding also covered costs associated with meetings of the Program's Steering Committee and costs related to site visits of review panels to the institutions under review.

$20,000 - Note: $2,479.25 unspent funds returned thus total grant was $17,520.75. To provide funds for travel, accommodation and registration to enable consumer representatives from rural and remote areas in Australia to attend the 29th Annual PHA Conference "Rights to Life" in Melbourne on S-R Octaher 1998

$7,500 - To provide financial assistance in relation to the sponsorship of Dr David Salisbury to attend the PHA Immunisation Conference. These funds assisted with both the international and national travel, accommodation and living expenses for Dr Salisbury to attend the Conference. In return for this sponsorship package the Commonwealth Department of Health and Family Services was provided with exhibition space at the conference, a full page advertisement in the conference book, logo on satchels and conference banners, two complementary registrations and one satchel insert. In addition the Department was acknowledged as the sponsor for Dr Salisbury's session.

1997/98

$77,246 - To cover the costs of a part time secretariat to administer a Quality Enhancement Program relating to the peer review of participating institutions funded under the Public Health Education and Research Program and other participating institutions. Funding also covered costs associated with meetings of the Program's Steering Committee and costs related to site visits of review panels to the institutions under review.

$5,000 - To consult NGO's and other stakeholders in the public health field in the preparation of policy input to Commonwealth's consideration of its potential roles and responsibilities in public health at the national level under the National Public Health Partnership.

$5,000 - To help bring an international speaker over for the Second National Tuberculosis Conference.

$5,000 - To assist with Foodborne Disease Conference held in Brisbane in May l998.

$2,652 - To cover the travel costs of the PHA Chief Executive Officer in attending the World Health Organization's 4th International Conference on Health Promotion held in Jakarta in July 1997. The PHA CEO attended the conference as a member of the Australian delegation.

Under the Community Sector Support Scheme (CSSS) funds are provided as national secretariat grants to focus the efforts of PHA on activities which respond to the health and family services needs of the Australia community.

National secretariat funding was provided to PHA as follows:

1996-97—$292,241

1997-98—$295,220

(2) No.

(3) Under the National Public Health Program funding commenced in October 1997 to assist with travel and accommodation costs for the convenor of PHA Injury Special Interest Group to attend meetings of the National Injury Prevention Advisory Council. The Advisory Council met in October 1997, April 1998 and expects to meet two or three times a year. Funding amounts for the two meetings were:

October meeting—$701.40

April meeting $—1026.00

Total Funding $—1727.40

(4) Under the National Public Health Program the following funds have been allocated to the Public Health Association of Australia in the 1998/99 Budget:

$77,246 - To cover the costs of a part time secretariat to administer a Quality Enhancement Program relating to the peer review of participating institutions funded under the Public Health Education and ResearchProgram and other participating institutions. Funding will also cover costs associated with meetings of the Program's Steering Committee and costs related to site visits of review panels to the institutions under review. The Program is due to cease in June 2000.

Funding for the travel and accommodation costs for the convenor of the PHA Injury Special Interest Group to attend meetings of the National Injury Prevention Advisory Council has been budgeted for in the 1998 Budget.

Under the CSSS, PHA is expected to receive funding in 1998/99, similar to that provided in 1997/98, to support the activities of its national secretariat.

Individuals of this organisation will not be the benefactors of any of this funding, other than through the regular activities of the PHA national secretariat funded by CSSS.

QUESTIONS ON NOTICE

The following answers to questions were circulated after the rising of the Senate on 11 July 1998 and before the prorogation of the Parliament on 31 August 1998:

Civil Aviation Authority

(Question No. 1122)

Senator O'Brien asked the Minister representing the Minister for Transport and Regional Development, upon notice, on 3 April 1998:

(1) Was a report on sexual discrimination prepared for the Civil Aviation Authority (CAA) in 1994; if so (a) when was the report commissioned; (b) when was it completed; (c) why was it commissioned; and (d) was the report prepared by Ms Carmel Niland.

(2) Can a copy of the report be provided; if not, why not.

(3) (a) How many allegations of sexual harassment in the CAA, the Civil Aviation Safety Authority and Airservices Australia have been made in the financial years 1993-94, 1994-95,1995-96, 1996-97 and so far in 1997-98 and (b) where were the officers making the allegations based.

(4) (a) How was each case dealt with; (b) who was the senior officer responsible for each case; (c) what was the outcome of each case; and (d) were any of the allegations referred to the police; if so, what action did the police take in relation to these allegations and what resulted from that action

(5) Was Dr Helen James an employee of the CAA; if so: (a) when was she appointed; and (b) when did her employment cease and why did she leave the CAA.

Senator Alston—The Minister for Transport and Regional Development has provided the following amended answer to the honourable senator's question:

The table in part 3(b) of the original answer (Official *Hansard* 23 June 1998, page 3888) attributes the four formal cases to New South Wales and Queensland whereas one case actually occurred in Victoria. Item 2 of the table has been amended accordingly.

(1) No, a report on sexual discrimination was not prepared for the CAA in 1994.

(a) However, a report into fairness and equity was commissioned on 8 February 1994, and (b) completed later in 1994; (c) the report was commissioned when the CAA's Air Traffic Services Division became concerned about the fair treatment of its employees and it was decided to conduct an organisation-wide audit of equity and diversity. (d) The report was prepared by Ms Carmel Niland.

(2) A copy of the report has been provided to Senator O'Brien who is asked to respect the confidentiality of the report.

(3) (a) In July 1995, the CAA was replaced by the establishment of the Civil Aviation Safety Authority (CASA) and Airservices Australia.

Statistics on allegations of sexual harassment have been kept since September 1994 for the CAA. These statistics (listed below) are provided by the network of Equity and Contact Officers and may not include cases dealt with directly by managers. They are provided in Airservices' Annual Equity and Diversity report to the Minister.

Sexual harassment Complaints/Inquiries

CAA

1993-December 1994—No statistics kept

Jan—June 1995—8

Airservices

1995-96—16

1996-97—8

1997-98 (to December 1997)—5

CASA

1995—96—2

1996—97—2

1997—98—2

(b) With respect to Airservices, details of complainants are confidential, so unless there is formal investigation, the case progresses to the Grievance and Appeal Board or goes to an external organisation, whereabouts of complainants are not identified.

Four of the sexual harassment complaints listed above went to formal investigation and were dealt with as follows:

Location	Time	Outcome
1. Sydney	February 1994	Alleged harasser proceeded to Federal court. Matter settled out of court on 18 July 1996. Mediation process was undertaken and the terms are the subject of a confidentiality agreement. Nine recommendations from the internal mediation were implemented.
2. Melbourne	April 1994	Internal investigation. Matter resolved at local level. Alleged harasser removed from supervisory position. Education program conducted
3. Sydney	May 1995	Program of education for all concerned staff implemented and normal working environment was re-established.
4. Rockhampton	September 1996	Sub-contract cleaner made allegations to Queensland Anti-Discrimination Board re inappropriate materials in the workplace. Allegation withdrawn January 1997.

In respect of CASA, the officers concerned were located in Brisbane, Sydney, Canberra and Adelaide.

(4) Airservices has provided replies as follows:

(a) Cases are dealt with individually. Since 1995 cases have been processed in accordance with the Airservices Guidelines for Eliminating Harassment. Most cases are resolved informally; (b) in more serious cases, the General Manager for the relevant Division is responsible for the outcome. In cases 1 and 2, the General Manager Air Traffic Services, in cases 3 and 4, the Chief Fire Officer; (c) outcomes are shown in table above; (d) no allegations of sexual harassment were referred to the police.

CASA has provided replies as follows:

Allegation 1 (1995/96): Brisbane

(a) The Regional Manager convened a joint meeting between the parties. He subsequently counselled the offender, explaining to him the standard of behaviour and conduct expected in the workplace. The offender was reminded of his managerial responsibilities, which included the need to set the right example at all times.

(b) The Regional Manager, North East Region

(c) The details of the counselling session, including the victim's written allegation, were placed on the offender's personnel file. The offender undertook in writing to modify his behaviour—this was also placed on file. He also undertook some awareness raising sessions. There have been no further complaints regarding the behaviour of the offender with respect to sexual harassment.

(d) No.

Allegation 2 (1995/96): Sydney

(a) The General Manager, Human Resource Management, arranged for the Regional Manager South East Region to interview the parties and then formally counsel the offender.

(b) The Regional Manager, South East Region

(c) The counselling session resulted in the offender agreeing to stop bringing offensive material to the workplace. This satisfied the victim. A short time later the offender's employment was ceased.

(d) No.

Allegation 3 (1996/97): Sydney

(a) The Regional Manager interviewed the parties and then counselled the offender.

(b) The Regional Manager, South East Region

(c) The counselling session resulted in the offender agreeing to stop the unwanted behaviour. This satisfied the victim, however, she requested to be transferred to another area. In the interests of alleviating any discomfort for the victim the request for transfer was met.

(d) No.

Allegation 4 (1996/97): Canberra

(a) The Section Manager raised the victim's concerns with the offender (a temporary employee), who decided to withdraw his services to CASA. The whole section attended a session facilitated by Equity & Diversity co-ordinators with a view to raising awareness in relation to the elimination of sexual harassment in the workplace.

(b) The Section Manager

(c) The victim, due to the embarrassment she suffered over the incident, requested to be tempo-

rarily removed from that working environment. She went on to work at the same level in another section. CASA decided to periodically monitor the victim's well being and readjustment to the workplace. Progress reports to date have been very favourable.

(d) No.

Allegation 5 (1997/98): Adelaide

(a) The Harassment Contact Officer advised the victim to bring the matter to the attention of the Flying Operations District Manager. This she did and the Flying Operations District Manager subsequently counselled the offender.

(b) The District Manager, Flying Operations

(c) Whilst the offender claimed that he did not realise his language was offensive to the victim he agreed not to repeat the behaviour. This satisfied the victim, and there have been no further complaints.

(d) No.

Allegation 6 (1997/98): Canberra

(a) The General Manager, Human Resource Management Branch interviewed the victim and offender, and then separately counselled the latter.

(b) The General Manager, Human Resource Management

(c) Whilst the offender claimed that there was a misunderstanding with regard to the intent of the language used, he expressed remorse for causing offence to the victim. During a mediated session, the offender formally apologised to the victim and agreed to modify his language. However, the victim expressed discomfort in continuing to work with the offender and requested a transfer to another area. For this reason her request was complied with. The manager's behaviour has been monitored.

(d) No.

(5) Dr Helen James was an employee of the CAA; (a) she was appointed in October 1988 and; (b) her employment ceased in January 1995 due to redundancy.

Department of Defence Advertising

(Question No. 1159)

Senator Faulkner asked the Minister representing the Minister for Defence, upon notice, on 23 April 1998:

(1) What is the value of advertising placed by: (a) the department; and (b) agencies within the Minister's portfolio, on a month-by-month basis since March 1996.

(2) What proportion of advertising placed by the department or portfolio agencies since March 1996 has been for: (a) print media; (b) radio; (c) television; (d) other, and give details of other forms of advertising used.

(3) (a) What proportion of advertising placed by the department or portfolio agencies since March 1996 has been placed through the Office of Government Information and Advertising (OGIA); and (b) what mechanism has been used for that advertising not placed through OGIA.

Senator Newman—The Minister for Defence has provided the following answer to the honourable senator's question:

The Defence financial systems are not designed to readily identify the type of information sought by the honourable senator.

Discussions with staff in the honourable senator's office to further refine the scope of the question ascertained that regular and routine advertising associated with Defence recruiting and public relations, tender processes and public notices regarding Defence exercises are not of particular interest.

Accordingly, I advise the honourable senator that the investigations conducted by Defence have failed to identify any advertising expenditure on activities or campaigns other than those regular and routine matters identified above which are associated with the normal operations of the Defence portfolio.

Department of Health and Family Services: Advertising

(Question No. 1160)

Senator Faulkner asked the Minister representing the Minister for Health and Family Services, upon notice, on 23 April 1998:

(1) What is the value of advertising placed by: (a) the department; and (b) agencies within the Minister's portfolio, on a month-by-month basis since March 1996.

(2) What proportion of advertising placed by the department or portfolio agencies since March 1996 has been for: (a) print media; (b) radio; (c) television; or (d) other, and give details of other forms of advertising used.

(3) (a) What proportion of advertising placed by the department or portfolio agencies since March 1996 has been placed through the Office of Government Information and Advertising (OGIA); and (b) what mechanism has been used for that advertising not placed through OGIA.

Senator Herron—The Minister for Health and Family Services has provided the follow-

ing answer to the honourable senator's question:

(1) (a) and (b) To provide a month-by-month breakdown for the cost of advertising would require considerable time and resources better used for health priorities. I can, however, provide the following figures for campaign advertising from March 1996 to April 1998.

Department of Health and Family Services—$16,850,491; Portfolio Agencies—$4,753,896.

(2) The proportion of the total campaign advertising placed by the Department of Health and Family Services (DHFS) since 1996 for (a) the print media is 25.2%; (b) for radio is 9.9%; (c) for television is 57.7%; and (d) other, such as insertions and display advertising, is 7.3%.2.

(3) (a) and (b) The figures provided above relate to campaign advertising only. As with other Commonwealth Government departments, all such advertising for DHFS is overseen by OGIA and the MCGC and is booked by the Advertising Investment Services Pty Ltd on its behalf.

Correspondence relating to negotiations for a regional forest agreement in Western Australia

(Question No. 1176)

Senator Margetts asked the Minister representing the Prime Minister, upon notice, on 29 April 1998:

With reference to the current negotiations for a regional forest agreement in Western Australia: has the Minister or the department been involved in any correspondence or communication with any State or Federal Government department or minister, the Forest Industries Federation of Western Australia, Alcoa Australia, the Forest Protection Society, or Wesfarmers Limited or any of its subsidiaries including the Bunnings group of companies, Wesfarmers Bunnings Limited and Bunnings Forest Products Pty Ltd, in relation to the Western Australian Regional Forest Agreement; if so, can copies be provided of the correspondence or communication.

Senator Hill—The Prime Minister has provided the following answer to the honourable senator's question:

Yes. Correspondence has been exchanged with a number of the bodies listed in the senator's question. Copies of correspondence between ministers or my Department and State and Federal Government ministers and departments cannot be released as these documents deal with the continuing negotiations between the Commonwealth and the Western Australian Government in developing the Regional Forest Agreement for the South-West Forest Region of Western Australia.

Copies of correspondence with non-government bodies will be forwarded to the honourable senator separately by the Department of the Prime Minister and Cabinet, where these organisations have agreed to the release of their correspondence. This correspondence dates from the signing of the Scoping Agreement for the Western Australia Regional Forest Agreement in July 1996 until 29 April 1998.

Waterfront: Australian Competition and Consumer Commission

(Question No. 1180)

Senator O'Brien asked the Minister representing the Treasurer upon notice, on 5 May 1998:

(1) When did the Australian Competition and Consumer Commission (ACCC) commence an inquiry into the arrangements between Patrick Stevedores and Producers and Consumers Stevedores at Webb Dock in Melbourne.

(2) (a) Why did the ACCC initiate the inquiry; (b) how will the inquiry be progressed by the commission; and (c) when does the ACCC expect its investigations will be complete.

(3) When did the ACCC commence an inquiry into arrangements between Patrick Stevedores, P&O Stevedores and the Melbourne Ports Corporation.

(4) (a) Why did the ACCC initiate the inquiry; (b) how will that inquiry be progressed by the commission and; (c) when does the ACCC expect its investigation will be complete.

(5) When did the ACCC commence an inquiry into the OOCL litigation involving Patrick Stevedores and the Melbourne Ports Corporation.

(6) (a) Why did the ACCC initiate the inquiry; (b) how will that inquiry be progressed by the commission and; (c) when does the ACCC expect its investigation will be complete.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

(1) On 9 February 1998, at a hearing of the Australian Industrial Relations Commission (AIRC) regarding an Application by Patrick Stevedores (Patrick) under section 127 of the Workplace Relations Act 1996 for an order to stop or prevent industrial action, Mr Chris Corrigan, Chairman and Managing Director of Patrick, gave evidence which suggested an anti-competitive agreement between Patrick and Producers and Consumers Stevedores (PCS). Allegations of an anti-competitive agreement between Patrick and PCS were also raised in The Australian on 10 February 1998.

On 11 February 1998, the ACCC wrote to Patrick seeking their response to those allegations and requesting documents relevant to the ACCC's inquiry.

(2) (a) The ACCC initiated the inquiry because the comments attributed to Mr Corrigan during the AIRC hearing appeared to raise an issue under the Trade Practices Act 1974 (the Act).

(b) The inquiry has been progressed in the following manner since the investigation was commenced on 11 February 1998:

- 18 February 1998, the ACCC wrote to Patrick requesting that Patrick respond to the allegations by 23 February 1998;
- 24 February 1998, the ACCC staff had a telephone conversation with Mr Chris Corrigan of Patrick in which Mr Corrigan undertook to provide the relevant documents and an explanation of the Webb Dock Sub-lease agreement and equipment hire agreement between Patrick and PCS;
- 25 February 1998, the Australian Financial Review reported that Mr Steve Bracks, the Victorian Labor Party's Industrial Relations spokesperson, had stated in the Victorian Parliament that an equipment hire agreement between Patrick and PCS could be cancelled by Patrick on seven days' notice;
- 26 February 1998, Mr Hank Spier, General Manager, ACCC had a telephone conversation with Mr William Hara, General Counsel, Lang Corporation Limited, in which Mr Hara said he would provide extracts of the relevant documents to the ACCC;
- 3 March 1998, the ACCC wrote to Lang Corporation Limited requesting it to provide copies of the relevant documents and advising that, if Lang Corporation Limited's response was not received by 4 March 1998, the General Manager would recommend to the Commission that it exercise its statutory power under section 155 of the Act;
- 4 March 1998, the ACCC received Lang Corporation's response to the ACCC's letter of 11 February 1998. This response includes extracts from a "Commercial Sub-Lease" dated 28 January 1998 between Patrick Stevedores No 1 Pty Ltd and PCS Stevedores Pty Ltd and a "Deed of Variation of Commercial Sub-Lease" dated 20 February 1998 between the same parties;
- 4 March 1998, Mr Hank Spier had a telephone conversation with Mr William Hara, in which Lang Corporation agreed to allow ACCC staff to inspect the whole of the Sub-lease and equipment hire agreements between Patrick and PCS; and
- 6 March 1998, ACCC staff inspected the agreements.

(c) PCS does not yet have any customers. The ACCC's investigation is likely to be able to be further progressed once PCS secures its first customer so that the competitive or anti-competitive effect of any agreement can be ascertained.

(3) The ACCC commenced formal inquiries in relation to the arrangements between Patrick, P&O Stevedores and the Melbourne Ports Corporation, following a series of questions from Senator O'Brien during the Senate Economics Legislation Committee Meeting on Thursday 5 March 1998.

The ACCC had previously noted some reports in the financial press about this issue when private litigation between Patrick, P&O Stevedores and the Melbourne Ports Corporation (the OOCL litigation) was settled, but could not ascertain whether or not there was an issue under the Trade Practices Act. No one had complained about any conduct in breach of the Act—not even the complainant in the case. The Application lodged in the private proceedings did not plead breaches of the competition provision of the Act, but it did plead breaches of the consumer protection provisions.

(4) (a) See response to question (3) above.

(b) The ACCC has progressed this inquiry by reviewing the court documents from Supreme Court of Victoria proceedings between Patrick and the Melbourne Ports Corporation and also P&O and the Melbourne Ports Corporation. The ACCC has also requested information from the parties and has interviewed the Melbourne Ports Corporation.

(c) Once all the court documents and other information have been assessed, the ACCC will make a decision as to how to progress the matter.

(5) See response to question (3) above.

(6) (a) See response to question (4) above.

(b) See response to question (4) above.

(c) See response to question (4) above.

Nursing Home Standards Review Panel

(Question No. 1184)

Senator Brown asked the Minister representing the Minister for Family Services, upon notice, on 12 May 1998:

(1) Of the 13 facilities visited by the Standards Review Panel in 1 995 and 1 996: (a) how (many) of these facilities were located in Tasmania; (b) how many were closed following the review; and (c) what was the time span between the review and closure.

(2) If discussions were held with residents and their families at Derwent Court during each of the assessments of standards, approximately how many

of the residents and how many of their relatives were consulted during each assessment.

(3) Were there any complaints from residents or their relatives; if so, to what did the complaints relate.

(4) (a) Was the Curruthers Building, now know as St Bernadettes, at St John's Park inspected by departmental officers between February 1997 and 21 July 1997; if so, what were the dates of these inspections; and (b) was an inspection carried out by the department immediately prior to the residents' move from Derwent Court; if so, what does the report of the inspection say.

(5) How many residents, or their representatives, indicated their intention to move from Derwent Court to Rosary Gardens on each of the days between 21 July 1997 and 25 July 1997.

(6) Were other service providers offered the same option and opportunity as Southern Cross Homes of developing their capacity to provide care for additional residents; if so, specifically which other service providers were approached.

(7) Why was there a need to act so urgently to relocate the Derwent Court residents.

(8) (a) How long did the negotiations between the department and Southern Cross Homes take; and (b) who were the people involved.

(9) When did Southern Cross Homes first indicate to any person within the department, in any way, its desire for additional bed licences.

(10) (a) When did the Curruthers Building, now know as St Bernadettes, meet the Tasmanian State Department of Community Services licensing requirements; and (b) when and how was the then Curruthers Building shown to meet the buildings standards for certification.

(11) Could the following documents be provided. (a) any agreement between the Department of Health and Family Services and Southern Cross Homes relating to the accommodation of Derwent Court residents; and (b) any report or notes from the visit by the standards monitoring team to the Curruthers Building in August 1997.

Senator Herron—The Minister for Family Services has provided the following answer to the honourable senator's question:

(1) (a) One; (b) One; (c) The review had two stages:

- 4 November 1996—1st panel.
- 9 May 1997—2nd panel.

The last resident moved from Derwent Court on 4 August 1997.

(2) It was usual for Departmental staff to hold discussions with residents and their families whilst undertaking Standards Monitoring visits, however no specific details of these discussions are retained. Therefore the number of specific discussions with residents and their families has not been recorded and it is not possible to provide the details requested.

(3) Yes. The complaint from a relative concerned the lack of consultation with regard to the care provided in Derwent Court.

(4) (a) Yes, an initial visit was conducted on 6 February 1997, followed by supplementary visits between that time and 21 July 1997.

(b) No.

(5) Residents and their relatives indicated to the facilities concerned, not the Department, their preferred dates of transfer.

(6) Information relating to this question was provided to Senator Brown in response to Part (5) of his previous question in the Senate, No 955 of 6 November 1997.

The answer given to the previous question is provided below:

(a) The allocation of approved places to ensure continuity of care for residents from Derwent Court was not done through a select tender or other public process. Discussions were held with Aged Care Tasmania) the State branch of the Association of Nursing Homes and Extended Care Australia) the State Department of Community and Health Services and Advocacy Tasmania to identify facilities with the capacity to take all of the residents of Derwent Court Nursing Home on the basis that there was a risk that the approval of Derwent Court Nursing Home would be revoked. As a result of these discussions, staff of the Department inspected a number of facilities and spoke with a number of individual service providers.

(b) All of these service providers had evidence of providing a better quality of care for residents than that being provided at Derwent Court but none, apart from Rosary Gardens Nursing Home, had the potential capacity to take all of the residents from Derwent Court Nursing Home at very short notice.

- Mary's Grange Nursing Homer St Ann's Nursing Homer Lilian Martin Nursing Home and Rosafy Gardens were approached during these discussions.

(7) The need to urgently relocate residents was based on the Department's decision to revoke the approval of the nursing home. Revocation of approval was based on serious concerns regarding the operation of the Derwent Court Nursing Home where it was considered that there were serious risks to the health and welfare of residents if they continued to stay at the home.

(8) Information relating to this question was provided to Senator Brown in response to Part (1)

of his previous question in the Senate, No 1191 of 14 May 1998.

The answer given to the previous question is provided below:

The discussions took place between Mr Stephen Dellar, then State Manager, Tasmania and the Chief Executive Officer of Southern Cross Homes Inc, Mr Richard Sadek as well as some board members. Some meetings also involved other senior staff of Southern Cross Homes. Discussions took place on the following dates: 5, 6 and 21 February 1997; 6, 7 and 13 March 1997, 28 April 1997; and 21 July 1997. The discussions on 6 and 7 March took place by telephone.

(9) Southern Cross Homes first indicated to the Department its interest in acquiring additional bed licences during February 1997 discussions between the Department and Aged Care Tasmania referred to in part (6).

(10) (a) This question relates to a State Government licensing requirement for which the Department of Health and Family Services is not responsible. However, confirmation that the building could be licensed as a nursing home had previously been obtained by the Department of Health and Family Services. Southern Cross Homes were advised by the State Government of the formal Notice of Intention to license the facility on 22 August 1997.

(b) The Curruthers Building was inspected and compared informally with the requirements of the certification assessment instrument in June 1997. It was formally approved for certification on 1 October 1997.

(11) (a) The following copies of documents will be provided to the honourable senator:

Attachment 1— Correspondence between Mr Stephen Dellar) State Manager and Mr Richard Sadek of Southern Cross Homes.

Attachment 2— Reply from Mr Richard Sadek of Southern Cross Homes

Attachment 3— Instrument of Approval of Nursing Home Accommodation, dated 24 July 1998—approving the Carruthers Building as suitable for accommodation of nursing home residents and payment of Commonwealth Nursing Home Benefits.

Attachment 4— Instrument for Approval in Principle—dated 24 July 1998 for an additional twenty "C" nursing home beds to the Rosary Gardens Nursing Home.

Attachment 5— Certificate of Approval—8416 S&C- dated 24 July 1997 approving Rosary Gardens Nursing Home's bed capacity as 129S and 20C beds.

Attachment 6— Instrument of Approval in Principle—dated 25 July 1997—for an additional 31 C beds to Rosary Gardens Nursing Home.

Attachment 7— Certificate of Approval—8416 S&C- dated 1 September 1997—approving Rosary Gardens bed capacity to 129S beds and 51C beds.

(b) There were no Standards Monitoring Team visits to the Curruthers Building in August 1997. The visit to which you refer may have been one which resulted from complaints received by the Department. As such, only issues raised by the complainants were investigated and a report was not prepared or published. A Standards Monitoring visit to the Rosary Gardens complex was however conducted in February 1998 and a copy of the report relating to this visit has been delivered to your Hobart office.

Logging and Woodchipping

(Question No. 1200)

Senator Brown asked the Minister representing the Minister for Primary Industries and Energy, upon notice, on 27 May 1998:

(1) With reference to each licence to export unprocessed wood, current at 25 May 1998, can the following information be provided: (a) the company name; (b) the port through which the wood will be exported; (c) the type of wood, softwood or hardwood; (d) the form, whether whole logs, woodchips or other; (e) the source of the wood whether plantation or native forest, crown or private, logging, silvicultural or sawmill residues, or other; (f) the volume, in terms of green tonnes disaggregated according to type of wood, form and source in the categories of parts 1(c), 1(d) and 1(e); and (g) the dates of issue and expiry.

(2) With reference to each licence to export unprocessed wood, received on or before 25 May 1998, which has not yet been issued or rejected, can the following information be provided: (a) the company name; (b) the port through which the wood will be exported; (c) the type of wood, softwood or hardwood; (d) the form, whether whole logs, woodchips or other; (e) the source of the wood whether plantation or native forest, crown or private, logging, silvicultural or sawmill residues,

or other; (f) the volume, in terms of green tonnes disaggregated according to type of wood, form and source in the categories of parts 2(c), 2(d) and 2(e); and (g) the date of the application; and (h) the starting date and length of time for which to application is made.

(3) For each licence current between 1 July 1997 and 25 May 1998, how much unprocessed wood has been exported during the year to date.

Senator Parer—The Minister for Primary Industries and Energy has provided the following answer to the honourable senator's question:

(1) Refer to Attachment A.

(2) Refer to Attachment B.

(3) The information is not available, given:

(a) certain licences do not require such information to be provided by the licence holder to the Commonwealth;

(b) the progressive removal of export controls over the period in question (see note to Attachment A); and

(c) the commercial sensitivity of the information where certain licence holders are required to provide such information to the Commonwealth.

The Australian Bureau of Resource Economics publication, Forest Products Statistics, which is produced on a quarterly basis, provides aggregated data on exports of unprocessed wood.

Attachment A

Licences Current at 25 May 1998 #

Name of Company	Export Vol. (tonnes per annum)	Wood Type	Wood Form	Wood Source	Lic. Type	Duration	Region/State /Territory	Port
Midway Wood Products Pty Ltd	300,000 in total	S'wood	Logs & W'chips	Private plantations/ pulplogs, thinnings and sawmill residues	Unprocessed Wood Regulations *	1/4/97 to 31/12/99	Victoria	Geelong
Auspine Ltd	100,000	S'wood	W'chips	Public plantations/ sawmill residues	Unprocessed Wood Regulations *	1/5/97 to 31/12/02	Tasmania	Bell Bay
Western Timber Co-operative Ltd	250,000	H'wood	W'chips	Private plantations/ pulplogs & thinnings	Unprocessed Wood Regulations *	1/1/98 to 31/12/03	Western Australia	Bunbury & Albany
Canterwood Pty Ltd	400,000 in total	S'wood	W'chips	Private plantation/thinnings	Unprocessed Wood Regulations	1/1/98 to 31/12/98	Q'land	Gladstone
Kingsen International (Australia) Co. Ltd	30,000 in total	S'wood	Logs	Private Plantations	Unprocessed Wood Regulations	17/6/97 to 31/12/98	Q'land	not identified
D Rose & A Noakes	300,000 cbm in total	S'wood	Sawlogs & pulplogs	Private Plantations	Unprocessed Wood Regulations *	23/7/97 to 31/7/98	NSW & ACT	Port Kembla
TQ Timbers Pty Ltd	50,000 cbm in total	S'wood	Sawlogs & pulplogs	Private Plantations	Unprocessed Wood Regulations	22/7/97 to 31/12/98	Q'land	Brisbane
TFGA	95	camphor laurel	Logs	Private properties in northern NSW	Unprocessed Wood Regulations	1/5/98 to 31/4/99	NSW	Brisbane
South Resources Pty Ltd	280,000 in total	S'wood	Logs and w'chips	Plantations	Unprocessed Wood Regulations *	/12/97 to 31/12/98	ACT and NSW	Port Kembla
QIEMS	35,000 in total	H'wood	W'chips	sawmill residue	Restricted shipment licence	12/3/98 to 31/12/98	Q'land & North NSW Region	Brisbane
Western Timber Co-operative Ltd	250,000	H'wood	W'chips	Private plantation/ pulplogs & thinnings	Unprocessed Wood Regulations *	1/1/98 to 31/12/03	Western Australia	Bunbury & Albany
North Forest Products	450,000	H'wood	W'chips	Private forest/ pulplogs	Degraded forest licence *	28/2/98 to 31/12/99	Tasmania Region	Burnie
Koppers Timber Preservation	12,000 in total	H'wood	Poles	Plantations/regrowth forests	Unprocessed Wood Regulations *	/5/97 to 31/5/98	NSW	not identified

Name of Company	Export Vol. (tonnes per annum)	Wood Type	Wood Form	Wood Source	Lic. Type	Duration	Region/State /Territory	Port
Spenta-Trade Links	24,000 in total	S'wood & h'wood	Plantation logs & reject logs	S'wood-private plantations H'wood-saw-mill reject native forest logs	Unprocessed Wood Regulations *	1/4/97 to 31/3/99	South West Western Australia	not identified
Midway Wood Products	149,000	H'wood	W'chips	Native forests	Transitional licence*	2/9/97 to 31/12/99	Central Highlands Victoria Region	not identified
Midway Wood Products	182,000	H'wood	W'chips	Native forests	Transitional licence	2/9/97 to 31/12/99	West Victoria Region	not identified
Midway Wood Products	24,000	H'wood	W'chips	Native forests	Transitional licence	2/9/97 to 31/12/99	North East Victoria Region	not identified
Midway Wood Products	35,000	H'wood	W'chips	Native forests	Transitional licence	2/9/97 to 31/12/99	Gippsland Victoria Region	not identified
Midway Wood Products	10,000	H'wood	W'chips	Native forests	Transitional licence	1/1/97 to 31/12/99	Tumut NSW	not identified
Harris Daishowa (Aust)	490,000	H'wood	W'chips	Native forests	Transitional licence	1/1/97 to 31/12/99	South Region NSW	Eden
Harris Daishowa (Aust)	440,000	H'wood	W'chips	Native forests	Transitional licence*	1/1/97 to 31/12/99	East Gippsland Region Victoria	Eden
Boral Timbers Tasmania	950,000	H'wood	W'chips	Native forests	Transitional licence *	1/1/97 to 31/12/99	Tasmania Region	not identified
Gunns Ltd	400,000	H'wood	W'chips	Native forests	Transitional licence *	1/1/97 to 31/12/99	Tasmania Region	not identified
North Forest Products	1,931,000	H'wood	W'chips	Native forests	Transitional licence *	1/1/97 to 31/12/99	Tasmania Region	not identified
Sawmillers Exports P/L	500,000	H'wood	W'chips	Native forests	Transitional licence	1/1/97 to 31/12/99	North Region NSW	not identified
Southern Plantations Chip Co.	110,000	H'wood	W'chips	Native forests	Transitional licence	1/1/97 to 31/12/99	South West Region WA	not identified
WA Chip and Pulp Co.	900,000	H'wood	W'chips	Native forests	Transitional licence	1/1/97 to 31/12/99	South West Region WA	not identified
Queensland Hardwood Resources	130,000	H'wood	W'chips	Native forests	Transitional licence	1/1/98 to 31/12/99	Q'land and North Region NSW	not identified
Queensland Commodity Exports Pty Ltd	400,000	S'wood	W'chips	Plantations	Unprocessed Wood Regulations *	1/1/98 to 31/12/98	Q'land Region	Brisbane
Mr Zhen Quan Chen	500.	S'wood—cypress pine	Logs	Private plantation/thinnings	Unprocessed Wood Regulations	/11/97 to 31/12/2007	Northern Territory & Q'land	Darwin & Brisbane
Mr Zhen Quan Chen	100 in total	S'wood—cypress pine	Logs	Private plantation/thinnings	Unprocessed Wood Regulations	18/8/97 to 31/12/98	Northern Territory & Q'land	Darwin & Brisbane

Note:

* While these export licences are current, it should be noted that export controls have been lifted for

(a) plantation sourced material in Victoria, Tasmania, South Australia, Western Australia and New South Wales; and

(b) unprocessed wood and woodchips sourced from native forests in the East Gippsland, Central Highlands and Tasmania RFA regions;

as arrangements are in place in those States/regions to protect environmental and heritage values.

Licences to export small quantities of sandalwood were also issued during this period.

Attachment B

Applications Received on or Before 25 May 1998

Name of Company	Export Vol. (tonnes per annum)	Wood Type	Wood Form	Wood Source	Lic. Type	Applicat-ion date	Region	Port
Hollworth Interna-tional	1 shipment (max)	H'wood	W'chips	Private proper-ties	Restricted shipment licence	4/12/97	northern NSW	Brisbane

Bougainville: Australian Defence Force Personnel

(Question No. 1204)

Senator Margetts asked the Minister representing the Minister for Foreign Affairs, upon notice, on 29 May 1998:

With reference to a report in the Australian of 26 March 1998, that the Government of New Zealand can no longer sustain the costs of leading truce operations on Bougainville:

(1) Will the Australian Government increase the number of Australian Defence Force (ADF) troops on Bougainville; if so, how many additional personnel will be deployed and in what capacity.

(2) (a) Will Australian troops be armed; if so, who will decide the rules of engagement; and (b) Will the Bougainville Revolutionary Army be consulted on this issue.

(3) How long does the Australian Government anticipate that the ADF personnel will be on Bougainville.

(4) What is the anticipated annual cost of maintaining ADF troops on Bougainville and which program or programs will the funds come from.

(5) What will the Australian Government do if the Bougainville Revolutionary Army or the Bougainville Interim Government do not agree to an increase in ADF personnel on Bougainville.

(6) With reference to recent newspaper reports which indicate that Australian officials would be pushing for an extension of the present truce arrangements or for the declaration of a permanent ceasefire: will the Australian Government also bring pressure to bear on Bougainville Interim Government or Bougainville Revolutionary Army representatives to agree to an increase in ADF personnel on Bougainville.

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

Upon the signature of a permanent and irrevocable ceasefire on 30 April by the parties to the Bougainville conflict, on 1 May 1998, the Peace Monitoring Group (PMG) replaced the Truce Monitoring Group (TMG) on Bougainville.

In March 1998, New Zealand indicated it was unable to sustain the level of commitment to the PMG that it had provided to the TMG, and that with the commencement of the PMG, it would scale back its contribution. Accordingly on 1 May, Australia took over leadership of the regional monitoring operation, and provided the bulk of the logistic support element. Australia assumed command of the PMG only once it had obtained the agreement of all the parties, and endorsement from the National Security Committee of Cabinet. The transition from the TMG to the PMG, including from New Zealand to Australian command, has proceeded smoothly.

The number of personnel in the PMG is generally around 303 personnel, though these figures vary slightly from time to time. An indication of the usual break-down in numbers is 231 ADF monitors and support personnel and 18 DFAT, Defence, AusAID and AFP civilian monitors; 30 New Zealand Defence Force personnel; 15 ni-Vanuatu and 9 Fijian military personnel. Therefore, in answer to (1), the number of ADF personnel has increased from approximately 75 in the TMG to 231 in the PMG. This increase was agreed to by all parties to the conflict (including the PNG Government, the BRA/BIG and the BTG). Because the PMG is unarmed, it is vital that its composition has the continued support of the Bougainvillean people, so that its security and operations are assured.

The Australian personnel are employed by the PMG in a variety of ways. The Australian civilians are deployed to any of the five teamsites (four Peace Monitoring Team sites and one Liaison Team) around the province, except for the Chief Negotiator of the PMG, who works at the PMG Headquarters in Arawa. Some ADF are also deployed to the teamsites, along with military personnel from New Zealand, Fiji and Vanuatu. However, the majority of ADF personnel are stationed at the logistical and PMG headquarters, at Loloho and Arawa respectively, performing a variety of support work including: communications; PMG air, sea and land transport and transport maintenance; offloading, storage and allocation of supplies; production of a peace newsletter and publicity material; and purification of the water supply.

In answer to (2), ADF personnel taking part in the monitoring operations have never been—and

will never be—armed. It was the express wish of the parties to the Bougainville conflict (including the PNG Government, the BRA/BIG and the BTG) that the monitoring Group be unarmed. A Treaty signed on 5 December 1997 by PNG and the States participating in the TMG—amended by the 29 April Protocol—specified the TMG would be unarmed (Article 14). Indeed, the parties to the Bougainville conflict guaranteed the safety of the TMG in the 25 November 1997 Cairns Commitment, in recognition that the Group would be unarmed.

The Rules of Engagement for the PMG are decided in conjunction with all the States participating in the operation.

In answer to (3), the Australian Cabinet reviews Australian participation in the PMG every three months. Further, the Protocol to the TMG Treaty—which was signed in Port Moresby on 29 April by the PNG Government and PMG participants to enable the deployment of the PMG—similarly provides for three-monthly review of the size, composition and role of the PMG (Article 8.c). The unarmed PMG presence is contingent on the agreement of all parties to the Bougainville conflict—if this agreement is revoked, the PMG will withdraw.

The PMG is doing an excellent job in monitoring the implementation of the ceasefire on the ground, and in disseminating information about the peace process. The operation has played a key role in defusing tension across the province and in the observance (with the odd minor transgression) of the ceasefire. It has increased awareness of the peace process among Bougainvilleans and provided a neutral presence on the island at a time when the parties are discussing important issues regarding the future of Bougainville. Provided the parties continue to agree to its deployment, the PMG will need to remain on Bougainville, fulfilling these roles, for some months.

Question (4) was forwarded for reply to the Minister for Defence. The Minister for Defence advises that the anticipated annual cost to Defence of maintaining ADF personnel on Bougainville (excluding base salaries) is $25.97m based on the current level of personnel, scope and level of activity being maintained. The majority of this funding will come from existing programs in Support Command, Army, Air Force and Navy. Additional funds will be provided from the Corporate Support Program, Defence Personnel Executive and the Defence Estate Program.

In answer to (5), all parties (including the BRA/BIG) agreed to an increase in Australian personnel, including the ADF, when the ceasefire was signed.

In answer to (6), the Australian Government has no desire to dominate the peace process, or to dictate its terms to the parties. The Australian Government has not pressured any party (including the BRA/BIG) in respect of the process. The peace process belongs to Papua New Guineans, and as such, it should be conducted by them. That said, Australia is pleased to have contributed to the progress achieved to date on Bougainville, and we are willing to continue to do so, provided all parties to the conflict agree.

Australia remains the largest donor to Bougainville, having committed $136 million AUD over the next five years to various rehabilitation and reconstruction programs. These include major infrastructure projects, humanitarian assistance and facilitation of meetings between the parties.

Uranium Exports

(Question No. 1205)

Senator Brown asked the Minister for the Environment, upon notice, on 19 June 1998:

With reference to the Minister's recent statement that no Australian uranium was used for weapons:

(1) What was the basis for this statement.

(2) What was the source of the uranium used by Pakistan, which has no uranium mines, in its recent nuclear tests.

(3) What has happened to every gram of uranium exported from Australia.

(4) How can the Minister be confident that Pakistan did not receive any uranium.

Senator Hill—The answer to the honourable senator's question is as follows:

(1) Australia is a Party to the Treaty on the Non-Proliferation of Nuclear Weapons (TNPNW), and has entered into an agreement with the International Atomic Energy Agency (IAEA) for the application of safeguards in connection with the treaty.

Uranium sourced from Australian mines is sold exclusively to other countries which are also parties to the TNPNW, which have also agreed to adopt the IAEA system of safeguards, and which have entered into bi-lateral agreements with Australia regarding the use of Australian obligated nuclear material. These measures are designed to prevent the diversion of nuclear material from the nuclear fuel cycle to nuclear weapons production, and are scrutinised by the IAEA through a regime of routine and surprise inspections of nuclear facilities. Australian uranium must be accounted for, from mining through to the storage, reprocessing or disposal of spent nuclear fuel rods. This system effectively renders the diversion of nuclear materials from the nuclear fuel cycle to nuclear weapons production impossible. There is no evidence to

suggest that there has ever been any such diversion since the IAEA system of safeguards was introduced.

Pakistan is not a Party to the TNPNW. The Commonwealth Government, which regulates the possession of uranium in its jurisdiction, and controls the export of uranium from Australia, does not allow the sale of Australian uranium to Pakistan, or any other country which is not a Party to the TNPNW.

(2) I am not aware of the source of uranium used by Pakistan for its recent nuclear tests. However, I am advised by the Department of Foreign Affairs and Trade that Pakistan does mine uranium within its borders. Whilst not commercial operations, they are capable of supplying uranium to Pakistan's nuclear weapons program.

(3) The Treaty on the Non-Proliferation of Nuclear Weapons came into force in Australia in 1974. This regime ensures that all Australian uranium can only be used for peaceful purposes.

(4) I have confidence in the effectiveness of the Treaty on the Non-Proliferation of Nuclear Weapons, and the International Atomic Energy Agency system of safeguards, in preventing the diversion of nuclear material from the nuclear fuel cycle to nuclear weapons production. On that basis I am confident that Pakistan did not receive any uranium from Australia.

SpringBrook National Park

(Question No. 1206)

Senator Brown asked the Minister for the Environment, upon notice, on 19 June 1998:

With reference to the Naturelink Cable Car proposal, Springbrook National Park:

(1) Does the Minister agree that this proposal has the potential to impact on the world heritage values of the Springbrook area; if so, what are the potential threats it poses.

(2) What assessment is being made by the Commonwealth of the environmental impacts of this proposal.

Senator Hill—The answer to the honourable senator's question is as follows:

(1) I am committed to ensuring that the outstanding universal values of the Central Eastern Rainforest Reserves (Australia) World Heritage property are adequately protected. I have previously requested information on the proposal from the former Queensland Minister for the Environment including details of the proposed route, construction techniques, environmental impacts and techniques and opportunities for community consultation and input. I will be pursuing this matter with the new Queensland Minister for the Environment, the Hon Rodney Welford MLA.

(2) In my view, a decision on the environmental acceptability of the Naturelink Cable Car proposal should be made only after an open, transparent and rigorous environmental impact assessment which meets the needs of relevant Commonwealth legislation.

Costerfield Mine

(Question No. 1207)

Senator Ellison asked the Minister representing the Minister for Industry Science and Tourism, upon notice, on 22 June 1998:

With reference to the answer to a question on notice no. 1101 (Senate Official *Hansard*, 12 May 1998, p 2606):

(1) Does the refusal to provide the information requested in parts (1) to (4) of the question indicate that the details of the federal expenditure referred to has immunity from public interest.

(2) What is the nature of the commercial damage which would be incurred with disclosure of the information requested.

Senator Parer—The Minister for Industry Science and Tourism has provided the following answer to the honourable senator's question:

The information requested by Senator Allison on 17 March relates to the research and development tax concession and not to any particular federal expenditure by way of grant that your current question implies. As the information requested relates to the tax concession it is therefore subject to the confidentiality provisions of the Industry Research and Development Act 1986. This entitles the company to confidential treatment of its research and development and taxation affairs.

Disclosure of competitive advantage may cause commercial damage. The specific information relating to a company's R&D activities may be commercially sensitive as R&D often provides a competitive advantage. Moreover, Senator Allison's questions relate to the tax affairs of Diamin Resources N.L. It is an established practice that the commercial and tax affairs of companies, relating to the R&D tax concession, are not made public by the Government.

However, certain information is available to the public through the Diamin Resources N.L 1997 Annual Report. A copy of the Annual Report may be obtained from the company.

Australian Bureau of Statistics Wage Cost Index

(Question No. 1208)

Senator Faulkner asked the Minister representing the Minister for Finance and Administration, upon notice, on 23 June 1998:

(1) How does the Government propose to apply the Australian Bureau of Statistics (ABS) Wage Cost Index, ABS Information Paper of 26 March 1998.

(2) How will the index affect wage cost indexation arrangements for Commonwealth own purpose outlays and specific purpose payments.

(3) Given that the 1995 Budget papers stated that the present index based on safety net adjustments would be reviewed, is it the Government's intention to apply the new index in the next Budget.

Senator Kemp—The Minister for Finance and Administration has provided the following answer to the honourable senator's question:

(1) It is not considered appropriate to apply the ABS Wage Cost Index to Government expenditure such as running costs, specific purpose payments (SPPs) and Commonwealth own purpose outlays (COPOs) of a running costs nature as the ABS index does not include non-wage components such as superannuation and pay roll tax and it does not include a productivity discount.

(2) The ABS Wage Cost Index does not apply to COPOs or SPPs.

(3) The Government does not intend to apply the ABS Wage Cost Index in the next Budget. Indexation arrangements are reviewed prior to each budget to determine whether more suitable arrangements are available.

Family Court of Australia: Custody Decisions

(Question No. 1210)

Senator Brown asked the Minister for Justice, upon notice, on 24 June 1998:

(1) For each of the past 5 years, how many custody decisions of the Australian Family Court have led to one parent only being allowed custody or access to a child or children.

(2) Of these decisions, how many favoured the mother, how many the father, and how many another person.

(3) What arrangements are made in such cases to ensure access of the child or children to the non-custodial parent after they reach the age of majority: for example, are contact details made available for either the child or the estranged parent.

(4) What provision is available for a parent denied access to make contact after a child has reached the age of majority.

(5) Has the number of court decisions favouring one parent so as to deny access to the other, as a percentage of all Family Court decisions on child custody, altered in the past two decades; if so, by how much.

Senator Vanstone—The Attorney-General has provided the following answer to the honourable senator's question:

(1) and (2) The Family Court of Australia has advised me that the numbers and percentages of custody/residence orders for children made in the Family Court of Australia in favour of fathers, mothers, mothers/fathers jointly and other persons during the past 5 years are as shown in Table 1.

Table 1: Custody/Residence Order Outcomes—1993-94 to 1997-98

	In favour of father	In favour of mother	Joint/split custody/ residence (b)	In favour of other applicant	Total
Numbers					
1993-94	2,033	9,500	899	357	12,789
1994-95	2,017	9,758	1,061	373	13,209
1995-96	2,100	9,704	1,021	419	13,244
1996-97	2,530	9,795	1,211	570	14,106
1997-98 (a)	2,708	9,556	1,064	615	13,943
Percentages					
1993-94	15.9%	74.3%	7.0%	2.8%	100.0%
1994-95	15.3%	73.9%	8.0%	2.8%	100.0%
1995-96	15.9%	73.3%	7.7%	3.2%	100.0%

	In favour of father	In favour of mother	Joint/split custody/ residence (b)	In favour of other applicant	Total
1996-97	17.9%	69.4%	8.6%	4.0%	100.0%
1997-98	19.4%	68.5%	7.6%	4.4%	100.0%

Notes to Table 1:

(a) The 1997-98 data was run on 2 July 1998. These figures may be slightly understated as the Family Court of Australia usually allows 4 weeks for Registries to enter backlogs of outcome details on Blackstone.

(b) "Joint" custody/residence is where the order is for each child to spend some time residing with each parent and "split" custody/residence is where the order is for each parent to have one or more of their children residing with them on a full time basis, that is, some children go to one parent and some to the other.

The Family Court has further advised me that the numbers and percentages of access/contact orders for children made in the Family Court of Australia in favour of fathers, mothers and other persons during the past five years are shown in Table 2. These include both consent orders and orders not by consent (as the numbers in each of these categories are not available separately.

Table 2: Access/Contact Order Outcomes—1993-94 to 1997-98

	In favour of father	In favour of mother	In favour of other applicant	Total
Numbers				
1993-94	10,930	2,951	240	14,121
1994-95	11,581	3,036	274	14,891
1995-96	11,751	3,038	299	15,088
1996-97	11,937	3,342	426	15,705
1997-98 (a)	11,419	3,399	464	15,282
Percentages				
1993-94	77.4%	20.9%	1.7%	100.0%
1994-95	77.8%	20.4%	1.8%	100.0%
1995-96	77.9%	20.1%	2.0%	100.0%
1996-97	76.0%	21.3%	2.7%	100.0%
1997-98	74.7%	22.2%	3.0%	100.0%

Notes to Table 2:

(a) The 1997-98 data was run on 2 July 1998. These figures may be slightly understated as the Family Court of Australia usually allows 4 weeks for Registries to enter backlogs of outcome details on Blackstone.

The Family Court of Australia has further advised me that the figures in Tables 1 and 2 may give an incorrect impression because it has not been possible to break them up into orders made by consent and those made by the Court not by consent. An approximate breakdown can be deduced from a study conducted in 1983 which found as follows:

Orders for Custody Care and Control

Nature of Order	In favour of Mothers	In favour of Fathers	In favour of others
By consent	79%	18%	3%
Not by consent	54%	31%	15%

A similar but more limited study was done in 1992 on custody orders in defended matters only:

Orders for Custody			
Nature of Order	In favour of Mothers	In favour of Fathers	In favour of others
Not by consent	60%	31%	9%

The Family Court of Australia has further advised me that it is unable to provide information on the number of cases where one parent was given neither custody/residence nor access/contact or the number of cases where mothers, fathers or other persons were denied either custody/residence or access/contact. The Family Court of Australia has advised that, in the majority of cases, the parent who does not have custody/residence of the child will apply for and/or be granted access/contact. The Family Law Act 1975 asserts the right of the child to have contact with both parents and the Family Court of Australia has advised me that there have to be strong reasons in the best interests of the child for contact to be refused by the Court.

(3) and (4) The Family Law Act 1975 only provides for residence orders and contact orders for children who are under 18 years of age. The issue of contact between a 'child', after he or she reaches 18 years of age, which is the age of majority, and his or her parents is a matter for the parents and the child.

(5) The Family Court of Australia has advised that it does not have the necessary statistics covering the past two decades. However, as can be seen from the 1983 and 1992 studies mentioned in answer to (1) and (2), the percentage of defended cases in which custody was awarded to the father was identical in those two years.

Jabiluka Uranium Mine

(Question No. 1212)

Senator Allison asked the Minister for the Environment, upon notice, on 24 June 1998:

(1) Does the Minister recall referring to the 77 conditions on the Jabiluka uranium mine set by him as 'strict' and 'stringent'.

(2) Are these conditions legally enforceable; if so, how.

(3) Has condition 56, the development of a cultural heritage management plan before project operations commence, been met; if not, why not.

(4) Which other conditions have not been met.

(5) (a) How was it intended to ensure that conditions 56 would be met; and (b) is the Minister concerned that it has not been met.

(6) How does the Minister reconcile the words 'strict' and 'stringent' with the fact that condition 56 has been clearly broken.

(7) What is the response to the comment from the Northern Land Council in relation to Energy Resources Australia (ERA) had taken 'no steps' to organise negotiations for the cultural heritage management plan.

(8) Will ERA be forced to cease work on the mine until all conditions are met.

(9) Can a list be provided of the conditions that demonstrates which conditions have been met m full, which have been partly met and which have not been met.

Senator Hill—The answer to the honourable senator's question is as follows:

(1) Under the Environment Protection (Impact of Proposals) Act 1974, it is my responsibility to make recommendations to the 'action Minister' (in this case the Minister for Resources and Energy). I made over 70 recommendations to the Minister for Resources and Energy in relation to the proposed Jabiluka development. Many of these recommendations relate to conditions which I concluded should be imposed. These conditions would appropriately be characterised as 'strict' or 'stringent'.

(2) The Minister for Resources and Energy has accepted all of my recommendations. These conditions are being implemented through a variety of mechanisms, including the Jabiluka Authorisation imposed under Northern Territory legislation and the Commonwealth Environmental Requirements.

(3) Senator Parer has accepted recommendation 56. I am advised that implementation of this recommendation is occurring within the legal framework set by the Environmental Requirements. I am advised that no formal management plan is in place because it has not been possible to consult with Traditional Owners. However, I am also advised that ERA (Energy Resources of Australia Ltd) has strategies and commitments in place consistent with a cultural heritage management plan. I understand each party (ERA and the Northern Land Council) regard the lack of cooperation as the fault of the other party.

(4) ERA has provided a six monthly progress report to Senator Parer detailing how it is proceed-

ing with the additional studies required by the recommendations. My department assessed the report and concluded that ERA had made adequate progress on the additional studies required by the Commonwealth. I am advised that adequate progress is being made in giving effect to the recommendations, taking into account the fact that the development is being progressed in stages.

(5) See response to question 3.

(6) See response to question 3.

(7) See response to question 3.

(8) See response to question 4.

(9) See response to question 4.

Child Abduction Conventions

(Question No. 1213)

Senator Brown asked the Minister representing the Attorney-General, upon notice, on 24 June 1998:

With reference to Australia's obligations under the Hague Convention on the Civil Aspects of International Child Abduction:

(1) What is the role of the Australian Cental Authority and does it include responding to requests from England and other jurisdictions involving abduction by parents.

(2) Does the authority or the Government not act upon such requests unless there is confirmation that a sum has been secured by the applicant parent equivalent to the cost of airfares for the abducting parent and children to return home; if not, what requirements are made before Australia acts on such requests and since when have these requirements obtained.

(3) Are, for example, such applications transmitted from England's Lord Chancellor's Department to Australia not acted upon where the applicants are impecunious.

(4) Do other countries have such requirements; if so, which countries are they.

(5) Is the present Australian approach in full accord with obligations of the Hague Convention and ultra vires the enabling legislation.

Senator Vanstone—The Attorney-General has provided the following answer to the honourable senator's question:

(1) Commonwealth, State and Territory Central Authorities have been designated for Australia pursuant to Article 6 of the Hague Abduction Convention and regulations 5 and 8 of the Family Law (Child Abduction Convention) Regulations. The duties, powers and functions of the Central Authorities are set out in the Convention and in the Regulations. One of the functions of a Central Authority is to receive from parents in other Convention countries applications for the return of children.

(2) Regulation 13 of the Family Law (Child Abduction Convention) Regulations requires the Commonwealth Central Authority to satisfy itself that an application is in accordance with the requirements of the Convention before the Central Authority acts to obtain an order from the Family Court for the return of the child. One of the requirements of the Convention is that the overseas applicant pay the expenses to be incurred in implementing the return of the child (Article 26 of the Convention). Thus where the Family Court is likely to order return of the child in the custody of the abducting parent, the Commonwealth Central Authority requires the overseas applicant to satisfy it that arrangements have been made in relation to the payment of airfares for both the child and the abducting parent. Where the abducting parent is impecunious, this will usually mean that the overseas applicant must put in place satisfactory arrangements to meet the cost of the airfares. This requirement dates from 1994 when an overseas applicant refused to pay an airfare for a child taken into care pending return and the relevant Australian Central Authority was left to meet the cost.

(3) Applications received from applicants in the United Kingdom are dealt with as outlined in answer to question (2) above. Australia has a legal aid scheme of assistance (the Overseas Custody Child Removal Scheme) which pays airfares for impecunious applicants in Australia who seek the return of children from other countries. On a number of occasions the Commonwealth Central Authority has made representations to the English Lord Chancellor's Department about England's failure to adopt such a scheme to assist impecunious English applicants with the payment of airfares. Attempts by the English Lord Chancellor's Department and English solicitors to transfer these costs to Australian taxpayers are unacceptable because the Convention places the liability on the overseas applicant.

(4) Other Convention countries do not require Australian applicants to make arrangements to pay airfares because Australia's legal aid scheme of assistance (the Overseas Custody Child Removal Scheme) pays airfares for impecunious applicants in Australia who seek the return of children from other countries.

(5) The Commonwealth Central Authority's handling of Hague Convention applications is consistent with the Convention and the Regulations.

Nursing

(Question No. 1214)

Senator Margetts asked the Minister representing the Minister for Family Services, upon notice, on 24 June 1998:

Given that: (a) the wages and conditions for registered nurses in Western Australia is less than in other States; (b) the wages and conditions for registered nurses in aged care are less than in other aspects of care; (c) the qualifications of registered nurses in Western Australia is equivalent to other States; and (d) the qualifications and expenses of registered nurses who work in aged care are equivalent to all other areas of care; and given that, as a consequence: (a) registered nurses are being overworked and understaffed; (b) registered nurses have little incentive to pursue a career in aged or palliative care; (c) there is a reduced quality of care to the elderly; (d) there is reduced access to care for the elderly; and (e) there are increased costs in acute care:

(1) Does the Government acknowledge that the overall reduction in federal aged care funding through the introduction of the Resident Classification Scale (RCS) has substantially contributed to this inequitable and damaging situation faced by aged care registered nurses and the elderly; if not, why not.

(2) If the Government does not acknowledge a reduction in federal aged care funding, can an explanation be provided as to why proprietors of residential aged care facilities are cutting nursing hours.

(3) How does the Government plan to address accountability issues with respect to proprietors of residential aged care facilities.

(4) Does the Government acknowledge that the introduction of the RCS has resulted in increased paperwork and even less time for registered nurses in direct care; if not, why not.

(5) Does the Government acknowledge that the reduction in overall aged care funding or lack of accountability mechanism have put intense downward pressure on registered nurses' wages and conditions; if not, why not.

(6) Does the Government plan to ensure that there is an increase in overall funding for aged care; if not, why not.

(7) Will action be taken to restore any funding lost as a result of the implementation of the RCS; if not, why not.

(8) Does the Government concede that reduction in aged care funding and poor wages and conditions for registered nurses will result in the removal of registered nurses by natural attrition; if not, why not.

(9) Does the Government acknowledge that registered nurses and residents in aged care are predominantly female, thus the impact of aged care funding indirectly discriminates against women; if not, why not.

Senator Herron—The Minister for Family Services has provided the following answer to the honourable senator's question:

(1) No. The Resident Classification Scale (RCS) was not introduced to, nor has it delivered savings. The objectives in developing the RCS were to improve on the accuracy of the previous classification instruments in measuring relative care needs (especially dementia related care needs) as a basis for funding.

A comprehensive and independent review of the RCS has confirmed that the RCS is not underfunding care. In fact, there has been an increase in overall funding in Western Australia (and nationally) for both nursing homes (1.5%) and hostels (5.8%).

(2) The Government does not have information to indicate that nursing home proprietors are cutting nursing hours.

(3) Section 54-1(1)(b) of the Aged Care Act 1997 requires providers to maintain an adequate number of appropriately skilled staff to ensure the care needs of residents are met. This includes skilled nursing staff where this is indicated by the care needs of residents.

The Aged Care Standards and Accreditation Agency will monitor services against staffing and care provisions to ensure providers meet their obligations under the Act. This will include an assessment of staffing qualifications and rosters, and ongoing staff development and training arrangements.

(4) No. The RCS does not include specific documentation requirements. The RCS classification process, as did the classification processes it replaced, draws on the documentation undertaken by professional staff in assessing the care needs of residents and in developing a care plan. This is also the documentation considered by departmental officers in validating funding claims.

The RCS review noted that concerns over documentation may be a response to uncertainty about change which can be expected to settle as people become more familiar with the arrangements.

A Documentation and Accountability Manual, used in nursing homes, has been updated and extended to hostels to provide a good practice guide in documentation to support quality care. The manual was produced for professional nursing and other care staff by professional nurses, including

representatives of the Australian Nursing Federation and College of Nursing.

(5) No. The introduction of the RCS has resulted in an increase in funding, not a decrease. Expenditure on residential aged care subsidies has increased by 17.7% from $2.419 billion in 1995-96 to $2.846 billion in 1998-99.

The new funding and accountability arrangements will increase the flexibility available to providers and unions to negotiate enterprise agreements to fund wage increases and allow providers and staff to retain and share the benefits of efficiency gains achieved through enterprise bargaining.

(6) The Government has made a commitment to ensure that care funding is appropriate to residents' relative care needs, that care needs are being accurately assessed and that providers are receiving the full amount of funding to which they are entitled to provide that care. Budget estimates provide for expenditure of $2.846 billion on residential aged care subsidies in 1998-99, $2.950 billion in 1999-00, $3.064 billion in 2000-01, and $3.163 billion in 2001-02.

(7) In introducing the RCS, the Government made a commitment to maintain the aggregate level of funding available under the previous system. The RCS has, in fact, delivered a higher level of funding than the previous system.

(8) No. There has been no reduction in aged care funding. The Commonwealth indexes the funding rates for aged care services under arrangements were introduced in the 1995 Budget. These arrangements apply not only to residential aged care funding, but to all Commonwealth programs with significant wage costs.

These arrangements, together with the accreditation requirements, mean that services will have both the financial capacity and requirement to employ quality staffing in order to achieve quality outcomes.

(9) Funding for residential aged care in Western Australia has increased under the RCS.

In addition, the Government's aged care reforms have set the industry on a more viable and financially secure footing, well able to offer good conditions to staff. Providers in the industry under enterprise bargaining have been able to offer staff a significant pay rise together with improved productivity, under existing funding arrangements.

To the extent that registered nurses and residents in aged care services are predominantly female, the increase in Commonwealth spending on aged care has positively discriminated in favour of women.

Bougainville: Truce Monitoring Group

(Question No. 1216)

Senator Quirke asked the Minister for Justice, upon notice, on 24 June 1998:

Why did the Government decide to deploy Australian Federal Police officers to the island of Bougainville as part of the Truce Monitoring Group.

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

The Government decided to deploy Australian Federal Police officers as part of the Truce Monitoring Group because the parties to the Bougainville conflict asked for police officers to be included among the civilian monitors and because Australian Federal Police Officers have extensive experience in peace monitoring operations. Their knowledge has been very useful to the Truce Monitoring Group and its successor, the Peace Monitoring Group. In addition, the restoration of civil authority, including policing, has been given a high priority by the Bougainville parties in their efforts to secure a lasting peace on the island. In its discussions with the parties, the Truce/Peace Monitoring Group has benefited from the readily available advice of Australian Federal Police officers.

Goods and Services Tax

(Question No. 1223)

Senator Quirke asked the Minister for Justice, upon notice, on 24 June 1998:

Will the Department of Finance and Administration subsidise Government agencies such as the Australian Federal Police in order to meet any emergent costs associated with the introduction of a goods and services tax or any other similar tax.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

The Government is still considering tax reform options so it is not appropriate at this time to discuss hypothetical policy options and their impact.

In line with normal practice, the Government will consider funding of departments and agencies annually in its Budget deliberations.

Government Members' Secretariat

(Question No. 1224)

Senator Robert Ray asked the Special Minister of State, upon notice, on 25 June 1998:

Did any staff of the Government Members Secretariat travel to Queensland between

19 May and 13 June 1998; if so, which staff and what were the details of the travel, such as date, destination, cost to the Commonwealth et cetera.

Senator Minchin—The answer to the honourable senator's question is as follows:

Yes.

Costs known by the Department of Finance and Administration as at 25 June 1998 were:

Traveller	Date	Duration	Destination	Cost
Linda Reynolds	8 June 1998	4 days	Brisbane	$1495.05
Reginald Chamberlain	8 June 1998	4 days	Brisbane	$1495.05

Government Members' Secretariat

(Question No. 1226)

Senator Robert Ray asked the Special Minister of State, upon notice, on 1 July 1998:

(1) Did Mr Brendan Cooper, an employee of the Government Members' Secretariat, claim travelling allowance for his travel to Perth from 25 October to 31 October 1996; if so, how much did he claim, for which nights and at which locations.

(2) Did Mr Cooper claim travelling allowance for his travel to Perth and his return via Sydney from 3 November to 9 November 1996; if so, how much did he claim, for which nights and at which locations.

(3) Did Mr Cooper claim travelling allowance for his travel to Perth and his return via Sydney from 10 November to 14 November 1996; if so, how much did he claim, for which nights and at what locations.

(4) Did Mr Cooper claim travelling allowance for his travel to Perth and his return via Sydney from 16 November to 29 November 1996; if so, how much did he claim, for which nights and at which locations.

(5) Did Mr Cooper claim travelling allowance between 26 November and 12 December 1996; if so, how much did he claim, for which nights and at which locations.

(6) What travel did the Commonwealth pay for on behalf of Mr Cooper during this period and, according to departmental records such as boarding passes received by the department, what actual travel was undertaken by Mr Cooper.

(7) Did Ms Linda Reynolds, an employee of the Government Members' Secretariat, claim travelling allowance for her travel to Perth between 16 November and 4 December 1996; if so, how much did she claim, for which nights and at which locations.

Senator Minchin—The answer to the honourable senator's question is as follows:

(1) Yes; $986.15; the nights of 25 to 30 October in Perth.

(2) Yes; $936.05; the nights of 3 to 7 November in Perth.

(3) Yes; $637.25, the nights of 10 to 12 November in Perth.

(4) Yes; $711.90; the nights of 16 to 19 November in Perth.

(5) Yes; $2145.55; the nights of 26/27/29/30 November, 1 to 4 and 9 to 11 December in Perth, the nights of 28 November and 5 December in Brisbane.

(6) Records held by the Department indicate that the following travel was undertaken by Mr Cooper:

Canberra to Sydney	26/11/96
Sydney to Perth	26/11/96
Perth to Brisbane	28/11/96
Brisbane to Perth	29/11/96
Perth to Sydney	5/12/96
Sydney to Cairns	5/12/96
Cairns to Brisbane	5/12/96
Brisbane to Sydney	6/12/96
Sydney to Perth	9/12/96

Perth to Sydney	12/12/96
Sydney to Canberra	12/12/96

All legs of this travel were paid for by the Department.

No. Departmental records do not show Ms Reynolds travelling to Perth between 16 November and 4 December 1996.

Mr David Oldfield

(Question No. 1227)

Senator Brown asked the Minister for Communications, the Information Economy and the Arts, upon notice, on 2 July 1998:

With reference to the article in the *Australian* of 26 June 1998 regarding Mr David Oldfield's phone calls:

(1) Who is responsible for this breach of confidence.

(2) Which phone company is involved.

(3) If the Minister does not know who leaked the phone records of Mr Oldfield, has a police inquiry been instituted; if not, why not.

(4) If the agent responsible has been identified, what action has been taken.

(5) What action had been taken to ensure there is no repeat of this breach of confidence.

(6) What laws govern access to such phone records.

Senator Alston—The answer to the honourable senator's question is as follows:

(1) Advice was sought from the Australian Federal Police (AFP), the Department of Finance and Administration (DOFA) and the Department of Employment Education Training and Youth Affairs (DEETYA) on the questions raised by Senator Brown. Based on the information provided by these agencies, it is not clear that a breach of confidence has occurred. DEETYA advised that some information relating to private telephone calls made by Mr Oldfield, between 29 March 1996 and 9 May 1997, which included the date, length and cost, but no details about the nature of the calls, was provided to the Senate Employment, Education and Training Legislation Committee in reply to a Senate Estimates question on notice asked on 19 August 1997.

(2) No information provided by the agencies referred to in response to question 1 suggests that any telephone company was involved in the acquisition of information referred to in the article in the *Australian.*

(3) and (4) The AFP advised that neither Mr Oldfield or any other party has lodged a complaint about the issue raised in the article appearing in the Australian on 26 June 1998, therefore, no police action has been taken. The AFP further advised that if a complaint were made, it would be assessed by the AFP in terms of (a) jurisdiction and (b) operational commitments and priorities.

(5) See answers to questions (2), (3) and (4).

(6) The Telecommunications Act 1997 (the Act) contains provisions to ensure the protection of information acquired by telecommunications carriers and carriage service providers during the course of their business, including telephone records.

Logging and Woodchipping

(Question No. 1228)

Senator Margetts asked the Minister representing the Minister for Primary Industries and Energy, upon notice, on 1 July 1998:

Have any export licences been issued for native forest hardwood logs, plantation hardwood logs or plantation softwood logs, from Western Australian forests or plantations; if so: (a) when were they issued; (b) to which company were they issued; (c) what volume of logs was involved; and (d) where were they to be exported.

Senator Parer—The Minister for Primary Industries and Energy has provided the following answer to the honourable senator's question:

The current approval for the export of logs from Western Australia is:

Export Licences—Western Australia

MEPWOOD	Company	Licence	Total Vol-	Material	Destina-
1522	Mr Homee Wadia	1/4/97	24,000	Softwood logs	India

Job Pathways Program

(Question No. 1229)

Senator Mackay asked the Minister representing the Minister for Employment, Education, Training and Youth Affairs, upon notice, on 1 July 1998:

(1) Will the Minister provide a list of federal electoral divisions in which funds have been received under the Jobs Pathway Program in each round since 2 March 1996 showing:

(a) the sum received under the program; and

(b) the percentage rate of youth unemployment in the electoral division.

(2) Will he also provide a list showing the percentage rate of youth unemployment during the period referred to in part 1 in electoral divisions which did not receive funds under the program.

(3) Will he also provide precise details of:

(a) the selection process for successful program brokers; and (b) his or his office's involvement in the selection process.

Senator Ellison—The Minister for Employment, Education, Training and Youth Affairs has provided the following answer to the honourable senator's question:

(1) No program administered by my Department is funded on the basis of federal electoral division. With regard to the Jobs Pathway Program (JPP), there have been two complete tender rounds since this Government came to Office in 1996: 1996-97 and 1997-98.

(a) A meaningful break down of funding by electorate is not possible for two reasons: funding decisions for JPP are not made by electorate and the brokers have been contracted to provide assistance to students up to an agreed target for a region which may cover more than one electorate. However, I have asked the Department to map the provision of JPP services across to federal electorates and the attached table shows the number of schools in each electorate at which students are receiving (or have received) assistance from a JPP broker.

(b) Information about the percentage rate of youth unemployment by electorate is not routinely maintained by my Department. However, the Parlia mentary Library has recently compiled a set of data for each electorate that includes the percentage rate of youth unemployment which has been derived from the 1996 Census data. This information is included in the attached table.

(2) There are six federal electorates in which assistance under JPP has note been available: Cook, Gilmore and Throsby in NSW, Fairfax and Fisher in Queensland, and Franklin in Tasmania. Information about the percentage rate of youth unemployment by electorate is not routinely maintained by my Department. However, the Parliamentary Library has recently compiled a set of data for each electorate that includes the percentage rate of youth unemployment which has been derived from the 1996 Census data. This information is also included in the attached table.

(3) I have directed my Department to provide information about the general nature of the selection process used for both 1996-97 and 1997-98 only. This general information is attached. Neither I nor my office have had any involvement in the selection process for the Jobs Pathway Program.

JOBS PATHWAY PROGRAM

NUMBER OF SCHOOLS BY ELECTORATE AT WHICH STUDENTS HAVE BEEN ASSISTED DURING 1996/97 & 1997/98

		Number of schools		
State or Territory	Electorate	1996/97	1997/98	Youth U/E (%)
NSW	Banks		3	12.5

State or Territory	Electorate	Number of schools 1996/97	1997/98	Youth U/E (%)
	Barton	2		14.3
	Bennelong	7		9.7
	Berowra	11		8.7
	Blaxland	1	9	20.7
	Bradfield	12		7.9
	Calare	21	21	21.0
	Charlton	6	10	21.9
	Chifley	16	11	21.2
	Cook			9.4
	Cowper	7	11	27.2
	Cunningham		11	25.2
	Dobell	5	4	20.6
	Eden-Monaro	1	5	20.7
	Farrer	7	15	21.3
	Fowler	13	12	29.1
	Gilmore			21.8
	Grayndler	4	12	19.5
	Greenway	14	5	14.9
	Gwydir		7	27.6
	Hughes	1	3	8.9
	Hume	4	24	20.4
	Hunter	2	4	22.7
	Kingsford-Smith		1	14.3
	Lindsay	10	10	16.5
	Lowe	12	8	13.8
	Lyne	9		25.9
	Macarthur	6	6	16.9
	Mackellar	7		8.1
	Macquarie	13	13	16.6
	Mitchell	14	1	7.7
	New England	2	5	22.7
	Newcastle	7	10	29.9
	North Sydney	15		9.3
	Page	16	15	26.2
	Parkes	8	9	21.7
	Parramatta	16	12	12.3
	Paterson	8	8	22.7
	Prospect	15	10	16.6
	Reid	3	7	21.4

State or Territory	Electorate	Number of schools 1996/97	1997/98	Youth U/E (%)
	Richmond	11	13	23.8
	Riverina	12	22	17.1
	Robertson	12		19.4
	Shortland	1	5	22.5
	Sydney	3	6	21.0
	Throsby			26.5
	Warringah	12		7.9
	Watson		1	17.8
	Wentworth	1		14.5
	Werriwa	17	18	20.6
Victoria	Aston	8	2	13.0
	Ballarat	1	8	22.6
	Batman	1	8	25.0
	Bendigo		8	25.7
	Bruce	15	3	15.6
	Burke	5	10	20.6
	Calwell	9	5	21.6
	Casey	10	14	14.8
	Chisholm	5	1	17.9
	Corangamite	1	14	18.9
	Corio		12	26.8
	Deakin	5	6	15.4
	Dunkley	11	9	19.7
	Flinders	8	9	15.4
	Gellibrand	7	14	28.8
	Gippsland		7	21.6
	Goldstein	7	8	12.9
	Higgins	3		16.7
	Holt	10	6	19.5
	Hotham	3	6	18.1
	Indi	9	18	19.5
	Isaacs	5	6	17.4
	Jaga Jaga	2	7	17.6
	Kooyong	4		13.0
	Lalor	1	10	19.8
	La Trobe	4	5	14.7
	Mallee	1	30	17.7
	Maribyrnong	12	12	22.5
	McEwen	10	11	17.8

		Number of schools		
State or Territory	Electorate	1996/97	1997/98	Youth U/E (%)
	McMillan	2	4	23.4
	Melbourne	3	3	27.1
	Melbourne Ports	4	5	21.3
	Menzies	1	3	13.3
	Murray	13	11	18.5
	Scullin	1	10	19.5
	Wannon		19	21.6
	Wills	4	3	23.5
QLD	Bowman	13	4	16.9
	Brisbane	8		19.2
	Capricornia		1	21.4
	Dawson	11	2	15.5
	Dickson	8	6	14.9
	Fadden	8	6	15.4
	Fairfax			22.2
	Fisher			25.6
	Forde	7	9	22.3
	Griffith	10		16.8
	Groom	16	19	20.1
	Herbert		7	19.2
	Hinkler	9	14	22.0
	Kennedy	3	13	16.5
	Leichhardt		17	14.6
	Lilley	9	3	18.2
	Longman	6		21.1
	Maranoa	12	20	17.0
	McPherson	11	11	20.4
	Moncrieff	19	10	21.5
	Moreton	10	6	18.3
	Oxley	8	9	21.8
	Petrie	11	5	18.8
	Rankin	5	7	22.0
	Ryan	1		15.7
	Wide Bay	9	6	25.1
WA	Brand	5	6	18.9
	Canning	6	14	16.4
	Cowan	2	4	12.8
	Curtin	6		14.9

State or Territory	Electorate	Number of schools 1996/97	1997/98	Youth U/E (%)
	Forrest	10	9	16.0
	Fremantle	5		15.7
	Kalgoorlie	6	7	12.7
	Moore	5	8	14.0
	O'Connor	5	20	15.4
	Pearce	3	8	13.3
	Perth	4	8	18.7
	Stirling	3	5	16.0
	Swan	5	10	18.1
	Tangney	4	7	11.5
SA	Adelaide	15	13	23.9
	Barker		17	19.7
	Bonython	10	7	31.6
	Boothby	8	10	18.4
	Grey		7	27.0
	Hindmarsh	9	9	20.1
	Kingston		5	23.6
	Makin	14	10	18.8
	Mayo	1	12	17.5
	Port Adelaide	7	7	24.0
	Sturt	2	11	22.1
	Wakefield	4	5	20.4
Tasmania	Bass	3	6	23.0
	Braddon	2	14	23.6
	Denison	10		22.1
	Franklin			23.2
	Lyons		6	24.9
NT	Northern Territory		3	16.8
ACT	Canberra	8	17	18.1
	Fraser	4	10	18.6
	Namadgi	4	10	17.9

1996-97 Jobs Pathway Program—Tender Process

. For the 1996-97 round, the focus of the Program was on assisting those school leavers, who had successfully completed their Year 12 studies and had undertaken vocational education courses as part of their Year 11 and Year 12 studies, to obtain employment, including traineeships and apprenticeships, and provide advice and support over the first year of their placement.

. Given the relatively low numbers of Year 11 and 12 students participating in vocational education courses, the Department adopted a selective tendering process, choosing organisations recommended by its Area Offices as having the potential to become JPP brokers.

These organisations were invited to submit tenders.

. The criteria for determining which regions received priority for funding under JPP for 1996-97 were that there should be sufficient numbers of students undertaking a school based vocational education programs and that appropriately qualified brokers existed to deliver the program. Quantification of the numbers of students participating in school based vocational education programs was drawn from the survey performed by the Australian Council for Educational Research on behalf of the Australian Student Traineeship Foundation.

. Tenders were assessed against the objectives of the program and for consistency with the national strategic objectives in vocational education and training. The principle of value for money was applied through this process.

. Contracts were executed with 40 organisations to manage 42 projects.

1997-98 Jobs Pathway Program—Tender Process

. For the 1997-98 round, the focus of the program was expanded to providing assistance to school leavers to find and sustain employment as well as to work with those students who would otherwise leave school without completing their year 12 studies, with a view to encouraging them to remain at school.

. An open and competitive tender process was adopted and tenders were called through advertisements in the national and major regional press on 7 and 11 June 1997. Organisations wishing to tender had a six week period to 18 July 1997. Copies of the tender documentation could be downloaded from the DEETYA Home Page on the Internet.

. The tender documentation clearly specified the:

- objectives of the program (section 3);
- range of services that are expected to be provided by brokers (section 4);
- outcomes expected (section 5);
- use of placement and retention targets as a measure of performance (section 6);
- roles and responsibilities of both DEETYA and brokers (section 7);
- funding and reporting arrangements (section 8); and
- tender process (section 9).

. Section 9.2 clearly specified the outcomes that we were seeking from the tender process, namely quality brokerage services, quality vocational guidance, open competition, value for money and ethical and fair dealings, accountability and impartiality.

. Section 9.3 specified how tenderers should define a region for JPP for 1997-98. It clearly indicated that the final shape of each region may vary according to a number of factors including the number of schools, numbers of students, level of participation in VET programs, Year 12 completion rates, level of youth unemployment and the broker's capacity to deliver the services. Tenderers were asked to nominate their region by specifying the schools that they intended to work with if successful. The tender document clearly indicated our intention to contract some 70 brokers/regions for 1997-98 and clearly states the intention to rank regions nominated by tenderers. The basis for ranking was stated as youth unemployment and Year 12 completion rate. A typical size region was specified and allowance made for schools in smaller communities (regional and remote) to tender and receive the same level of consideration as tenders from more typical regions.

. Section 9.5 stated that tenders would undergo an initial assessment by DEETYA officers with knowledge of each region—this initial assessment took place in the DEETYA State Offices. The ranking of regions and subsequent shortlisting of tenders took place in DEETYA National Office. The final shortlisting took account of value for money and potential overlaps between regions.

. Negotiations with shortlisted tenders were undertaken to confirm the region/s nominated and the targets proposed for job placement and school retention. Contracts were executed with 63 organisations to manage 68 projects.

Australian Defence Force Personnel: Service in Thailand

(Question No. 1231)

Senator Woodley asked the Minister representing the Minister for Defence, upon notice, on 2 July 1998:

With reference to the answer to question on notice no. 1062 (Senate *Hansard*, 10 March 1998, p.754):

(1) Did the decision to build the airstrip result from a request from another power; if so, in what form was the request received.

(2) What was the objective that was to be fulfilled by the construction of the airstrip.

(3) What security classification was given to documents and materials pertaining to this matter and what is their current classification.

(4) What was the cost to the Australian Government of Operation Crown.

(5) What arrangements, if any, were made to compensate local land-holders for the alienation of their land and who was responsible for making these arrangements.

(6) Who was the airstrip handed over to on completion.

Senator Newman—The Minister for Defence has provided the following answer to the honourable senator's question:

(1) The airstrip was constructed by 11 Independent Field Squadron of the British Army Royal Engineers, as a British contribution to SEATO. 2 Field Troop of the Royal Australian Engineers was placed under command of the Chief Royal Engineer to assist in this task. Archive records do not indicate whether the decision to construct the airfield resulted from a request from another power.

(2) The airfield was apparently constructed for the possible deployment and subsequent maintenance of 28 Commonwealth Brigade Group, should such deployment be undertaken in the defence of Thailand.

(3) Documents and materials were classified as either SECRET or TOP SECRET. All Australian originated documents have since been declassified.

(4) Departmental records do not indicate any costs to the Australian Government of Operation Crown.

(5) Australia was not involved in negotiations with land-holders, and archived records do not indicate who was.

(6) There is no record on departmental files indicating to whom the airfield was ultimately handed over.

Two Cent Coin

(Question No. 1233)

Senator O'Chee asked the Minister representing the Treasurer, upon notice, on 2 July 1998:

When was the first design for the 2 cent coin approved by the Federal Government.

Who prepared the design for the 2 cent coin.

When was the design brief, or similar document requesting such a design, issued by the Federal Government.

Did the preparation of such a design entail the striking of sample coins; if so, when and where were the first sample 2 cent coins struck.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

(1 and 2) On 7 August 1964 the then Treasurer, the Rt. Hon. Harold Holt, M.P., announced that the Commonwealth Government had commissioned Mr. Stuart Devlin to prepare reverse designs for the new Australian decimal coins. He said that Mr. Devlin had been commissioned to carry forward his models up to the stage of the preparation of coinage dies and that details of each of the reverse designs would be released in the following few weeks. On 10 August 1964 the Cabinet noted the proposed designs, and on 24 August 1964 the Treasurer announced them, including the frilled lizard design for the 2 cent coin. The coins, he said, would include the new effigy of the Queen being introduced by Commonwealth countries (photographs of this effigy were earlier released; the designer was Mr Arnold Machin).

On 6 June 1963 Mr Holt announced the denominations and composition of decimal coins, that the effigy of the Queen would appear on the obverse and that procedures for the preparation of these new designs had been established. These procedures included obtaining comments from interested bodies. Subsequently, a small number of artists were commissioned to produce designs. On 18 September 1963 the Treasurer announced that designs for the 1, 2, 5, 10, 20 and 50 cent coins were already being prepared.

The Royal Australian Mint has advised that sample coins were struck and that samples of coins struck in different sizes, alloys and configurations are held at the Royal Australian Mint. These were struck at the Royal Mint London and the Royal Mint Melbourne but dates of striking are not clear from the records, which simply indicate that they were acquired in 1966. It is thought that the first strikings were in London and probably late in 1964 or early in 1965. Production of coin commenced about March 1965.

Animal Experimentation

(Question No. 1234)

Senator Bartlett asked the Minister representing the Minister for Industry, Science and Tourism, upon notice, on 3 July 1998:

With reference to the answer to question on notice no.1106 (Senate Hansard, 12 May 1998, p.2608) which stated that there is no Commonwealth legislation regulating animal experimentation, that the Commonwealth Scientific and Industrial Research Organisation (CSIRO) had reached agreements with New South Wales and Victoria and that an agreement is being developed with the Australian Capital Territory:

(1) Can copies of the agreements with New South Wales and Victoria and a copy of the draft agreement with the Australian Capital Territory be supplied.

(2) In what States or Territories does CSIRO operate without any agreement with the relevant State or Territory.

(3) Is it a fact that the existing agreements are essentially voluntary and not binding on the CSIRO and that the States have no legal control over the CSIRO's activities and therefore cannot enforce any conditions on the CSIRO.

(4) Similarly, although the Australian Nuclear Science and Technology Organisation is formally accredited by New South Wales Agriculture, is it a fact that the agreement is voluntary.

(5) Does this mean that all Commonwealth institutions operating in the States or Territories are doing so without any legislative framework to control their animal experimentation activities.

(6) Does this also mean that a State institution or a private company operating in a State or Territory and carrying out animal experimentation will have to obey laws that a Commonwealth institution would not have to obey.

(7) Will legislation be introduced to control the use of animals for experimental purposes by Commonwealth institutions.

Senator Parer—The Minister for Industry, Science and Tourism has provided the following answer to the honourable senator's question:

(1) Yes, but only with the agreement of these governments. The Department is obtaining copies of those agreements, and they will be provided to you.

(2) In terms of formal agreements, all States and Territories other than those listed in the answer to Question No. 1106 (Senate *Hansard*, 12 May 1998, page 2580).

(3 and 4) The circumstances under which State or Territory laws control the activities of Commonwealth institutions conducted in the States or Territories is a complex Constitutional issue, involving the determination of whether, as a matter of statutory construction, the State or Territory law is intended to bind the Commonwealth institutions. This is a matter for legal opinion.

Whether the agreements entered into between the States and Territories and the various Commonwealth institutions are voluntary or mandatory in the particular jurisdictions is also a matter of legal opinion.

(5) Whether any particular State or Territory legislation concerning the use of animals in research applies to the Commonwealth is a matter of statutory construction in order to determine whether the State or Territory law is intended to have that effect, and to determine the Constitutional matter noted above. These are matters for legal opinion.

(6) The question of whether a State institution or a private company would have to obey laws relating to animals used in research that a Commonwealth institution would not, is a matter for legal opinion.

(7) None is being prepared.

Animal Experimentation

(Question No. 1235)

Senator Bartlett asked the Minister representing the Minister for Industry, Science and Tourism, upon notice, on 3 July 1998:

With reference to the answer to question on notice no. 1106 (Senate *Hansard*, 12 May 1998, p.2608) which stated that there is no Commonwealth legislation regulating animal experimentation, that the Commonwealth Scientific and Industrial Research Organisation (CSIRO) kept no central register of its experimental animal usage and provided no information as to the extent of animal usage, and also stated that, "CSIRO officers are expected to meet the varying reporting requirements of State and Territory legislation":

(1) As the States of New South Wales, Victoria, Tasmania, Western Australia and South Australia all publish reports describing the numbers of animals used and the purpose for which they are used, can the extent of the use of animals by CSIRO in these States be ascertained.

(2) In addition to CSIRO and the Australian Nuclear Science and Technology Organisation (ANSTO), what other Commonwealth institutions engage in the use of animals for experimentation.

(3) (a) How many animals were used by each institution in the 1996-97 financial year; and (b) can details be provided of what species were used and what the objectives of the experiments were.

(4) Do any of these institutions have any co-operative agreements with any State or Territory in respect of application of the laws of that State or Territory.

(5) What procedures are in place for these institutions to ensure compliance with the Australian Code of Practice for the Care and Use of Animals for Scientific Purposes.

(6) What mechanisms are in place to deal with breaches of the Code.

Senator Parer—The Minister for Industry, Science and Tourism has provided the following answer to the honourable senator's question:

(1) No. CSIRO supplies animal experimentation data to each relevant State government in accordance with the requirements of the particular State legislation. These requirements vary and only

aggregated data is published. However, CSIRO has provided aggregate data in (3) below.

(2) Commonwealth institutions known to me to be engaged in such experimentation are—the Therapeutic Goods Administration (TGA), the Australian Antarctic Division (AAD) of Environment Australia, the Environmental Research Institute of the Supervising Scientist (ERISS), the Australian National University (ANU) and the Defence Science and Technology Organisation (DSTO).

(3) (a) and (b) TGA—7491 rats, mice and guinea pigs to test the safety or potency of critical pharmaceuticals; AAD—3670 birds and seals in population studies; ERISS—1700 fish for a risk assessment of herbicide used for aquatic weed control; ANSTO—876 rats and mice for scientific studies relating to development of pharmacological products, cancer and medical diagnostic research. CSIRO used approximately 50205 animals for scientific purposes such as research laboratory settings, livestock herds used in animal health and production research, wildlife tagged and monitored in ecological studies, and those used for testing of animal diseases. The objectives of CSIRO animal-based research includes investigation into infectious diseases of animals, vaccine production, conservation and management of wildlife, control of feral animals, livestock quarantine requirements, the welfare of animals, nutrition, and various fundamental research. A wide variety of species are used including reptiles, fish, birds, mammals, rodents and marsupials. Mice and rats made up 37% of the total, and cane toads (mainly tadpoles) 24%.

The data for the ANU and DSTO are available for calendar years only. In 1997, 58658 animals were used in experiments and teaching at the ANU. Some 90 per cent of these were rats, mice, and chickens. Others were birds, toads and fish. The animals were used in experiments mostly for field population studies and biomedicine and zoological research. In 1997, 23 rats and mice were used in toxicology studies at DSTO.

(4) Commonwealth institutions are committed to complying with State and Territory legislation regulating animal welfare in research institutions. In addition, they have adopted the Australian Code of Practice for the Care and Use of Animals for Scientific Purposes as a standard operating procedure.

DSTO, ANSTO, ERISS, AAD and ANU are licensed under the relevant State or Territory Acts. TGA has agreed to comply with the ACT Animal Welfare Bill 1992 and its premises and records are available for inspection by officers from the ACT Animal Welfare Authority.

The Commonwealth is responsible for administering laws in respect of research undertaken in the Australian Antarctic Territory and the Territory of Heard Island and the McDonald Islands. Permits are required to conduct any research which may interfere with animals in these areas and a ministerial advisory body, the Antarctic Animal Ethics Committee, reports on the conduct of Antarctic research projects.

(5) The Code requires institutions to have Animal Ethics Committees. All projects involving animals must be approved by the Committee and all animal users must be registered with the Committee. Users are required to read, understand and abide by the Code.

Animal research on Macquarie Island, and onboard the research vessel Aurora Australis while in State waters, fall within the jurisdiction of the Tasmanian Animal Welfare Act 1993. Procedures monitoring the research are consistent with the Code.

(6) Possible breaches of the Code are investigated. If a contravention occurs, depending on the nature of the contravention, approvals may be suspended or cancelled and the staff member removed from conducting further experiments on animals.

Natural Heritage Trusts

(Question No. 1236)

Senator Brown asked the Minister representing the Minister for Primary Industries and Energy, upon notice, on 6 July 1998:

(1) With reference to the Commonwealth's contribution to remedial works on the Hume Dam of $17.68 million, out of a projected $70 million total: what amount of the Commonwealth's contribution is coming from the Natural Heritage Trust and from which programs.

(2) Given that New South Wales, Victoria and South Australia are also each required to contribute $17.68 million for the works: for each of the States, how much of this money is coming from the Natural Heritage Trust and from which programs.

(3) With reference to the Minister's statement that the funding for the Hume Dam remedial works is provided consistent with part 3, paragraphs 9 and 17 of the Natural Heritage Trust Act 1997 implying that it is not part of the Murray-Darling 2001 program (paragraph 11 of the Act): (a) is the funding for Murray-Darling 2001 program still $163 million; and (b) does this include any remedial works for the Hume Dam; if so, which category does it fall under: 'improving the health of key river systems', 'encouraging ecologically and economically sustainable land use', 'restoring river bank land systems, wetlands and flood plains', or 'improving water quality'.

(4) With reference to the statement, of 12 May 1998 by the Minister for the Environment, "Investing in Our Natural Heritage, the Commonwealth's Environment Expenditure 1998-99": has the amount of funding been changed for any program of the Natural Heritage Trust, as set out in table 1.3; if so, can a revised version of the table be provided showing as a separate line the funding, Commonwealth and State, for the Hume Dam repairs.

Senator Parer—The Minister for Primary Industries and Energy has provided the following answer to the honourable senator's questions:

(1) The projected total costs for the overall program of remedial works on Hume Dam, as advised by the Murray-Darling Basin Commission, is $68.67 million of which the Commonwealth contribution is $17.17 million. $11.523M of the Commonwealth contribution will be sourced from the MD2001 Program under the Natural Heritage Trust.

(2) The Natural Heritage Trust and establishment of the Natural Heritage Trust of Australia Reserve is a Commonwealth government initiative. State contributions for Hume Dam remedial works are sourced from individual State budgets.

(3) (a) Yes.

(b) Section 11 of the Natural Heritage Trust of Australia Act 1997 advises that ". . . .the primary objective of the MD2001 Project is to contribute to the rehabilitation of the Murray-Darling Basin, with a view to achieving a sustainable future for the Basin, its natural systems and its communities."

Operation of Hume Dam is fundamental to activities contributing to the rehabilitation of the Basin. The Dam is a multi-use asset which forms part of the regulated Murray River system. Effective operation of the Dam is central to the managed operations of River Murray flows to support: downriver industries and communities; a large proportion of the population of South Australia; and, natural systems and the environment. In such a context it contributes, amongst other things, to the achievement of elements of all of the following: 'improving the health of key river systems'; 'encouraging ecologically and economically sustainable land use'; 'restoring river bank land systems, wetlands and flood plains'; and, 'improving water quality'.

(4) No. The figures in Table 1.3 of the statement, of 12 May 1998 by the Minister for the Environment, Investing in Our Natural Heritage, the Commonwealth's Environment Expenditure 1998-99, represent the latest estimates approved by the Natural Heritage Ministerial Board for expenditure from the Natural Heritage Trust of Australia Reserve in accordance with the provisions of the Natural Heritage Trust of Australia Act 1997.

Workplace Agreements

(Question No. 1238)

Senator Murray asked the Minister representing the Minister for Finance and Administration, upon notice, on 7 July 1998:

Has the Government promised financial bonuses to heads of government agencies in the event they can secure non-union certified agreements with their staff; if so, can details be provided.

Senator Kemp—The Minister for Finance and Administration has provided the following answer to the honourable senator's question:

No.

Procedures For Admission of East Timorese Visitors to the Australian Embassy in Jakarta

(Question No. 1239)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 8 July 1998:

(1) Is it a fact that persons of East Timorese origin are not allowed to enter the premises of the Australian Embassy in Jakarta.

(2) Is it a fact that those approaching the embassy whose appearance suggests they may be East Timorese have their identity checked and are barred from entering if they in fact originate from East Timor.

(3) Is it a fact that this procedure only applies to those of East Timorese origin, not those from elsewhere in Indonesia; if so, who has authorised this procedure and why has it been implemented.

(4) Does Australia have a non-racially discriminatory policy when dealing with approaches to the embassy.

(5) What is the policy for dealing with approaches to the embassy.

Senator Hill—The answer to the senator's question is as follows:

(1) It is not true that persons of East Timorese origin are prohibited from entering the Australian Embassy in Jakarta. The Embassy has dealings with a number of East Timorese and contact routinely occurs within Embassy premises

(2) East Timorese, like most visitors to the Embassy, have their identity checked or are escorted by Australian-based Embassy staff. Visitors are also required to state the purpose of their visit to the Embassy. These are standard security precautions. If visitors do not have legitimate business with the Embassy or there are reasons to doubt their bona fides, they will not be granted admission. If security personnel at the entrance gate are unsure of a visitor's bona fides, they may request an Australian-based officer to further investigate the visitors intentions at the Embassy's front entrance.

(3) It is certainly not the case that screening procedures only apply to East Timorese. All visitors to the Embassy must demonstrate that they have a valid reason for entering Embassy premises, otherwise entry will be denied.

There have been incidents involving illegal occupation of the Embassy by East Timorese in the past. In one case, a group of nine East Timorese scaled the fence at night and occupied the Embassy foyer for a month, while on a second occasion two East Timorese entered the Embassy under false pretences and sought political asylum. Various other foreign missions in Jakarta have also had to deal with this situation, including the Dutch, Japanese, French, Polish, Austrian, New Zealand, Spanish, Swiss and Swedish Embassies.

Embassy staff have an obligation to ensure that such events do not recur. They do this by screening every visitor regardless of ethnicity, background or citizenship.

(4) The Embassy does not discriminate in its dealings with its clients on the basis of race, ethnicity or religion.

(5) The Australian Embassy in Jakarta is one of our largest overseas missions and provides a broad range of services to the public including visa issue and immigration services, library services, scholarships and advice for prospective students, advice for business people and consular services.

In dealing with approaches from the public, locally-engaged Embassy security personnel located at the Embassy's front gate establish the purpose of each person's visit to the Embassy, and usually require visitors to show proof of identity. If it is considered that the person's bona fides and stated purpose for visiting the Embassy are genuine, the visitor will be directed to the appropriate section of the Embassy to deal with their business. If the security personnel do not consider the person to have legitimate business in the Embassy, they will be denied permission, while if there is some uncertainty and the security staff do not feel confident about making a judgement, they will request that an appropriate Australia-based member of the staff attend to the visitor at the front gate in order to make their own judgement.

It is also Embassy procedure to inspect bags of visitors, except where prior courtesy arrangements have been made, in order to protect against acts of terrorism. Vehicular entrance to the premises is also restricted, unless prior arrangements are in place.

It is Embassy policy to maintain an appropriate security regime that will enable the Embassy to conduct its functions without obstruction, and provide for the physical security of its staff, clients and assets. This imposes a degree of inconvenience on all visitors to the Embassy, as it does on staff, but those measures serve an important objective. None of the measures implemented to ensure the security of the Embassy are premised on racial or ethnic discrimination of any kind.

Plant Breeder's Rights

(Question No. 1242)

Senator Stott Despoja asked the Minister representing the Minister for Primary Industries and Energy, upon notice, on 10 July 1998:

(1) Does the Plant Breeder's Rights Act 1994 allow 'landrace' varieties to be protected.

(2) Is it the Government's clear intention that protection under the Act is not available to existing varieties, whether they are in the seed trade or traditionally cultivated by farming communities for their own use.

Senator Parer—The Minister for Primary Industries and Energy has provided the following answer to the honourable senator's question:

(1) The Plant Breeder's Rights Act 1994 (the Act) provides limited commercial rights to the breeder of a new plant variety which meets the eligibility criteria set out in sections 42 and 43, inter alia that the variety is distinct, uniform and stable. The eligibility of 'landrace'/traditionally cultivated varieties is not specifically addressed.

In practice, varieties with a history of cultivation and exploitation are not new and therefore are not registrable under the Act.

(2) The Government intends the protection granted under the Act to extend to new varieties of plants, and not to existing varieties of "common knowledge" whether they are in the seed trade or traditionally exploited by farming communities.

Jabiluka Uranium Mine

(Question No. 1243)

Senator Allison asked the Minister for the Environment, upon notice on 14 July 1998:

With reference to section 10 of the public environmental report (PER) for the Jabiluka uranium mine which is an overview of the environmental management program (OEMP):

(1) Is it a fact that the OEMP is adapted from the Ranger mill OEMP and targeted for the Jabiluka mill alternative (JMA).

(2) Is it a fact that this OEMP includes a series of commitments which are required to be completed: (a) before design; (b) during design; (c) before construction as well as during operation; and (d) during decommissioning.

(3) (a) In detail, what were the commitments in each phase; (b) have any of those commitments not been met prior to commencement of work on any of those stages; if not, which have not been met and why.

(4) What monitoring or supervision has the Government undertaken to ensure compliance with the commitments.

(5) What steps can the Government take if work has commenced prior to those commitments.

(6) What steps, if any, did the Government take.

(7) What is the current stage of the operation.

(8) At what stage is the current work on clearing the mine entrance.

(9) What other work has been commenced on site.

(10) Is it possible for construction works to take place before the 'pre-design' and 'design' phases.

(11) Has the 'pre-design' phase been commenced; if so, is it completed.

(12) Has the 'design' phase been commenced; if so, is it completed.

(13) Has liaison taken place with traditional owners as required by the OEMP regarding proposed disturbance and areas of activity and management issues; if not, when will this take place.

(14) (a) At what stage is it necessary for a materials balance sheet and finalisation of material sources to be done; and (b) if this has been done, why has it not been listed as such in section 10 in the PER.

(15) Have investigations into the required procedures for paste fill of tailings in the process circuit and management procedures been done; if so why are they not listed as completed or at least under way in section 10 of the PER.

(16) (a) Have erosion plans been developed to reduce the area of disturbance from the project; and (b) are they required to be done during the 'design' phase in section 10 of the PER.

(17) Have site erosion and land management strategies been put in place with agencies such as Parks Australia.

(18) Has liaison taken place with construction contractors regarding measures to be employed.

(19) Has there been liaison between traditional owners and project designers for erosion and land management strategies.

(20) Are these matters listed as having to be resolved 'pre-construction'; if not, why has construction commenced.

(21) Has a land management and clearing strategy been developed; if so, can a copy be provided.

(22) Have clearing guidelines been established; if so, can a copy be provided.

(23) Have species suitable for rehabilitation been confirmed.

(24) Are these matters that are listed 'pre-design' or 'pre-construction' in section 10 of the PER; if not, why not.

(25) Have design criteria been developed for the waste dump and tailings rehabilitation; if so, are these requirements listed in section 10 as ones that must be resolved during the design state; if this has been done, why does section 10 of the PER not list them as such; if not, how is it possible for construction to proceed.

(26) (a) Has an environment officer been appointed; and (b) what are the officer's credentials.

(27) Have amended management strategies been developed to take account of species of conservation significance.

(28) Has a land management and clearing strategy been developed.

(29) Have detailed strategies been developed to minimise disturbance to fauna and habitats.

(30) Has a monitoring strategy been developed and initiated and has it been confirmed with Parks Australia and traditional owners.

(31) Has a feral animal management plan seen developed in consultation with Parks Australia and traditional owners

(32) Are these matters that have been listed in section 10 as 'pre-construction' and 'pre-design' issues; if not, why is construction permitted to commence; if so, why are they not listed as completed or in progress in section 10 of the PER.

(33) Has an overall water management system (WMS) concept with no release been confirmed

(34) Have the implications of geotechnical investigations and construction materials supplies investigations been addressed.

(35) Have operating protocols for the Jabiluka WMS, including water balance requirements, been established.

(36) Has liaison taken place with traditional owners regarding proposed disturbance and areas of activity.

(37) Have the design criteria presented in section 4.9 of the PER been confirmed.

(38) Have detailed hydrological and hydrogeological investigations and modelling to allow detailed design of the total containment zone and systems components been performed.

(39) Have indicators and monitoring requirements to satisfy regulatory reporting requirements and to design appropriate modelling systems been done.

(40) Has there been any liaison with agencies over what should be done if detailed design should result in a need for variations to project layout or management.

(41) Has a best practicable technology analysis of the final design layout been performed.

(42) Have contingency plans been developed for the event of structural failure of water retention structures.

(43) Are these matters listed in section 10 as having to be performed prior to design, during design, or prior to construction.

(44) If these matters have been completed, why are they listed in the PER as not having been completed and as not being in progress.

(45) If they have not been completed, why is it possible for construction to proceed, given that these matters are matters that are common to both the JMA and the original design concept.

(46) Have the implications of hydrogeological investigations for project design and the final environmental management program (EMP) been thoroughly established, and have the required monitoring and measurement measured been described and reported to agencies.

(47) Have the above been incorporated in the final design.

(48) Has ERA confirmed ore production schedules to ensure that potentially acid-forming ore will not be stored for periods of more than 3 months on the surface at Jabiluka during the wet season.

(49) Have detailed design criteria been established for the ore stockpile pads.

(50) Have indicators and monitoring requirements been established to assess the performance of the ore stockpile and drainage management systems.

(51) Are the above and other issues listed under action plan 8 as 'pre-design' and 'pre-construction' issues.

(52) Is it reasonable to expect that given, that they are listed as such, that they would be resolved before design and construction takes place.

(53) If in fact they have been resolved, why are they not listed as such in section 10 of the PER.

(54) If these matters are not resolved, how is it possible for construction to proceed.

(55) (a) Has there been any liaison with traditional owners regarding site identification and the protection of sites; if not, is the Minister aware of the many cultural and religious barriers that exists to such liaison; and (b) what steps have been taken to ensure that sites are indeed protected.

(56) Has a cultural heritage management strategy been established in consultation with traditional owners.

(57) Have consultations been conducted with traditional owners regarding contemporary cultural considerations and protection needs.

(58) Has the project layout been reviewed in the light of survey findings.

(59) Has ERA developed a cultural heritage management plan in consultation with the traditional owners, and has it been incorporated into the final EMP.

(60) Has ERA ensured that the layout of various facilities does not impinge on protected sites.

(61) Has there been liaison with traditional owners regarding clearing strategies and ongoing supervision.

(62) Are these issues listed in section 10 of the PER (10-20) as issues that are to be addressed immediately following access, pre-design, during 'design' and 'pre-construction'.

(63) Is it reasonable to assume that the fact that the PER so lists them, that there is an expectation that they are or were to be performed prior to the commencement of the construction.

(64) How many of these issues, and which ones, are peculiar to the JMA alternative.

(65) If issues that are not peculiar to the JMA alternative have not been addressed, how is it possible for construction to proceed.

(66) Is it a fact that, including all issues listed in section 10 of the PER as issues requiring to be addressed immediately following permission to access, 'pre-design', 'design' and 'pre-construction' which have not been listed by the PERs in progress or completed, there are 73 issues.

(67) Is it the Minister's view that if an issue is categorised in the PER as one that must be solved or addressed 'pre-design', during 'design' or 'pre-

construction' that issue should be resolved before construction takes place on either the alternative or on the original alternative.

(68) If such an issue is not peculiar to either alternative but common to both, does the Minister hold the view that if it has not been done and is listed as 'pre-construction' or 'pre-design' or during 'design' that construction ought not to proceed until it has been resolved; if not, why not.

(69) If there are a large number of such issues, not peculiar to the JMA or the Ranger milling alternative alternatives but equally applicable to either, and if they are categorised as issues that have to be solved 'pre-design', during 'design' or 'pre-construction', is it the Minister's view that construction ought not to proceed.

Senator Hill—The answer to the honourable senator's question is as follows:

(1) Yes.

(2) (a—d) Yes. The overview Environmental Management Plan (OEMP) is a preliminary planning document outlining environmental management intentions and providing the basis for the Environmental Management Plan (EMP) that will be prepared if the proposal is approved.

(3) (a) The commitments are described in the publicly available JMA public environment report (PER) and I see no point in reiterating them.

(b) The assessment of the JMA is still in progress and the Government ha not made a decision as to whether or not the JMA may proceed, and if so under what conditions. For this reason the OEMP for the JMA is not in place and questions about its operation are therefore premature. No work specifically related to the JMA has been undertaken at the Jabiluka mine site.

(4—7) See answer to 3 (b) above.

(8—9) The works completed to date at the Jabiluka mine site are: minor cleaning up of the access road; installation of monitoring bores; preparation of a secure site by fencing; commencement of decline; excavation of the box-cut; commencement of water management ponds; and installation of site facilities including office and ablutions buildings.

Works in progress are: benching of the site for erosion control; completion of a major water management pond; preparation of the face to allow tunnelling of the decline; and the establishment of an on-going monitoring program.

The work undertaken and in progress on the box cut and decline have been approved through the 1997 EIS process, the Section 43 Agreement under the Aboriginal Lands Rights (Northern Territory) Act and a consequent Deed Poll in favour of the Northern Land Council (NLC), and the Minesite Technical Committee (MTC) which includes the NLC as representatives of the Aboriginal Traditional Owners, all of which led to the formal Jabiluka Authorisation on 2 June 1998—the Authorisation to Operate (ATO)—under the NT Uranium Mining (Environment Control) Act 1979.

(10—12)These are matters best addressed by ERA.

(13) Liaison has taken place with the NLC (who represent the Traditional Owners). The NLC have a representative on the MTC and as a result of recent meetings of the MTC approval has been given for Stage 1 of the Jabiluka RMA (the box cut and decline plus associated facilities).

(14) (a—b) A materials balance sheet and the finalisation of material resources is a necessary part of the design phase for the JMA. However, this cannot be done until the exact nature of the JMA proposal is fully delineated after the environmental assessment process is completed.

(15) ERA advised in the PER that they have conducted some investigations to assess the potential suitability of Jabiluka tailings for the paste fill method. Further investigations and procedures were proposed to be developed as part of the design phase for the JMA, should it be approved.

(16) (a)The area of disturbance for the Jabiluka Project is small compared with the original Pancontinental proposal. The disturbed area for civil works and construction of the box cut and decline is as approved according to the 1997 EIS, and carried out according to the ATO. Action plans for minimising disturbance for Stage 1 of the Jabiluka Project were specified in the EIS Supplement (Chapter 11).

(b) Conceptual plans for minimising disturbance for the construction of the JMA are described in the PER and will be completed in the design phase of the JMA, if it is approved.

(17) No. Stakeholder agencies such as Parks Australia provided input to the 1997 EIS, but Parks Australia is not a regulator of the mining project.

(18) This is a matter which should be addressed to ERA.

(19) All approvals for current works have involved consultation with stakeholders, including the NLC which represents Aboriginal Traditional Owners. Proposed land management strategies for the JMA are outlined in the PER.

(20) All land management matters with respect to current construction works at the Jabiluka mine site are being addressed through the ATO. Land management matters with respect to construction for the JMA are described in the PER.

(21) For current approved construction works at Jabiluka, land management and clearing strategies have been developed and carried out as outlined in

Chapter 11 of the EIS Supplement which at this stage represents the EMP for the Jabiluka site. A clearing strategy is set down for the Jabiluka site and written guidelines are available from ERA. Clearing procedures proposed for the JMA are outlined in the PER and are similar to those in the EIS Supplement.

(22) See answer to question 21 above. A copy can be provided by ERA.

(23) Yes. Species suitable for rehabilitation have been confirmed and are as described in studies for the EIS and related documents. Schedule 7 of the ATO also mentions suitable species for rehabilitation. The same species for the JMA are outlined in the PER in the section on rehabilitation and decommissioning.

(24) Rehabilitation using specific appropriate native species is approved for areas disturbed as part of approved construction works, as per Schedule 7 of the ATO. A similar approach for the JMA is described in the PER in the section on rehabilitation and decommissioning.

(25) Conceptual design criteria have been developed for waste dump and tailings rehabilitation with respect to the JMA as outlined in the PER. However, construction of the waste dump or tailings facilities for the JMA have not commenced as the proposal has not been approved.

(26) (a—b) Yes. The Environmental Protection Officer at Jabiluka is Mr Andrew Jackson, Manager of Environment Safety and Health at Ranger. A record of Mr Jackson's qualifications is held by ERA.

(27) In relation to the environmental investigations recommended by the Minister for Resources and Energy, no species of conservation significance were detected in the vicinity of the current construction works prior to construction. Ongoing monitoring is planned.

(28) See answer to question 21 above.

(29) Fauna management strategies have been developed as outlined in Chapter 11 of the EIS Supplement. Disturbance to fauna habitats has been minimised. Fauna management strategies for the JMA are outlined in the PER (Section 4) and embrace similar measures.

(30) Monitoring strategies for the approved project development have been implemented in accordance with the approved interim EMP as confirmed by the stakeholders (including the NLC) and the Supervising Authority.

(31) For the Jabiluka Project ERA is in the process of adopting plans that were established for the Ranger Mine with respect to Weed Management, Fire Management, Feral Animal Management and Soil and Land Management. ERA has committed to developing and implementing these plans in consultation with Parks Australia and Traditional Owners. Should the JMA proceed similar strategies will apply, as set out in the PER.

(32) These matters relate to the approved project development work at Jabiluka. Modifications to these strategies may be implemented in the case of the JMA which is the subject of the PER and has not been approved. As noted above construction has not commenced on any aspect of the JMA.

(33) The overall water management system (WMS) concept with no release has been confirmed for the approved construction works at Jabiluka. Schedule 6 of the ATO states that no release can occur from the Total Containment Zone (TCZ). The size of the TCZ is different for the JMA and the conceptual WMS for this situation has been developed as described in the PER

(34) The implications of geotechnical investigations and construction material supplies have been addressed for the currently approved construction works at Jabiluka. Similar investigations for the JMA are being addressed through the PER assessment process.

(35) Operating protocols for the Jabiluka WMS (including water balance requirements) have been established for the currently approved construction works and are outlined in the ATO. Conceptual operating protocols for the Jabiluka WMS with respect to the JMA are outlined in the PER but are subject to further modelling.

(36) See answer to question 13 above.

(37) The design criteria presented in Section 4.9 of the PER for the JMA are based on the most up-to-date information available. Further studies and modelling may be required for the design for the JMA WMS.

(38) Detailed hydrological and hydrogeological investigations and modelling to allow detailed design of the TCZ and system components has been performed and are continuing in relation to the currently approved construction works. One limitation to progress has been lack of access to critical areas for drilling and testing of boreholes. The Six Monthly Progress Report submitted to the Minister for Resources and Energy by ERA (April 1998) and the JMA PER contain the most recent information with respect to hydrological and hydrogeological investigations.

(39) Indicators and monitoring requirements to satisfy regulatory reporting requirements and design appropriate modelling systems are outlined in the ATO Annex B (Jabiluka Environmental Monitoring Program). Under the Jabiluka Environmental Requirements (ER's) there is provision for the evolution of environmental monitoring systems. Thus the Jabiluka Environmental Monitoring Program may be altered if approval is given for the JMA, to take into account additional potential

environmental effects, as described in Section 10.3 of the JMA PER.

(40) It is premature to consider how variations to the JMA might be dealt with when the assessment of the JMA outlined in the PER has not been completed. However, if detailed design should result in the need for variations to project layout or management, it is likely that liaison would be undertaken through the MTC with recommendations forwarded to relevant regulatory authorities.

(41) ERA states in the PER that the preferred version of the JMA—the so called amended layout interpretation—is the result of re-examining the previous JMA proposal (original concept) and applying best practicable technology (BPT). BPT is required to have been followed in all aspects of the project.

(42) Contingency plans have been developed for structural failure of water retention structures being utilised for the currently approved site works as outlined in Section 11.6 of the EIS Supplement. Action Plan 4 of Section 10.2 of the PER proposes the development of contingency plans for the event of structural failure of water retention structures for the JMA during the design phase of the JMA. Retention structures constructed for the currently approved site works will not contain any water that has contacted uranium mineralisation because at this stage of the project no uranium-bearing ore is to be extracted.

(43) Contingency plans for structural failure of water retention structures for the JMA will be developed in the design phase of the JMA as stated in the PER Section 10 2

(44) Contingency plans for structural failure of water retention structures for the JMA are not complete and therefore were not registered as complete in the PER.

(45) Construction of the JMA has not commenced and will not commence unless the project is approved. The WMS in the ATO is specific for Stage 1 of the Jabiluka Project and is separate to the requirements for either mill option.

(46) The most recent results from hydrogeological investigations are outlined in the Six Monthly Progress Report submitted to the Minister for Resources and Energy by ERA and in the JMA PER. Hydrogeological investigations for the currently approved site works are in progress. Hydrogeological monitoring will be carried out in accordance with Annex B of the ATO and as outlined in Action Plan 7 of Section 11.5 of the EIS Supplement. Section 11 of the EIS Supplement has been endorsed as the Draft EMP as outlined in Annex D of the ATO.

(47) A conceptual design for groundwater management and monitoring for the JMA is outlined in the PER. The final design for the groundwater management and monitoring for the JMA will be completed if the JMA is approved.

(48) ERA will have to confirm ore production schedules for Stage 2 (haul road and underground mining) of the Jabiluka Project. Although these details have not been established, ERA has confirmed that it will ensure that potentially acid-forming ore will not be stored for periods of more than 3 months on the surface at Jabiluka during the wet season.

(49) Detailed design criteria have been established for the ore stockpile pads and are set out in consultant reports to ERA.

(50) Indicators have been established to assess the performance of the ore stockpile and drainage management systems. No monitoring program for the ore stockpile will be devised until an authorisation to operate for Stage 2 is issued by the Supervising Authority.

(51) Issues relating to management and monitoring of the ore stockpile are pre-design and pre-construction issues for the JMA. Construction of the JMA has not commenced. No mineralised ore will be mined unless a milling option is approved and adopted.

(52) Any outstanding indicators and monitoring requirements for the management and monitoring of the ore stockpiles will be established prior to construction of the JMA. Detailed design of the JMA will take place following approval of the proposal, should this be forthcoming.

(53) They have not been finally resolved.

(54) Pre-design and pre-construction matters have not been resolved with respect to the management and monitoring of the ore stockpile (Stage 2). Construction of the JMA has not commenced.

(55)(a)ERA have advised that direct liaison with Aboriginal Traditional Owners has been denied by the NLC. There has been liaison with the NLC (the representatives of the Traditional Owners) with respect to permits, fences, employee inductions and other issues. Nevertheless, culturally sensitive sites have been identified from previous consultations and are either fenced off or being avoided by mining infrastructure.

(b) ERA have made it a dismissible offence for any employee to enter areas identified by the Australian Heritage Commission and fenced off without express permission of Aboriginal Traditional Owners.

(56) ERA is considering adopting Ranger's Cultural Heritage Management Plan in accordance with Action Plan 12 of Section 11.5 of EIS Supplement.

(57) See answer to question 55(a) above.

(58) Yes.

(59) See answer to question 56 above.

(60) Yes.

(61) See answer to question 13 above.

(62) Issues relating to management of clearing are pre-design and pre-construction issues for the JMA. The proposal has not been approved and construction of the JMA has not commenced.

(63) See answer to question 62 above.

(64) It is not clear to which issues this question refers. There is significant overlap between the OEMP for the RMA and that for the JMA. Both Plans are available for public review and analysis.

(65) As has been explained in answers to questions 8, 9 and 19 above, ERA has not undertaken any works without approval through formal negotiation mechanisms. The only works complete to date are elements of Stage 1 of the Jabiluka Project (the box cut and decline). Construction specific to the JMA has not commenced.

(66) No.

(67—69) Only the first stage of the Jabiluka project is under-way, the box cut and decline. These works are common to both the RMA, which already has approval to proceed from the Commonwealth and Northern Territory governments, and the JMA proposal which is still being assessed. As explained above, particularly in answers to questions 8, 9 and 19, ERA is undertaking this work in accord with government requirements and relevant parts of the RMA OEMP.

Beverley Uranium Mine

(Question No. 1244)

Senator Margetts asked the Minister for the Environment, upon notice, on 17 July 1998:

(1) (a) Is the Minister aware of continuing concerns being expressed by a broad range of Aboriginal people in the Gammon and North Flinders Ranges region over the environmental and cultural impacts of development of the proposed Beverley uranium mine site; (b) how are these concerns being addressed; and (c) does the Minister intend to consult with dissenting Aboriginals in the area.

(2) (a) Is the Minister aware that the proposed mining technique and leaching agent (acid leaching) being proposed for the Beverley site is no longer permitted to be used in commercial operations in the United States of America (USA) because of documented adverse impacts; and (b) can an explanation be provided as to why South Australia should be afforded less environmental protection or regard than in New Mexico.

(3) (a) Can the volume of uranium extracted to date from the 'trial' mining operation at Beverley be clarified; (b) where is the uranium currently stored; and (c) how did it get to this location and who owns this product.

(4) Can clarification be given in relation to persistent anecdotal reports that exist in the region that the trial in-situ leaching operation conducted by Heathgate Resources at Beverley has experienced significant difficulties and irregularities in relation to pressure and containment and that these difficulties have required the attention of South Australian and Commonwealth agencies and international personnel.

(5) Can an explanation be provided as to why the current licensing arrangements make no requirement on Heathgate to restore ground water quality to pre-mining levels unlike the situation in the USA, and indeed allows the company to directly discharge acid, mine and radioactive waste materials directly to the aquifer.

Senator Hill—The answer to the honourable senator's question is as follows:

Answers to similar questions were provided in my response of 11 June 1998 to questions asked during Senate Estimates. Following is a further response.

(1) (a) No. No concerns have been expressed to me or my Department by Aboriginal people; (b) The EIS and assessment process will provide a means of exposing all aspects of the project to public review and consultation; (c) Consultations will be held as appropriate during the assessment process.

(2) (a) Acid leaching as a mining technique is not banned in the USA. Most uranium mines use the in-situ leach mining technique in conjunction with an alkali leach, because the generally high levels of carbonates make acid leachates inefficient in the groundwater associated with the mines; (b) The environment protection for the Beverley mine is of the highest standard. The geology of US uranium deposits is not suitable for acid leaching and an alkali solution is used instead. Nevertheless ISL mines are required to be carefully monitored and controlled whatever type of leachate is used.

(3) (a) Approximately 15 tonnes of uranium oxide stored in 200 litre steel drums; (b) In a secure enclosure within the processing area at Beverley; (c) Uranium produced is owned by the South Australian government.

(4) I understand that the trials at Beverley have been very successful in their stated purpose of determining optimum operating conditions including environmental matters. There have not been any significant difficulties and irregularities in relation to pressure and containment. I understand that the

only international personnel involved are engaged by Heathgate Resources which is US owned.

(5) The groundwater at the Beverley mineralised zone aquifer is highly saline and contains uranium and radon with no potential use for people or stock. In contrast, several US ISL mines operate in or immediately adjacent to aquifers from which nearby communities draw drinking water supplies. Compared to pre-mining levels, radioactivity of the water in the mine zone will not change after mining. However there will be an elevation in the amount of some metals in the aquifer which could take up to 20 years to return to pre-mining levels.

Regional Forest Agreements

(Question No. 1247)

Senator Allison asked the Minister for the Environment, upon notice, on 21 July 1998:

(1) (a) What is the total amount of funds being made available for distribution under the Comprehensive Regional Assessments/Regional Forest Agreements Participation and Awareness Grants in the 1998-99 financial year; (b) from which pool of money are these funds being provided; and (c) is the 1998-99 financial year the first year funds for this purpose have been made available under this grants scheme; if not, can a list be provided of grants including which groups of individuals these were made for the previous year.

(2) Can an explanation obe provided of the perceived need for these grants.

(3) What was the process by which it was determined there was a need for these grants.

Senator Hill—The answer to the honourable senator's question is as follows:

(1) (a) Total 1998-99 funding for the Comprehensive Regional Assessments/Regional Forest Agreements (CRA/RFA) Participation and Awareness Grants Program is not yet known, as applications closed on July 31 and are now being assessed.

However, it is expected that the total funding levels under the program in the current financial year would be similar to previous financial years. $113,000 was spent in 1996-97 and $115,450 was spent in 1997-98.

(b) The costs of this program are being shared between the Department of Primary Industries and Energy and Environment Australia and are provided from program funding to support the RFA process.

(c) No. Funding was provided under this program in 1996-97 and in 1997-98. See the table below for a list of grant recipients and funds allocated in these years.

(2) The CRA/RFA Participation and Awareness Grants Program provides grants of up to $5,000 to assist small organisations with an interest and involvement in Australian forests, particularly those in regional areas, to participate in the RFA process. Funding assists these organisations to raise awareness of the RFA processes among their members or constituents and to encourage their participation in it and/or to promote awareness of the process within the community.

(3) The CRA/RFA Participation and Awareness Grants Program was developed and implemented by the Government as part of its commitment to wide community participation in the RFA process, and in response to requests from organisations.

CRA/RFA Participation and Awareness Grants Program funding allocations and recipients in 1996-97 were:

State	Organisation	Funding
NSW	NSW Apiarists Association Inc.	$5,000.00
NSW	The Bega Environment Network Centre	$5,000.00
NSW	Friends of Mongarlowe River	$1,500.00
NSW	Institute of Foresters Australia	$5,000.00
NSW	Newcastle Environment Office	$5,000.00
NSW	North Coast Environment Council	$5,000.00
NSW	South East Timber Association Inc	$5,000.00
Tasmania	Australian Forest Growers—Tasmania	$2,000.00
Tasmania	Forest Collective—Friends of the Earth	$5,000.00
Tasmania	Native Forest Network	$5,000.00
Tasmania	Reedy Marsh Forest Conservation Group	$5,000.00
Tasmania	Southern Forest Community Group Inc	$5,000.00
Tasmania	St Helens History Room Association Inc	$1,000.00
Tasmania	Tarkine National Coalition	$5,000.00
Tasmania	Tasmanian Country Sawmiller's Federation Ltd	$5,000.00

State	Organisation	Funding
Tasmania	Tasmanian Farmers & Graziers Association	$5,000.00
Tasmania	Tasmanian Logging Association Ltd	$3,000.00
Tasmania	Tasmanian Traditional & Recreational Land Users Federation Inc	$5,000.00
Victoria	Maryvale "A" Team	$2,000.00
Victoria	Australian Forest Growers	$1,500.00
Victoria	Bendoc Progress Association Inc	$1,500.00
Victoria	Cann River Progress & Tourism Association	$1,500.00
Victoria	Concerned Residents of East Gippsland	$5,000.00
Victoria	East Gippsland Logging and Carter's Association	$5,000.00
Victoria	Mallacoota Arts Council	$1,500.00
Victoria	Moogji Aboriginal Council	$5,000.00
Victoria	Public Land Council of Victoria Inc	$5,000.00
Victoria	Upper Yarra & Dandenongs Environment Council	$1,500.00
Victoria	Victorian National Parks Association Inc.	$5,000.00
Victoria	West Gippsland Timber Industry & Conservation	$1,000.00
Total		$113,000.00

In 1997-98, funding allocations and recipients were:

State	Organisation	Funding
NSW	Institute of Foresters Australia (Northern)	$2,500.00
NSW	The Clarence Environment Centre Inc.	$5,000.00
NSW	The Wilderness Society (Newcastle) Inc.	$3,500.00
NSW	North Coast Environment Council	$2,500.00
NSW	The Eden Foundation	$2,000.00
NSW	Institute of Foresters Australia (Southern)	$2,500.00
NSW	South East Forest Conservation	$2,500.00
NSW	Australian Forest Growers	$5,000.00
NSW	Forest Industry Council (Southern NSW) Inc	$2,000.00
NSW	Conservation Council of the South East	$1,500.00
NSW	Newcastle Environment Office	$3,700.00
NSW	The Big Scrub Environment Centre Inc.	$5,000.00
NSW	The Wilderness Society (Illawarra) Inc.	$5,000.00
Queensland	Foundation for Aboriginal & Islander Research Action	$5,000.00
Queensland	Logan & Albert Conservation Assoc.	$750.00
Queensland	Capricorn Conservation Council Inc.	$750.00
Queensland	Wildlife Preservation Society of Qld	$750.00
Queensland	Gold Coast & Hinterland Environment Council Association Inc.	$750.00
Queensland	Wildlife Preservation Society of Qld	$750.00
Queensland	Queensland Timber Board	$5,000.00
Queensland	Sunshine Coast Environment Council Inc.	$750.00
Queensland	Toowoomba & Region Environment Council Inc.	$750.00
Queensland	Queensland Beekeepers' Association	$5,000.00
Queensland	Wide Bay Burnett Conservation Council Inc.	$750.00
Queensland	North Burnett Regional Economic Development Council Inc.	$5,000.00
Queensland	Noosa & District Landcare Group Inc.	$2,500.00
Queensland	West Logan Environment Group	$750.00
Victoria	Timber Towns	$3,000.00

State	Organisation	Funding
Victoria	Public Land Council of Victoria Inc.	$3,000.00
Victoria	A Team	$2,000.00
Victoria	Prospectors & Miners Association of Victoria Inc.	$1,500.00
Victoria	Maryvale Integrated Loggers' Association Inc.	$2,000.00
Victoria	Mirimbiak Nations Aboriginal Corporation	$5,000.00
Victoria	The Outdoor Education Group	$2,000.00
Victoria	Shooting Sports Council of Victoria Inc.	$1,500.00
Victoria	Goulburn Valley Four Wheel Drive	$1,000.00
Victoria	Beechworth Environment Group	$2,500.00
Victoria	North Eastern Apiarists' Association	$2,500.00
WA	Warren Environment Group	$2,500.00
WA	Murray Districts Aboriginal Association Inc.	$5,000.00
WA	South West Regional Tourism Association Inc.	$5,000.00
WA	The Institute of Foresters of Australia (WA) Inc	$2,500.00
Total		$115,450.00

Expenditure on Conferences

(Question No. 1249)

Senator Faulkner asked the Minister representing the Prime Minister, upon notice, on 21 July 1998:

(1) What is the total expenditure on conferences both: (a) in house, that is, held within the department or agency; and (b) external, held by the department or agencies within the portfolio, on a month-by-month basis since March 1996.

(2) For conferences fully funded by the department and portfolio agencies, and costing in excess of $30 000: (a) where was the venue; (b) what was the reason for each conference; (c) how many participants registered; (d) were consultancy fees paid for the organisation of each conference; (e) to whom were the consultancy fees paid; and (f) what was the cost of each consultancy.

(3) For conferences part-sponsored or part-funded by the department and portfolio agencies and costing the Commonwealth in excess of $30 000: (a) what was the cost to the department or agency; (b) what was the proportion of Commonwealth funding as against the total cost of the conference; (c) what was the rationale for the sponsorship or part-funding; (d) what was the venue; (e) how many participants registered; (f) did the Commonwealth contribute to any consultant organising the conference; if so, who was the consultant; and (g) how much was the Commonwealth's contribution.

Senator Hill—The Prime Minister has provided the following answer to the honourable senator's question:

Department of the Prime Minister and Cabinet

(1) (a) Nil; and (b) March 1996—August 1996—Nil; September 1996—$84,061; October 1996—April 1997—Nil; May 1997—$843,091; June 1997—October 1997—Nil; November 1997—$24,542; December 1997—March 1998—Nil; April 1998—$19,896; and May 1998—July 1998—Nil.

(2) (a) The National Domestic Violence Forum was held in Parliament House, Canberra; (b) the Forum brought together experts in domestic violence issues from government and non-government sectors to develop recommendations on the prevention of domestic violence for the purpose of informing the Heads of Government National Domestic Violence Summit; (c) 130 invited participants attended; (d) no; the Forum was organised solely by staff of the Department of the Prime Minister and Cabinet; and (e)—(f) N/A.

(3) (a) The net cost to the Department of conference-related activities of the Australian Reconciliation Convention was $843,091; (b) 64% of the gross expenditure on the conference was Commonwealth funded; (c) the Council for Aboriginal Reconciliation sought sponsorship as a means to offset convention costs and to provide an opportunity for other public and private sector organisations to make a practical contribution to an important event in Australia's history; (d) the World Congress Centre, Melbourne Convention Centre, corner of Flinders and Spencer Streets, Melbourne, Victoria; (e) 1,862 people attended the conference; (f) yes, The Meeting Planners were contracted as the general convention organisers and Great Big Events Pty Ltd were contracted as the events and ceremonies co-ordinators; and (g) an amount of $95,350 was paid under the contract with The Meeting Planners and $150,000 to Great Big

Events. In addition to the latter amount, a further $80,196 was paid under the contract with Great Big Events for non-conference related costs such as travel and incidentals for performers at certain events linked to the Australian Reconciliation Convention.

Australian National Audit Office; Office of the Commonwealth Ombudsman; Office of National Assessments; Office of the Official Secretary to the Governor-General; and Public Service and Merit Protection Commission

(1) (a) Nil; and (b) March 1996—July 1998—Nil.

(2) (a)—(f) N/A.

(3) (a)—(g) N/A.

Office of the Inspector-General of Intelligence and Security

(1) (a) Nil; and (b) March 1996—October 1997 Nil; November 1997—$6,700; and December 1997—July 1998 Nil.

(2) (a)—(f) N/A.

(3) (a)—(g) N/A.

Note

1. The above responses are based on advice from Senator Faulkner's office that conferences are not considered to include training courses and planning and review meetings.
2. In relation to the responses to part (1)(b) of the question, the total amount of expenditure for each conference is shown against the month in which the conference was held.

Atorrney-General's Department: Conferences

(Question No. 1263)

Senator Faulkner asked the Minister representing Attorney-General, upon notice, on 21 July 1998:

(1) What is the total expenditure on conferences both: (a) in-house, that is, held within the department or agency; and (b) external, held by the department or agencies within the portfolio, on a month-by-month basis since March 1996.

(2) For conferences fully funded by the department and portfolio agencies, and costing in excess of $30 000: (a) where was the venue; (b) what was the reason for each conference; (c) how many participants registered; (d) were consultancy fees paid for the organisation of each conference; (e) to whom were the consultancy fees paid; and (f) what was the cost of each consultancy.

(3) For conferences part-sponsored or part-funded by the department and portfolio agencies and costing the Commonwealth in excess of $30,000: (a) what was the cost to the department or agency; (b) what was the proportion of Commonwealth funding as against the total cost of the conference; (c) what was the rationale for the sponsorship or part-funding; (d) what was the venue; (e) how many participants registered; (f) did the Commonwealth contribute to any consultant organising the conference; if so, who was the consultant; and (g) how much was the Commonwealth's contribution.

Senator Vanstone—The Attorney-General has provided the following answer to the honourable senator's question:

Part (1)

Month		Total ($)
Attorney-General's Department		
July 1996 (a)		310
July 1996 (b)	Professional Leadership Conference	81,469
August 1996(a)		833
September 1996 (a)		3,739
October 1996 (a)		93
November 1996 (a)		289
November 1996 (b)	Security in Government Conference	73,894
December 1996 (a)		1,963
December 1996 (b)	NGO Forum	307
February 1997 (a)		191
March 1997 (a)		142

Month		Total ($)
April 1997 (a)		935
April 1997 (b)	Exceptions to Copyright Rights	20,000
	Proposed International Treaty on Protection of Data Bases	50
June 1997 (a)		41
July 1997 (a)		1,235
July 1997 (b)	Working Meeting on International Cooperation on Cryptography	299
	Australian Government Solicitor Conference	74,681
August 1997 (a)		59
August 1997 (b)	NGO Forum	704
September 1997 (a)		116
October 1997 (a)		35
November 1997 (a)		20
November 1997 (b)	Security In Government Conference	108,054
December 1997 (a)		3,816
December 1997 (b)	NGO Forum	524
February 1998 (a)		20,268
February 1998 (b)	Partnerships in Crime Prevention Conference	123,854
April 1998 (b)	Attorney-General's Department SES Conference	48,570
May 1998 (b)	Fear of Crime Professional Briefing	8,274
	NGO Forum	710
June 1998 (a)		12,244
June 1998 (b)	National Forum on Men and Family Relationships	137,598
July 1998 (a)		4,511
July 1998 (b)	National Conference for Civil Marriage Celebrants	36,302
Administrative Appeals Tribunal		
July 1996(b)	20th Anniversary of the AAT	63 958
April 1998 (b)	AAT Members Conference	23 661
Administrative Review Council		
September 1996 (b)	Administrative Review Council Conference	795
April 1997 (b)	Ethics Workshop	1,849
May 1997 (b)	Ethics Workshop	4,722
Australian Bureau of Criminal Intelligence		
March 1996 (a)		1,130
September 1996 (a)		1,183
September 1997 (a)		867
March 1998 (a)		1,061
Australian Federal Police		
February 1998 (b)	15th Asian Regional Interpol Conference	32,519
Australian Institute of Criminology		
April 1996 (b)	Prosecuting Justice	20,693
June 1996 (b)	Superannuation Crime	6,500
July 1996 (b)	First Australasian Women Police Conference	130,731

Month		Total ($)
December 1996 (b)	Property Crime 2	7,029
March 1997 (b)	Second National Outlook Symposium	49,321
April 1997 (b)	Paedophilia: Policy & Prevention	33,446
June 1997 (b)	Privatisation & Public Policy	33,446
	Juvenile Crime and Juvenile Justice Toward 2000 and Beyond	33,939
July 1997 (b)	Health Care Crime and Regulatory Control	12,373
December 1997 (b)	Violence, Crime and the Entertainment Media	45,511
February 1998 (b)	Internet Crime	19,300
May 1998 (b)	Gambling, Technology and Society	593
June 1998 (b)	Gambling, Technology and Society	2,348
Australian Law Reform Commission		
April 1998 (a)		5,421
Australian Transaction Reports and Analysis Centre		
July 1996 (a)		1,300
May 1997 (a)		1,300
November 1997 (a)		1,700
March 1998 (a)		340
May 1998 (a)		2,400
Federal Court of Australia		
April 1997 (b)	Judicial Assistance to Nations of the South Pacific Region	8,856
Human Rights and Equal Opportunities Commission		
July 1996 (b)	First Asia-Pacific Regional Workshop of National Human Rights Institutions	14,813
National Crime Authority		
May 1996 (a)		17,185
April 1997 (a)		27,830
May 1998 (a)		27,965
National Native Title Tribunal		
March 1996 (a)		3,000
July 1996 (a)		5,000
August 1996 (a)		5,500
June 1997 (a)		1,715
August 1997 (a)		6,000
October 1997 (a)		6,956
October 1997 (b)	Mabo, Life of an Island Man	3,210
November 1997 (b)	Queensland Mining Council Native Title Workshops	4,671
December 1997 (b)	Regulatory and Management Regime Over the Sea Seminar	1,100
February 1998 (b)	Northwest Queensland Land Conference	6,700
	Talk by Anthropologist Peter Sutton	5,883
March 1998 (b)	Local Government, Pastoralists—Eyre Peninsula	2,000
	Local Government Association of Queensland Native Title Conference	950

Month		Total ($)
	Native Title Seminar, Cairns	9,867
	Peter Sutton Seminar	2,372
April 1998 (b)	Chamber of Mines Seminar	200
June 1998 (a)		2,360
June 1998 (b)	Stakeholder Cultures Series—Kalgoorlie, WA and Balranald, NSW	11,400
July 1998 (b)	Stakeholder Cultures Series—Mt Magnet, WA	5,700
	NAIDOC Celebrations	345
	Mediation Workshop—Cairns	4,050
	Native Title Workshop—Rockhampton	7,563
Office of Film and Literature Classification		
December 1997 (a)		2,622
December 1997 (b)	Violence, Crime and the Entertainment Media Conference	23,576

part (2)

Attorney-General's Department

Professional Leadership Conference 1996

(a) Novatel Northbeach—Wollongong

(b) Leadership conference for Departmental SES officers.

(c) 121 participants

(d) Yes

(e) Palm Management Pty Ltd ACN 058 846 834

(f) $3,600

Australian Government Solicitor Conference 1997

(a) Landmark Parkroyal—Sydney

(b) Leadership and direction setting for the commercial element of the Department.

(c) 93 participants

(d) No

(e) N/A

(f) N/A

Attorney-General's Department SES Conference 1998

(a) Mercure Grand Hotel, Heritage Park—Bowral

(b) Leadership and direction setting for non-commercial elements of the Department.

(c) 51 participants

(d) Yes

(e) Palm Management Pty Ltd ACN 058 846 834

(f) $9,250

Australian Institute of Criminology*

First Australasian Women Police Conference

(a) Landmark Hotel—Sydney

(b) Women in Police

(c) 307 participants

(d) No

(e) N/A

(f) N/A

Second National Outlook Symposium

(a) Hyatt Hotel—Canberra

(b) Second National Outlook Symposium

(c) 320 participants

(d) No

(e) N/A

(f) N/A

Paedophilia: Policy & Prevention

(a) University of Sydney

(b) Paedophilia policy and prevention.

(c) 216 participants

(d) Yes

(e) Conference Coordinators

(f) $12,960

Privatisation and Public Policy

(a) Sofitel Hotel—Melbourne

(b) Privatisation and public policy.

(c) 146 participants

(d) Yes

(e) Conference Coordinators

(f) $8,760

Juvenile Crime and Juvenile Justice

(a) Australian Mineral Foundation—Adelaide

(b) Juvenile Crime and Juvenile Justice

(c) 146 participants

(d) Yes

(e) Conference Coordinators

(f) $8,760

* Note: All conferences returned revenue exceeding costs borne by the Commonwealth.

part (3)

Attorney-General's Department

National Conference for Civil Marriage Celebrants

(a) $36 302

(b) 42.4%

(c) To enlist the support of civil marriage celebrants in promoting marriage education and to improve the quality of services provided by civil marriage celebrants.

(d) Melbourne Exhibition and Conference Centre

(e) 333 participants

(f) Yes. Conference Organisers Pty Ltd

(g) $7,500

National Forum on Men and Family Relationships

(a) $137,598

(b) 70.1%

(c) To focus attention on identifying and addressing relationship issues for men.

(d) Hyatt Hotel Canberra

(e) 368 participants

(f) Yes. Conference Solutions

(g) $12,000

Security in Government Conference '96

(a) $73,894 ($90,285 recovered in delegates fees)

(b) 94%

(c) To assist in making the conference a full cost recovery event.

(d) Canberra Rydges Hotel

(e) 150 participants

(f) No

(g) N/A

Security in Government Conference '97

(a) $99,954 ($109 915 recovered in delegates fees)

(b) 94%

(c) To assist in making the conference a full cost recovery event.

(d) Canberra Rydges Hotel

(e) 162 participants

(f) No

(g) N/A

Partnerships in Crime Prevention

(a) $123,854

(b) 100%

(c) Joint conference with the Australian Institute of Criminology as part of the National Campaign Against Violence and Crime.

(d) Grand Chancellor Hotel—Hobart

(e) 292 participants

(f) Yes. Conference Coordinators

(g) $42,091

Administrative Appeals Tribunal

20th Anniversary of the AAT Conference

(a) $63 958

(b) 50% sponsorship shared with Australian Institute of Administrative Law and the Australian National University.

(c) 20th Anniversary of the Administrative Appeals Tribunal.

(d) Canberra Convention Centre.

(e) 190 participants.

(f) No. Organised by Australian Institute of Administrative Law.

(g) N/A

Australian Federal Police

15th Asian Regional Interpol Conference

(a) $32 519

(b) 82% Commonwealth funding.

(c) Other funding provided by the Australian Institute of Police Management, the National Crime Authority, AUSTRAC and state police forces. The state/territory police forces each contributed $1 000 toward the 15th Asian Regional Interpol Conference.

(d) Rydges Hotel—Canberra

(e) 119 participants

(f) No

(g) N/A

Australian Institute of Criminology

Violence, Crime and Entertainment Media Conference

(a) $23 654

(b) 50%

(c) Violence, crime and entertainment media.

(d) Swiss Grand Hotel—Sydney

(e) 130 participants

(f) Yes. Conference Coordinators

(g) $7,800

Federal Court of Australia

Judicial Assistance to Nations of the South Pacific Region

(a) $8 856

(b) 86%

(c) To continue the program of judicial assistance to the nations of the South Pacific region.

(d) Hotel Nikko—Darling Harbour, Sydney

(e) 48 participants

(f) Yes. Monica Amman

(g) $10,265

Human Rights and Equal Opportunity Commission

First Asia-Pacific Regional Workshop of National Human Rights Institutions

(a) $14 813

(b) 14%

(c) To meet travel and accommodation costs of international delegates.

(d) Mirambeena Hotel—Darwin

(e) 32 participants

(f) No

(g) N/A

Department of Immigration and Multicultural Affairs: Conferences

(Question No. 1265)

Senator Faulkner asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 21 July 1998:

(1) What is the total expenditure on conferences both: (a) in-house, that is, held within the department or agency; and (b) external, held by the department or agencies within the portfolio, on a month-by-month basis since March 1996.

(2) For conferences fully funded by the department and portfolio agencies, and costing in excess of $30,000: (a) where was the venue; (b) what was the reason for each conference; (c) how many participants registered; (d) were consultancy fees paid for the organisation of each conference; (e) to whom were the consultancy fees paid; and (f) what was the cost of each consultancy.

(3) For conferences part-sponsored or part-funded by the department and portfolio agencies and costing the Commonwealth in excess of $30,000: (a) what was the cost to the department or agency; (b) what was the proportion of Commonwealth funding as against the total cost of the conference; (c) what was the rationale for the sponsorship or part-funding; (d) what was the venue; (e) how many participants registered; (f) did the Commonwealth contribute to any consultant organising the conference; if so, who was the consultant; and (g) how much was the Commonwealth's contribution.

Senator Vanstone—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator's question:

(1) (a)—(b) Conferences have been held during the following months since March 1996:

Month	In-House	External
November 1996		$50,348.92
May 1997		$16,382.45
November 1997	$670.00	
April 1998		$21,688.40
June 1998	$300.00	

(2) (a) National Convention Centre, Canberra.

(b) To encourage the development of regional approaches to refugees and displaced persons and related issues.

(c) Sixty-three.

(d) No.

(e) Not applicable.

(f) Not applicable.

(3) (a)—(g) Nil.

Australian Food Exports

(Question No. 1271)

Senator O'Brien asked the Minister representing the Minister for Trade, upon notice, on 23 July 1998:

(1) What was the value of food exports from Australia to Japan, Korea, Taiwan, Malaysia, China, Indonesia, Thailand, the Philippines and Vietnam, by food group for the 1997-98 financial year.

(2) What was Australia's share of the imported food market in each of these countries in the calendar years 1996 and 1997.

Senator Hill—The Minister for Trade has provided the following answer to the honourable senator's question:

(1) The value of Australia's food exports in 1997-98 to the countries requested is at Attachment 1.

(2) Australia's share of the imported food market of each of the countries requested for calendar years 1995 and 1996 are at Attachment 2. These are the latest years for which data are currently available, except in the case of Thailand, for which data is available for 1995 only.

Attachment 1

Australia's exports of food groups to Selected Asian Countries

	(A$'000)
	1997-98
JAPAN	
01 Meat and meat preparations	1,478,586
02 Dairy products and birds' eggs	374,557
03 Fish, crustaceans & molluscs and preps	438,858
04 Cereals and cereal preparations	128,586
05 Vegetables and fruit	119,366
06 Sugars, sugar preparations and honey	51,583
07 Coffee, tea, cocoa & spices	36,564
09 Miscellaneous edible products and preparations	39,927
Total Food	2,668,028
KOREA, REPUBLIC OF	
01 Meat and meat preparations	128,895
02 Dairy products and birds' eggs	37,955
03 Fish, crustaceans & molluscs and preps	2,116
04 Cereals and cereal preparations	16,037
05 Vegetables and fruit	5,517
06 Sugars, sugar preparations and honey	33,914
07 Coffee, tea, cocoa & spices	5,055
09 Miscellaneous edible products and preparations	7,438
Total Food	236,928
TAIWAN	
01 Meat and meat preparations	159,039
02 Dairy products and birds' eggs	76,753
03 Fish, crustaceans & molluscs and preps	178,428
04 Cereals and cereal preparations	10,080
05 Vegetables and fruit	25,500
06 Sugars, sugar preparations and honey	17,438
07 Coffee, tea, cocoa & spices	7,065
09 Miscellaneous edible products and preparations	12,324
Total Food	486,627

	(A$'000)
	1997-98
MALAYSIA	
01 Meat and meat preparations	45,964
02 Dairy products and birds' eggs	157,035
03 Fish, crustaceans & molluscs and preps	3,773
04 Cereals and cereal preparations	11,182
05 Vegetables and fruit	109,702
06 Sugars, sugar preparations and honey	27,717
07 Coffee, tea, cocoa & spices	6,004
09 Miscellaneous edible products and preparations	10,842
Total Food	372,218
CHINA	
01 Meat and meat preparations	31,655
02 Dairy products and birds' eggs	12,275
03 Fish, crustaceans & molluscs and preps	119,054
04 Cereals and cereal preparations	2,446
05 Vegetables and fruit	7,809
06 Sugars, sugar preparations and honey	22,516
07 Coffee, tea, cocoa & spices	3,701
09 Miscellaneous edible products and preparations	2,604
Total Food	202,058
INDONESIA	
01 Meat and meat preparations	36,362
02 Dairy products and birds' eggs	51,838
03 Fish, crustaceans & molluscs and preps	2,706
04 Cereals and cereal preparations	5,625
05 Vegetables and fruit	31,393
06 Sugars, sugar preparations and honey	23,746
07 Coffee, tea, cocoa & spices	2,635
09 Miscellaneous edible products and preparations	4,172
Total Food	158,478
THAILAND	
01 Meat and meat preparations	4,310
02 Dairy products and birds' eggs	118,038
03 Fish, crustaceans & molluscs and preps	12,768
04 Cereals and cereal preparations	18,701
05 Vegetables and fruit	7,943
06 Sugars, sugar preparations and honey	563
07 Coffee, tea, cocoa & spices	3,803
09 Miscellaneous edible products and preparations	11,355
Total Food	177,480

	(A$'000)
	1997-98
PHILIPPINES	
01 Meat and meat preparations	56,095
02 Dairy products and birds' eggs	220,876
03 Fish, crustaceans & molluscs and preps	321
04 Cereals and cereal preparations	50,949
05 Vegetables and fruit	15,497
06 Sugars, sugar preparations and honey	3,431
07 Coffee, tea, cocoa & spices	4,934
09 Miscellaneous edible products and preparations	4,537
Total Food	356,640
VIETNAM	
01 Meat and meat preparations	926
02 Dairy products and birds' eggs	20,836
03 Fish, crustaceans & molluscs and preps	1,206
04 Cereals and cereal preparations	45,170
05 Vegetables and fruit	2,407
06 Sugars, sugar preparations and honey	0
07 Coffee, tea, cocoa & spices	192
09 Miscellaneous edible products and preparations	3,098
Total Food	73,836
TOTALS FOR ABOVE COUNTRIES	
01 Meat and meat preparations	1,941,833
02 Dairy products and birds' eggs	1,070,164
03 Fish, crustaceans & molluscs and preps	759,229
04 Cereals and cereal preparations	288,776
05 Vegetables and fruit	325,134
06 Sugars, sugar preparations and honey	180,907
07 Coffee, tea, cocoa & spices	69,953
09 Miscellaneous edible products and preparations	96,298
Total Food	4,732,294

Attachment 2

Australia's Share of the Imported Food Market of Selected Asian Countries

	US$'000			
		Aust market share %		Aust market share %
	CY 1995	1995	CY 1996	1996
Imports by Japan				
From Australia	2,893,686	6.7	2,834,809	6.5

	US$'000			
		Aust market share %		Aust market share %
	CY 1995	1995	CY 1996	1996
From other countries	40,482,528		40,821,676	
Total food imports	43,376,214		43,656,485	
Imports by Korea, Rep				
From Australia	555,915	10.4	572,136	8.8
Total other countries	4,792,960		5,894,093	
Total food imports	5,348,875		6,466,229	
Imports by Taiwan				
From Australia	314,537	9.5	349,522	9.5
Total other countries	2,990,574		3,325,588	
Total food imports	3,305,111		3,675,110	
Imports by Malaysia				
From Australia	612,597	21.5	654,762	20.3
Total other countries	2,242,088		2,565,519	
Total food imports	2,854,685		3,220,281	
Imports by China				
From Australia	258,758	4.6	878,302	20.3
Total other countries	5,414,835		3,447,906	
Total food imports	5,673,593		4,326,208	
Imports by Indonesia				
From Australia	359,444	14.8	759,074	24.3
Total other countries	2,073,746		2,360,138	
Total food imports	2,433,190		3,119,212	
Imports by Thailand				
From Australia	152,153	8.8	n.a.	
Total other countries	1,576,239		n.a.	
Total food imports	1,728,392		a.a.	
Imports by Philippines				
From Australia	296,697	17.4	323,708	14.5
Total other countries	1,409,706		1,910,788	
Total food imports	1,706,403		2,234,496	
Total of above countries				
From Australia	5,443,787	8.2	6,372,313	9.6
Total other countries	60,982,676		60,325,708	
Total food imports	66,426,463		66,698,021	

Royal Australian Air Force: VIP Fleet

(Question No. 1275)

Senator O'Brien asked the Minister representing the Minister for Defence, upon notice, on 23 July 1998:

(1) How many incidents involving aircraft from the VIP fleet were reported in the financial years 1995-96, 1996-97, 1997-98 and 1998-99.

(2) (a) What was the nature of each incident; (b) when did each incident occur; and (c) what action was taken by the Royal Australian Air Force in response to each incident.

Senator Newman—The Minister for Defence has provided the following answer to the honourable senator's question:

(1) FY 1995-96—13 incidents; FY 1996-97—21 incidents; FY 1997-98—13 incidents; FY 1998-99—Nil incidents reported up to 7 August 1998.

The enclosed table provides the information requested in Question (2).

FALCON 900 AIR SAFETY OCCURRENCE REPORTS SUMMARY 1 JUL 95—7 AUG 98

Date	Task	Nature of Incident	Corrective Actions Taken by RAAF
1-Jul-95	Non VIP Transport	Taxi Clearance Infringement—During taxi for departure the aircraft infringed the active runway due to the misunderstanding of an air traffic control instruction.	All squadron aircrew were briefed on the incident.
2-Jul-95	Non VIP Transport	Unsafe Take-Off Clearance—After receiving a take-off clearance the crew sighted a light aircraft carrying out an uncleared 'touch and go' on a crossing runway and did not take-off.	All squadron aircrew were briefed on the incident.
7-Aug-95	VIP Transport	Abort on Take-Off—a 'Number 2 Engine Fail' light illuminated on take-off leading to a low speed abort. Light was caused by the incorrect closing of an inspection hatch by aircrew.	Emphasis is to be placed on the need to correctly close the inspection hatch during initial and refresher training.
7-Sep-95	VIP Transport	Diversion due to Fuel Computer Light—The number 3 engine fuel computer light illuminated requiring the engine to be operated in manual mode.	Manufacturer has been requested to modify the design of this component due to its poor reliability.
5-Oct-95	Crew Training	Departure from Circuit without a Clearance—Crew misunderstood an airways clearance. Aircraft subsequently departed circuit without clearance.	The terminology used to issue airways clearances to aircraft operating in a circuit has been changed to avoid confusion.
23-Oct-95	Crew Training	Landing Gear Overspeed—Aircraft Captain inadvertently selected landing gear down when requested to lower flaps during a period of high cockpit workload.	All squadron aircrew were briefed on the incident.
30-Jan-96	VIP Transport	Abnormal Landing Gear Retraction—An unsafe indication occurred when landing gear was selected up. A safe indication was received when the landing gear was selected down.	After a similar incident on 9 May 96 a defect investigation was carried out on the nose gear uplock. All nose gear uplocks were subsequently replaced.
8-Feb-96	Non VIP Transport	Incorrect Lead Radial Selected on ILS Approach—Crew misread an instrument approach plate resulting in the aircraft intercepting an incorrect finals radial.	All squadron aircrew were briefed on the incident.
16-Mar-96	VIP Transport	Traffic Confliction OCTA—Aircraft was not passed traffic information until established outside controlled airspace, leaving insufficient time to avoid a conflict with another aircraft.	The need to obtain traffic information prior to proceeding outside controlled airspace has been emphasised to all crews.
22-Mar-96	Crew Training	Flap Overspeed—During a missed approach with conflicting aircraft traffic the flaps were oversped by 4 kts.	A breakdown in crew procedures was identified. All crews were briefed on the incident.
23-Apr-96	Crew Training	Penetration of Civil Controlled Airspace—During departure from a Mandatory Broadcast Zone airfield the crew inadvertently entered controlled airspace without clearance.	Incident highlighted to Mandatory Broadcast Zone study team.

Date	Task	Nature of Incident	Corrective Actions Taken by RAAF
28-Apr-96	Crew Training	Traffic Confliction—In controlled airspace another aircraft was avoided by 200m. The other aircraft was supposed to be outside controlled airspace and had its transponder off.	Forwarded to the Civil Aviation Safety Authority for action.
9-May-96	Crew Training	Abnormal Landing Gear Retraction—An unsafe indication occurred when landing gear was selected up. A safe indication was received when the landing gear was selected down.	Defect investigation on nose gear uplock carried out. All nose gear uplocks were subsequently replaced.
11-Jul-96	Non VIP Transport	Abnormal Landing Gear Retraction—An unsafe indication occurred when landing gear was selected up. A safe indication was received when the landing gear was selected down.	Defect investigation on nose gear uplock carried out. All nose gear uplocks were subsequently replaced.
11-Aug-96	VIP Transport	Failure to Complete Before Landing Checks—Crew was distracted while configuring to land and did not fully complete the landing checks.	All squadron aircrew were briefed on the incident, emphasising correct checklist procedures.
12-Aug-96	Crew Training	Unsafe Landing Gear Indication—Landing gear indicated unsafe when selected down. After carrying out emergency procedures aircraft landed safely.	After technical investigation the incident is considered to be an isolated failure. No further follow-up action occurred.
20-Sep-96	Non VIP Transport	Arrival Outside Tower Hours During Bad Weather—Aircraft aquaplaned during landing due to unexpectedly large amount of water lying on runway.	Aerodrome Weather Information Broadcast equipment is now installed at Canberra.
30-Sep-96	Crew Training	Altitude Infringement—After receiving a descent clearance to 6 000ft the crew were distracted and descended to 5 000ft.	All squadron aircrew were briefed on the incident and the crew received specific counselling.
17-Oct-96	VIP Transport	Lightning Strike—The aircraft suffered a lightning strike. No thunderstorm activity was present on the weather radar.	Natural Hazard.
26-Jan-97	VIP Transport	Take-Off with Earthing Lead Attached—Aircraft earthing lead left attached to aircraft during pre-flight. The lead separated from the aircraft during take-off.	Need for pre-flight vigilance briefed to all aircrew and a different earthing strap attachment point is now used.
7-Feb-97	VIP Transport	Toilet Area Flooded—Toilet tap left turned on. When the auxiliary power unit was restarted water flowed through tap undetected resulting in partial flooding of the toilet area.	Crew pre-flight procedures amended to ensure tap is off prior to auxiliary power unit being activated.
26-Feb-97	VIP Transport	Food Contamination—Maggots were discovered in a VIP meal. No aircrew or passengers consumed contaminated food during flight.	Catering Contractor requested to investigate incident. All crews briefed on incident.
26-Feb-97	VIP Transport	Foreign Object On Aircraft—During preflight a plastic ruler was found stuck to the outside of Number 2 engine. The ruler had been positioned by a photographer.	Flight line security access and safety procedures revised. Several members received counselling over a breakdown in procedures.
3-Mar-97	Non VIP Transport	Flight Strip Incursion—Aircraft taxied for the incorrect runway at Canberra, misunderstood an ATC clearance and infringed the active runway.	All aircrew briefed on the incident. Revised radio procedures introduced in August 1997 to reduce aircrew/ATC misunderstandings.
21-Mar-97	Check Flight	Tyre Unserviceable after Landing—Inspection of the tyres after landing indicated abnormally high wear on one tyre.	An Aircraft Safety Occurrence Technical Investigation failed to identify a specific cause. Procedures for extra vigilance by aircrew and maintenance personnel have been promulgated in Standing Instructions.
2-Apr-97	VIP Transport	Tyre Unserviceable after Landing—Inspection of the tyres after landing indicated abnormally high wear on one tyre.	An Aircraft Safety Occurrence Technical Investigation failed to identify a specific cause. Procedures for extra vigilance by aircrew and maintenance personnel have been implemented.

Date	Task	Nature of Incident	Corrective Actions Taken by RAAF
17-Apr-97	VIP Transport	Engine Shutdown due to Loss of Oil Pressure—The Number 1 engine was shut down 180nm South East of Curtin, Western Australia resulting in the aircraft diverting to Curtin.	Oil loss was due to the failure of a seal on the Accessory Gearbox. A redesigned seal has been fitted to 34SQN aircraft.
23-Apr-97	Non VIP Transport	Activation of Stall Inhibiting System—During an instrument approach the aircraft was slowed excessively prior to configuring for landing, activating the stall warning system.	The limitations on Falcon 900 pilots were reviewed. The progress of potential VIP captains will be more closely monitored. All squadron aircrew were briefed on the incident.
9-May-97	VIP Transport	Severe Turbulence during Departure—Severe turbulence encountered during departure from Sydney resulting in slight injuries to two Flight Stewards.	Natural Hazard. All squadron aircrews were briefed on the incident.
13-May-97	Crew Training	Birdstrike—During a night approach the aircraft hit several swans, damaging the right hand inboard slat.	Natural Hazard.
13-May-97	VIP Transport	Bleed Air Overheat Indication—A Bleed Air Overheat Caution light illuminated during flight. Warning was subsequently found to be a false indication.	False indication found to be due to electro-magnetic interference. Upgraded electronic boxes fitted to prevent recurrence.
17-May-97	VIP Transport	Bleed Air Overheat Indication—A Bleed Air Overheat Caution light illuminated during flight. Warning was subsequently found to be a false indication.	False indication found to be due to electro-magnetic interference. Upgraded electronic boxes fitted to prevent recurrence.
10-Jun-97	Crew Training	Flap Overspeed—During an instrument approach the co-pilot inadvertently selected more flap than requested, above a flap limiting airspeed.	All squadron aircrew were briefed on the incident.
10-Jun-97	Crew Training	Abnormal Landing Gear Retraction—An unsafe indication occurred when landing gear was selected up. A safe indication was received when the landing gear was selected down.	A misadjusted microswitch was set within limits. All nose gear uplocks were replaced following incidents in May 96. This failure is considered to be an isolated incident.
24-Aug-97	VIP Transport	Illumination of Number 2 Engine Fail Light—Aircraft aborted take-off due to the illumination of the 'Number 2 Engine Fail' light.	A misadjusted microswitch was set within limits.
2-Sep-97	VIP Transport	Failure to Remove Nose Wheel Brace—A nose wheel brace was not removed during the pre-flight walkaround. The brace was detected by other squadron personnel before engine start.	The nose brace 'Remove Before Flight' warning flag has been re-positioned for improved visibility. All crews have been briefed on the incident.
20-Sep-97	VIP Transport	Blocked Pitot Tube on Take-Off—Insects in a pitot tube caused a loss of airspeed indication to the co-pilot.	All squadron aircrew were briefed on the incident. Simulator contractor requested to incorporate pitot-static emergencies in initial and re-current simulator training.
28-Sep-97	Non VIP Transport	Lightning Strike—The aircraft suffered minor damage from a lightning strike during departure.	Natural Hazard.
28-Nov-97	Non VIP Transport	Birdstrike—A bird was hit while aircraft was maintaining 5,000ft causing slight damage to a leading edge slat.	Natural Hazard.
2-Feb-98	Crew Training	Failure to Conduct After Take-Off Checks—During a busy training sequence the captain handed control to the co-pilot and the After Take-Off Checks were missed.	All squadron aircrew were briefed on the incident and the crew received specific counselling.
20-Feb-98	Crew Training	Abnormal Noise and Inadvertent Activation of the Stall Warning System—After take-off an abnormal noise was heard and the stall warning horn sounded briefly, well above stall speed.	Revised aircrew inspection procedures were developed. Maintenance investigating benefits of revising maintenance schedules.

Date	Task	Nature of Incident	Corrective Actions Taken by RAAF
24-Apr-98	VIP Transport	Altitude Excursion—During an instrument approach the crew set an incorrect altitude in the altitude limiting system and descended below their cleared level.	All aircrew were briefed on the incident and the crew were counselled. New procedures for setting altitudes in the altitude limiting system have been developed.
5-May-98	Non VIP Transport	Flight Control Restriction—After take-off an abnormal amount of right rudder trim was required to balance the heading due to an internal yaw damper failure.	Manufacturers inspection failed to identify fault. Investigations are continuing.
5-May-98	Crew Training	Windscreen Wiper Overspeed—Windscreen Wipers were operated 15kts above their limiting speed.	All squadron aircrew were briefed on the incident and the need to observe the airspeed limit was emphasised.
6-May-98	VIP Transport	Jump Seat Dislodged from Mounting—Take-off was aborted when the occupied cockpit jumpseat became dislodged from its mounting rail.	A Maintenance Incident Inquiry established that the seat was incorrectly installed. Revised installation procedures were promulgated in a Critical Maintenance Order.
15-Jun-98	Crew Training	Inadvertent Flap Selection—The co-pilot inadvertently selected flap when requested to select airbrake. The captain corrected the selection prior to the flaps moving.	All squadron aircrew were briefed on the incident and the co-pilot, who was very inexperienced, has received specific counselling.
23-Jun-98	Crew Training	Controlled Airspace Incursion—During a period of high cockpit workload the aircraft inadvertently entered controlled airspace prior to receiving clearance.	All squadron aircrew were briefed on the incident and the crew received specific counselling.

Electoral: Bogus How-To-Vote Cards

Senator Murray asked the Leader of the Government in the Senate, without notice, on 9 July 1998:

(1) Is the Minister aware of the controversy surrounding the use of a bogus One Nation how-to-vote card by the Labor Party in the Queensland seat of Mansfield which was widely reported on the weekend. If not, is the Minister aware of a now infamous Nunawading incident in Victoria involving a bogus Nuclear Disarmament Party how-to-vote card and even a bogus Australian Democrats how-to-vote card used in the New South Wales seat of Robertson a few elections back.

(2) Does the Minister agree that the use of these style of cards, which are intentionally designed to mislead and to pass off on thing as another, are now such a regular occurrence that voters should enjoy protection in law against their use.

(3) Is the Minister aware that last week, in fact, your Government rejected a number of Democrats' amendments to the Electoral Act which sought to improve the regulation of the use of how-to-vote cards in elections.

(4) Doesn't the Minister agree that any possible challenge—for instance, the Mansfield case—could again reveal a problem in this area.

(5) Will the coalition now reconsider their support for legislation to protect voters against future acts of deliberate deception via bogus how-to-vote cards which, in our view, are fast becoming common.

Senator Hill—The Special Minister of State has provided me with the following answers to the honourable Senator's questions:

(1) and (4) The Australian Electoral Commission (AEC) has noted the use of alleged misleading and deceptive how-to-vote (HTV) cards at recent State elections and understands that such matters are currently being prosecuted where appropriate in those jurisdictions.

(2) For the purposes of federal elections, section 329(1) of the Commonwealth Electoral Act prohibits the printing, publication and distribution of electoral advertising that is likely to mislead or deceive an elector in relation to the casting of a vote. Section 329(5) of the Act provides that it is a defence to a prosecution under section 329(1) if a person proves that he or she did not know, and could not reasonably be expected to have known, that the matter or thing was likely to mislead an elector in relation to the casting of a vote.

The AEC has moved in advance of the next federal election to counter any ignorance or misunderstanding of the law in relation to misleading and deceptive electoral advertising by publishing an Electoral Backgrounder, entitled "Unofficial HTV Cards". This Backgrounder is freely available from the AEC, has already been distributed to all major political parties, and will be included in the information package provided to all candidates at nomination. The Backgrounder details the legal provisions of the Act, discusses the relevant case law precedents, and warns that any

breaches of the law will be prosecuted on advice from the Director of Public Prosecutions.

A further protection against misleading HTV material is available in section 351(1) of the Act, which makes it an offence to publish material that suggests that first preferences should be distributed otherwise than in accordance with the wishes of a House of Representatives candidate.

(3) and (5) The proposed Democrat amendments to the Commonwealth Electoral Act would have required the registration of every HTV card issued at a federal election, and the research and analysis of this material by the AEC. The administration of such a scheme, in the few weeks and days leading up to polling day, involving HTV material issued by individuals and organisations for some 8,000 polling booths across Australia, would be an administrative nightmare, inhibit the free flow of information in the political arena, and create more problems than it would solve.