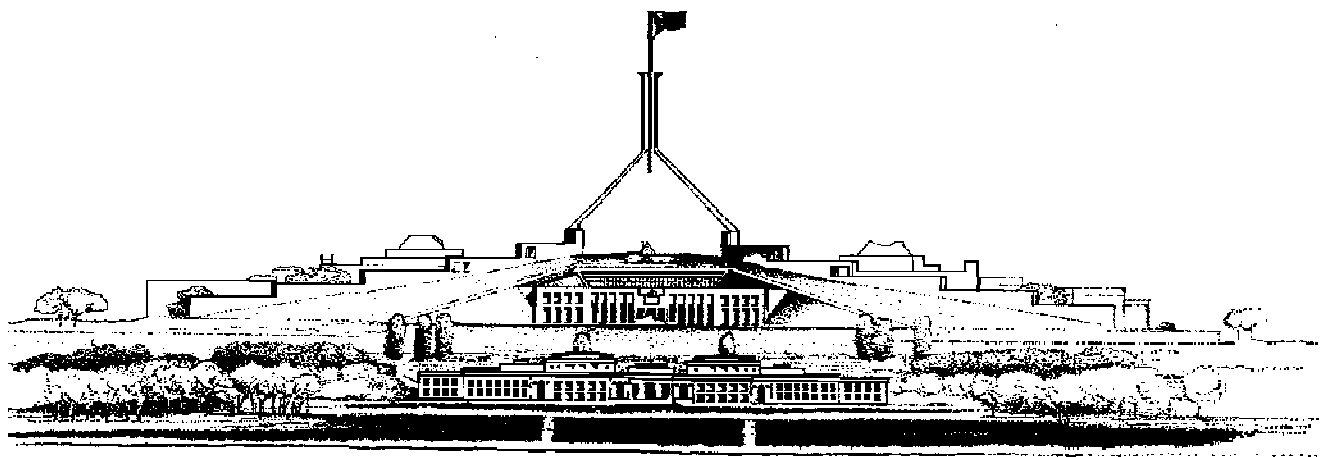




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Tuesday, 21 May 1996

The PRESIDENT (Senator the Hon. Michael Beahan) took the chair at 2.00 p.m., and read prayers.

QUESTIONS WITHOUT NOTICE

Export Market Development Grants

Senator SHERRY—My question is addressed to Senator Short. Yesterday in the Senate your colleague Senator Parer failed to give a commitment to maintain the export market development grant scheme. In a speech to the ACCI on 15 May you conceded that some successful government programs would have to be wound back or scrapped, even where such programs are 'meeting a relevant objective effectively and efficiently'. Will you inform the Senate where you rate in terms of priority the export market development grant scheme? Has the scheme been meeting its objective of facilitating the growth of exports by Australian small businesses both effectively and efficiently? Will the minister guarantee the operation of the scheme in its current form?

Senator SHORT—Yes, Senator Sherry is correct and has quoted correctly from my speech to the ACCI last week. Your question reveals much more about the opposition than it does about the government, because it reflects that Labor continues to hold a deficit mentality. You people seem to have a deficit fixation or deficit disorder requiring some professional treatment. You seem to believe that Australia can afford each and every program put forward by the plethora of groups in our community which argue that their programs are worthwhile.

It is now 10 years since the banana republic and Labor has learnt absolutely nothing about that. The question I would ask Senator Sherry is, just where does the opposition stand on the question of getting the books of this nation back into balance? If you look at what the shadow Treasurer said in the House of Representatives last night, you would quite rightly feel rather confused because during the debate on the appropriation bill in the House of Representatives last night the shadow Treasur-

er made a very enlightening comment. He said:

How come the budget is not in better shape after 4½ years of sustained growth?

Senator Sherry—I raise a point of order concerning relevance. He is not answering anything to do with the export market development scheme. The answer is totally irrelevant.

The PRESIDENT—Order! I have taken the answer so far as being a preamble. I would ask Senator Short to get to the point of the answer.

Senator SHORT—I will get to the answer to that specific question in due course. I thought the shadow Treasurer's statement was pretty enlightening. The shadow Minister for Finance is here and I suggest that perhaps you have a look at what the shadow Treasurer said last night.

Opposition senators interjecting—

Senator SHORT—Opposition senators should listen to this because it is very interesting. He said:

How come the budget is not in better shape after 4½ years of sustained growth?

He answered it himself. He said:

This is a point that many commentators, not just on the government side but in the media, constantly make.

Mr Evans went on to say:

Let me answer it by saying it is not a product of mismanagement in any sense; rather, it is a product of deliberate policy choice.

In other words, what Mr Evans said last night in the House of Representatives was that, through deliberate policy actions by the previous government, we finished up with a budget deficit of \$8 billion, contrary to all the statements made by the former government.

Senator Cook—I raise a point of order. We have had four minutes of irrelevant answer. Mr President, I wonder whether you might direct Senator Short to favour us with a reply to a very direct question for at least a minute. If you cannot do that, Mr President, would you ask him to simply resume his seat because he is in fact parading his ignorance to the Senate.

The PRESIDENT—Order! I did ask the minister to come to the point of the question and I will again ask the minister to do so.

Senator SHORT—In response to the specific question, as Senator Parer said yesterday, if you are going to be a responsible government—which this government is, in stark contrast to the former government—you have to look at all items of government expenditure. In that context many situations are under review and the answer to those questions will be revealed at the time of the budget.

The question that opposition senators have to answer is, do they want to continue to run a continuing budget deficit that leads to higher interest rates, less jobs, more unemployment, lower economic growth and less international competitiveness? That is the path you led Australia down in the last 13 years. Yesterday the shadow Treasurer admitted that it was a matter of deliberate policy. I am amazed. (*Time expired*)

Senator SHERRY—Mr President, I ask a supplementary question. I would have thought that Senator Short could at least attempt to answer a question in his three or four weeks in this place as minister. Given that he will not guarantee the continued operation of the scheme in its present form, what did his colleague Mr Moore mean when he said in the coalition's industry policy statement in February:

An incoming coalition government will maintain the existing range of general export assistance programs, including the export market development grants?

Senator SHORT—As Senator Sherry well knows, and as the opposition well know—or ought to know by now—decisions on matters relating to the budget will be announced in the context of the budget.

Senator Sherry—What about your policy statements?

Senator SHORT—I am afraid that, despite anything you might want to say, you are going to have to wait for answers to that in the context of the budget on 20 August.

Sale of Telstra

Senator O'CHEE—Mr President, my question is directed to the Minister for Communications and the Arts. I refer the minister to the statements made by the Deputy Leader of the Opposition on the *Meet the Press* program on 12 May. Mr Evans said in that interview that he was prepared to debate the Telstra legislation in the normal way when it came up.

Senator Sherry—What did you say in your interview this morning?

Senator O'CHEE—For Senator Sherry's benefit, Mr Evans said—and I quote—

Opposition senators interjecting—

The PRESIDENT—Order! There are too many interjections on my left. Senator O'Chee has the call.

Senator O'CHEE—Thank you, Mr President. For the benefit of the rabble on the other side, I should say that Mr Evans said: We are not going to hang in imposing ridiculous constraints on that—

the Telstra legislation—

and we will just respond to the issues in a measured way as they come forward.

Does the minister support Mr Evans's approach?

Senator ALSTON—Thank you, Mr President.

Senator Robert Ray—Read out the question he was actually asked.

Senator ALSTON—How is your six-week taxpayer funded holiday coming along? It's about time your got on the front bench and did a bit of work. I will read to you what he said. He said this:

We frankly are prepared to debate the Telstra legislation in the normal way when it comes up.

In other words, he said he had an open mind on the subject. That, of course, is in absolute contradistinction with what Senator Faulkner had to say when he let the cat out of the bag on 1 May. In moving an amendment to the Address-in-Reply, he said:

The Senate is of the opinion that no part of Telstra should be sold. I believe that selling part or all of our communications carrier would be an act of gross irresponsibility in itself.

In other words, he had absolutely made up his mind. There was no basis upon which he was prepared to do anything other than vote against this legislation. This was perfectly consistent with Senator Evans' point of view—which, perhaps, was what they both had in mind at that time. Lest there be any doubt about it, let's look at what Senator Bourne had to say on the *World Today* today at 12 o'clock. She was asked:

Will you vote for the privatisation of Telstra under some circumstances?

Her answer:

No, absolutely not.

There you have it. The two biggest opposition parties in this place have absolutely made up their minds that they do not support the privatisation of Telstra under any circumstances. Yet what are we facing now? We are facing at least a three-month adjournment.

I will tell you something very interesting that I discovered only late last night. I thought there might have been some powerful reason why this legislation needed to be referred to a committee. But do you know why it is being referred? You have only to listen to what Senator Schacht had to say. He said:

You have not exempted this new organisation from the Corporations Law which provides that minority shareholders have to be equally represented by all directors.

He is absolutely wrong because there are shareholder oversight provisions in the bill. When I pointed this out to him, he said:

I may not have the details perfectly correct but I bet a lot of other people do not either. These are the sorts of issues that have to be debated in the community. . .

In other words, the reason this bill is going off to a committee is that Senator Schacht wants to take a refresher course. He was not prepared to read the bill to find out what it was about. If he had, he would understand that it has all the necessary consumer protections.

You do not understand the first thing about this. You have this quaint notion that somehow, when you remove the right to direction, Telstra will have to act in a commercial way. Let me explain to you that five years ago you corporatised Telstra; in other words, ever

since that day it has been required to act commercially. It has done that perfectly consistently with its community service obligation to ensure that services are reasonably available on an equitable basis. It will continue to do that. No-one has ever suggested that it should not.

It is an absolute tragedy and a monumental hypocrisy for both of the two major opposition parties to have made up their minds. I note that they are quite comfortable in being called the 'opposition parties' these days; it is no longer 'the other mob and the Democrats'. There is Senator Bourne revelling in it. The opposition parties are lying in the same dishonest bed together. They have made up their minds. They are not interested in debate. Nonetheless, they are prepared to deliberately flout the will of the people.

You know that this was a very controversial and, I think, brave and commendable initiative that we took to the last election. No-one laid a glove on us during that campaign. There has been no significant community concern expressed. Now you have the hide to deliberately frustrate the program. You will get your just desserts. (*Time expired*)

Senator O'CHEE—As a supplementary question, I ask the minister: what are the consequences for the Australian community if this legislation is blocked in the fashion that the two opposition parties would like?

Senator ALSTON—I am not prepared to assume that they will ultimately block it. I think that sanity and reason will prevail. You only have to read Glenn Milne's article last Monday to see that the Democrats—

Senator Carr—Oh, you have read it, have you?

Senator ALSTON—You obviously did not get past the first part of it. You obviously did not read the part where he gave the Democrats a very big serve for once again being fundamentally factually inaccurate.

That is the great problem that you have on your side of this chamber. You both have the fundamental problem that you do not have any decent reasons or arguments that will stack up in the light of day. That is why

Senator Kernot was struggling very badly with the housing industry yesterday.

Senator Kernot—Oh, ha, ha!

Senator ALSTON—Just you talk to the people who were there. They were appalled that there was no coherent justification. You have only to look at the sorts of things that Senator Faulkner has had to say:

For the government to claim that it will be a more competitive company after privatisation is just arrant nonsense.

There is no justification—no facts, no figures—you are just ignoring the rest of the world. You know, because you had to study the issue, that all around the world privatisation has led to greater efficiency. But you are not interested, are you.

Higher Education

Senator FORSHAW—My question is directed to the Minister for Employment, Education, Training and Youth Affairs. In the *Sydney Morning Herald* on 14 May in an article entitled 'Learning earns its keep', Professor John Niland, the Vice-Chancellor of the University of New South Wales, commented:

A 10 per cent cut in funding translated through to student load would reduce exports by over \$130 million.

Does the minister agree with Professor Niland's assessment? Further, given that higher education exports generate in excess of \$1.3 billion a year, can the minister inform the Senate as to the likely effects on our overseas earnings of the proposed cuts to the higher education sector that she has advised to the university vice-chancellors?

Senator VANSTONE—The article referred to and many, many others that we have seen over the last couple of weeks represent a fearmongering campaign by some people in the higher education sector to try to ensure that the higher education sector makes no contribution, or a very minimal contribution, to the enormous budgetary savings task that faces not only this government but also the nation as a whole. Some people in the higher education sector would prefer that that sector made no contribution whatsoever, or a very minimal contribution, to that budgetary

savings task. There may be some self-interest there, and I would expect people involved in higher education to be promoting and advocating its benefits, in the sense of what it provides to Australians domestically and the opportunities it provides for export.

As Senator Forshaw may well know, those export opportunities are not limited to the higher education sector. The TAFE sector also has a big involvement in the export of education. The particular article referring to a specific nominated savings target or cut, as some people might like to refer to it, is just another example of scaremongering in the higher education sector.

One thing needs to be made abundantly clear: this government does understand the value of the higher education sector, the contribution it makes to students in Australia and the opportunities it creates for exports. We understand the enormous size of the black hole left to us by the previous government. We are determined to do something about fixing that black hole. It is very difficult to see that a sector such as the higher education sector could reasonably expect to be completely left out of this process.

I want to once again make clear what the higher education sector has been told. I met with the Australian Vice-Chancellors Board and the Australian Vice-Chancellors Committee in full and with the union. They have all been given this message: 'Firstly, there is an enormous budgetary problem. Secondly, as the minister responsible for your area, I would be deceiving you if I led you to conclude in any way whatsoever that you could expect to come out of this unscathed, that you will not have to make any contribution at all, that we will take it from somewhere else.' What is being asked here? Is it that higher education be left alone and more come from schools or social security? Is it that everyone else should bear the burden of the black hole that has been left to us by the previous government? I do not think people in higher education are saying that.

The point has been made to these people that the government wants to approach this savings task as calmly and rationally and carefully as possible, which is why we have

had a series of meetings. People have been asked to put forward contributions as to the shape of the savings for the higher education sector. I deeply regret that those best in a position to put forward that contribution are at the moment choosing to take a very destructive, rather than constructive, role for that sector.

I still look forward to people involved in the higher education sector putting forward some positive proposals for the best way to contribute to the budgetary savings task which Australia has been burdened with by the previous government.

National Reconciliation Week

Senator CHAPMAN—I direct my question to the Minister for Aboriginal and Torres Strait Islander Affairs. Will the government be supporting the first National Reconciliation Week, which is being held this month?

Senator HERRON—I thank Senator Chapman for his question.

Senator Bolkus—How is your hobby going?

Senator HERRON—I expect those opposite to be quiet for the answer to this question, because this is a very important matter. The first National Reconciliation Week will be an important milestone in the history of this country. The government welcomes and fully supports the first National Reconciliation Week, and I strongly urge all Australians to actively support it.

Reconciliation week runs from 27 May until 3 June. These two dates are anniversary dates of watershed events in the history of this country. On 27 May 1967, 90 per cent of Australians voted in a referendum to remove discriminatory clauses from the constitution and to give the Commonwealth power to legislate for Aboriginal people.

Senator Watson—What government was that?

Senator HERRON—It was done under a coalition government. On 3 June 1992, the concept of terra nullius was overturned by the High Court's Mabo decision. Both these events are examples of Australians standing up for justice and reconciliation.

Opposition members interjecting—

Senator HERRON—It was a decision of the High Court. Reconciliation week is a great opportunity for everyone in this country to advance the process of reconciliation. Reconciliation must come from the hearts and minds of people. It is not something that governments can legislate for. I would only encourage individuals to participate in that week.

Migrants: Social Welfare Entitlements

Senator FAULKNER—My question is directed to the Minister for Social Security. Has the government taken a decision to apply the two-year waiting period for migrants to family payment? Has the government taken a decision to apply the two-year waiting period for migrants to child-care assistance and the child-care cash rebate? Do you have any concerns about applying the waiting period to child-care assistance and the child-care cash rebate? If you do, could you explain to the Senate what those concerns are?

Senator NEWMAN—I thank the Leader of the Opposition for his question. The question of child-care assistance and child-care rebate is not the responsibility of me alone and that decision has not yet been finalised. As far as family payments are concerned, people will continue to receive family payments during that period as they do at present.

Senator FAULKNER—Mr President, I ask a supplementary question. Minister, you indicated to the Senate that this matter has not been finalised. Has the Prime Minister written to you in the following terms: 'notwithstanding your concerns about child-care assistance and child-care cash rebate and your desire to consult with the Minister for Health and Family Services, I propose that the two-year waiting period apply to these payments; in addition to the payments considered above, I propose that maximum family payment, formerly additional family payment, maternity allowance and multiple birth allowance be included on the waiting period list'?

Senator NEWMAN—As a former minister, Senator Faulkner would know full well the proprieties in matters of prime ministerial correspondence or correspondence between ministers. However, during the 13 years of

Labor of course those proprieties were not always met.

Senator Faulkner—Have you misled the Senate?

Senator NEWMAN—I would not mislead the Senate and you know that.

Senator Faulkner—You are on the same slippery slide as Amanda.

Senator NEWMAN—I have given you a truthful answer and I do not intend to discuss prime ministerial correspondence or correspondence with any of my other ministerial colleagues.

Commonwealth Ombudsman

Senator SPINDLER—My question is directed to the Minister representing the Prime Minister, Senator Robert Hill. By way of introduction, I would like to say that the government will earn the support of 66 per cent of Australians if it stops the sale of Telstra but I wish to refer more specifically to an area where the government will not earn any support—that is, the crippling cuts to the Commonwealth Ombudsman's office. Is the minister aware that from June 1996 the Ombudsman will be forced to cease agency arrangements with the Tasmanian Ombudsman with all calls diverted to Melbourne and cease outreach programs to indigenous Australians, non-English speaking people and rural areas or will be forced to severely curtail the intercept audit function of the Australian Federal Police and the NCA under the Telecommunications (Interception) Act? I ask the minister: how can he justify these cuts which will prevent many Australians from accessing the government when the government's own departments are incompetent or engaged in maladministration?

Senator HILL—I think the honourable senator invites me to make some comment on the sale or part sale of Telstra, which I am happy to do because it would be in the best interests of this nation. Out of that sale, we would have the opportunity to transfer part of the capital investment in Telstra, firstly, into the environment—a \$1 billion natural trust fund—and, secondly, we hope, in repayment of public debt, \$7 billion, which will enable us to keep interest rates down and help small

business to grow and to employ the currently mass unemployed Australians.

In relation to the second part of your question on the Ombudsman—and I thank you for giving me some notice of the detail of this even though it was late notice—the best information that I have been able to get to help you is as follows. The government is aware that the Ombudsman has decided to cease her agency arrangement with the Tasmanian Ombudsman. How the Ombudsman manages her office resources is a matter for her to determine. We understand that there were few complainants who took the opportunity to make complaints in person, rather most wrote or telephoned. The Ombudsman will retain a free call facility for Tasmanian residents. They will, of course, still be able to write to her.

I am advised further that the Ombudsman's outreach arrangements to ethnic and indigenous communities are relatively recent. Again, it is for her to determine whether they should continue and at what level. The position in relation to the inspection of records of telecommunications interceptions by the Australian Federal Police and the National Crime Authority is slightly different. The Ombudsman has a statutory responsibility to carry out that function and has been provided with resources to enable her to perform it.

Senator SPINDLER—I thank the minister for his answer. Can he confirm that the total value of the cuts, which are nevertheless crippling the Ombudsman, are of the order of \$3 million because the total budget for the Ombudsman is \$9 million? Is he really expecting us to believe that this \$3 million contribution to a supposed deficit of \$8 million is the sole reason for cutting these funds and crippling the agency which is supposed to keep the government accountable? What other reason can the minister advance for making these cuts?

Senator HILL—I cannot confirm the extent of the cuts. The figure that Senator Spindler just quoted seems to be about double the highest bid that I have read in the press so far. Nevertheless, there is nothing wrong with exaggerating a figure to make a better point, Senator Spindler. Why is it necessary to make

cuts to public expenditure? The reason is that this government has inherited \$8,000 million of forecast budget deficit. That is what we have to address.

Month after month we were told in this place that there would not be a forecast budget deficit. In particular, I can remember Senator Cook emphasising it in answer to a number of questions. During the campaign we were told by the now Leader of the Opposition, Mr Beazley, over and over again that there was no need to open the books because he could assure all Australians that there would not be a forecast budget deficit. We have come into office and have found that \$8,000 million black hole. That is what we have to address. It cannot just be addressed out of the big expenditure portfolios, Senator Spindler. It has to be addressed across the board.

Higher Education

Senator BOLKUS—My question is directed to the Minister for Employment, Education, Training and Youth Affairs. Minister, you have claimed that cost reductions in our tertiary education sector should occur without a decline in student numbers. Given that your impending cost cuts have left Australia's vice-chancellors to call emergency meetings with their deans to identify areas of savings, to postpone building programs and to free staff positions, can you tell Australian parents and students how you can expect that there will be no reduction in student numbers?

Senator VANSTONE—There is a very simple answer to that question. On the occasions when I have discussed with higher education people—including the vice-chancellors—the very difficult task that we face in terms of meeting the budget savings that will be required to address the black hole left by the Labor government, I have tried to elicit from particularly the vice-chancellors what the most sensible way is for the government to go about this task. These are the people who are running Australia's universities. These are the people who undoubtedly have enormous expertise in the higher education sector. These are the people to whom any government would turn to ask: how do you believe the

government can best approach the savings task we have?

On these occasions, the vice-chancellors, in particular, have been extraordinarily reluctant to come forward with a group view as to how this ought to be done. There has been a lot of headshaking. There has been a lot of rumour-mongering in the papers. But not one positive proposal has been put by the vice-chancellors with respect to a suggestion as to how the government could best find these savings in the higher education sector. In other words, the attitude has been, 'Do not take it from us; we must be completely untouched. If you have a budgetary problem, take it from other people. Leave the higher education sector out of it.'

On a number of occasions I have made it clear to the vice-chancellors that the prospect of cutting student numbers is the least attractive prospect available. It is a very, very unattractive prospect. But let me underline this: none of the task of putting the budget back into the black is going to be attractive. Who would want to come into government and find an \$8 billion black hole? Who, but the irresponsible pack sitting opposite, would leave government with that sort of deficit?

I do not pretend that the task of getting the budget back into black is an easy one. I do not think it is an enjoyable one at all. The difference between this side of the chamber and that side of the chamber is that we will not walk away from the responsibility to get the budget back into black. This is a very difficult task. It is a matter of national interest that our economy is brought back into line.

If we get the budget back into black, one group in my portfolio that will be most advantaged is the group currently most disadvantaged: people without a job. I am not going to walk away from the responsibility of my portfolio and other portfolios to contribute to meeting that savings black hole that has been created by Labor. It is in the national interest that we meet it. There will be arguments of specific self-interest. We will just have to deal with them. We will have to keep wading on with the task, because it is a task that must be completed. I repeat that the

people who it will most advantage are the most disadvantaged people in my portfolio.

The other end of my portfolio deals with the people who are the most advantaged people, one could argue, in Australia: the people who have the opportunity to work and participate in higher education. They clearly are far more advantaged than many other Australians. I regret that the case that has been put by these people at the moment is, 'Not us. Get it from someone else.' That is what I am being told. I frankly think it is an irresponsible attitude, with respect to the national interest and higher education, for them to avoid their responsibility to contribute to that task. (*Time expired*)

Senator BOLKUS—Mr President, I ask a supplementary question. Minister, I remind you that you are the one who said that there should not be a decline in student numbers. It is clear from your answer that you have no idea, I must say. What do you say to your Western Australian coalition colleague Minister Barnett who claimed, after meeting you yesterday, that there was now real doubt about the 750 extra tertiary places to be brought in over the next two years and that students might have to pay higher fees? Can you blame Australian families and educators for agreeing with Professor John Niland, the Vice-Chancellor of the University of New South Wales, when he said that your performance reminded him of 'Cyclone Tracy and the destructive power overnight of a single ill-timed blow'?

Senator VANSTONE—Let me repeat that I have made it clear to anybody who has been interested that cutting student numbers is not an attractive option. I have not ruled it out; I have simply said that it is a most unattractive option. I think that answers your question, Senator Bolkus. If you did not understand that in the beginning, I am sorry.

Logging and Woodchipping

Senator MARGETTS—My question is directed to the Minister for the Environment. I refer to point 15 of the 'Deferred forest assessment executive summary: summary of outcomes, Western Australia', which states that, besides the minimum high priority

identified areas needed to meet Commonwealth reserve criteria benchmarks, areas should be set aside to enable reserve selection and design issues to be fully considered in the development of a regional forest agreement. It also states that this would be best achieved by precluding logging in the National Estate over the period of the deferred forest assessment, and the Commonwealth agreeing to a deferral of logging of National Estate places until the end of 1997, as per point 33, or until a regional forest assessment is completed. Does the government intend to adhere to the deferred forest assessment document and the moratorium on logging the magnificent forests of the National Estate in the south-west of Western Australia?

Senator HILL—I think the honourable senator is referring to the Commonwealth's document. The fact that she is clearly indicating her support for the intervention of the then Prime Minister, Mr Keating, in the Western Australian forest process does not surprise me at all. But that was not the assessment made on the best scientific evidence that was available and assessed by both sides in that negotiation—the Commonwealth and the state of Western Australia. Rather, it was a political intervention on, we understand, the encouragement of Mr Beazley and Ms Carmen Lawrence, who believed it to be in their short-term electoral interests to do so.

As the new government, we are looking to bring Western Australia back within the process in the same way that all other Australian states are within the process. That is requiring some negotiation, which is taking place at the moment. We trust that the outcome of that negotiation will be a signed DFA and scoping agreement and the full engagement of WA with the Commonwealth towards the early resolution of an RFA.

Senator MARGETTS—I thank the minister for his answer. If I am reading you correctly, can you confirm whether the Commonwealth is preparing to accept the seriously flawed deferred forest assessment in WA prepared by CALM? When do you expect to sign this scoping agreement that the Western Australian government is obviously directing you to sign?

Senator HILL—Again, the honourable senator chooses to attack the Western Australian government advisers, when she could just as easily attack the Commonwealth government's advisers. The point I made to her a moment ago was that this was an agreement reached on the best advice to both the Commonwealth and the state and on the best scientific advice available. There was, as she knows, an intervention by Mr Keating at that time because he thought there could be some short-term political advantage from it.

Senator Margetts—You are breaking your agreement.

Senator HILL—We are not breaking anything. We are in the process of doing what the former Labor government should have done—that is, reach an agreement which brought Western Australia in with the Commonwealth to reach a final negotiated RFA. We will do that not only in the national interests but in the interests of Western Australia as well.

Superannuation

Senator CHILDS—My question is directed to the Assistant Treasurer. I draw the minister's attention to a recent press report in the *Australian* where the chief economist of AMP Investments, Dr Oliver, claimed that the effect of proposed coalition changes to superannuation 'will produce an additional contribution to national savings of one per cent of GDP compared to the 1.4 per cent proposed by the former Labor government's policies.' In light of these remarks, can the minister explain how the government's superannuation policies will increase national savings at a faster rate than those of the previous Labor government?

Senator SHORT—I have read the reports by the AMP Society in the paper, which used its savings model to produce an analysis of the impact of the government's superannuation initiatives on the Australian economy. As Senator Childs would be aware, the paper notes the growing importance of superannuation to Australia's national saving and economic performance, projecting that superannuation assets will rise to over \$400 billion by the turn of the century. The model indi-

cates that, overall, the government's policies will provide beneficial impacts on the economy. It estimates that the aggregate annual change in national savings from these policies, including the impact of the savings guarantee arrangements, will be about one per cent of GDP by the year 2004-2005.

Generally, the analysis is a thoughtful and very useful contribution to knowledge in this area. I commend the AMP for supporting such work. The AMP macro-economic model complements the extensive range of models developed within the Treasury by the retirement income modelling task force. I have not yet received the advice on all the details of the analysis. However, one area that is open to a significantly different interpretation is in the area of retirement savings accounts. I realise that that is not the purport of your question. In terms of the general proposition, in response in your question, the work that has been done is very supportive of the government's arrangements.

Senator CHILDS—Can I take it that, firstly, the minister has acknowledged that there will not be an increase faster than the previous Labor government's policies? Secondly, will he indicate how the proposed change, in relation to low income earners on less than \$900 per month who opt out of superannuation, will increase national savings?

Senator SHORT—As I have said on other occasions, firstly, I do not have the full details of the analysis of the AMP study and I would want to look at that more closely. Secondly, the details of the superannuation policy arrangements and how they will be implemented are, as has been made clear by the Treasurer and the Prime Minister, still in the process of finalisation. We have given the commitment to maintain the superannuation guarantee arrangement employee contributions and government co-contribution. We are now looking at the best ways of implementing that, along with the other policies that we announced during the election campaign.

So far as savings are concerned, there is no doubt at all that the net result of what the government is doing will be to increase national savings. Of course, you cannot just

look at that aspect; you have to look at all the other areas of national savings, the most important one of which, as far as the government is concerned, is getting rid of the Beazley black hole. (*Time expired*)

Women Parliamentarians

Senator TROETH—My question is addressed to the Minister Assisting the Prime Minister for the Status of Women. The minister will be aware of the comments made by the President of the ACTU, Ms Jennie George, at the weekend about the importance of increasing the number of women in the parliament. Does the government agree with Ms George's comments? What implications, if any, are there for government policy?

Senator NEWMAN—I thank Senator Troeth for her question. While I do not always agree with Jennie George, I will remember three years ago going around the campaign trail. Jennie George was going around too saying that Australian women would become sweated labour if a coalition government was elected to office. She and the labour movement may have frightened Australian voters at that election, but by the last election they had seen the light about the ALP and there was no turning back for people who had voted Labor for years and years. The blandishments of Ms George and her friends did not go anywhere on that occasion.

Nevertheless, when it comes to what she had to say the other day about the Labor Party's seriousness about getting women into parliament, I do believe that she was pretty right. She said she thinks that there is disaffection among women voters and the contrast with the number of women members of parliament in the government ranks now makes the task far more urgent for Labor. She said when men's power and privilege are threatened, they do not really open the doors to embrace other people having a go. Having been an unsuccessful candidate herself, she speaks from experience there. That does not seem to be a problem in the coalition.

Ms George said that the ALP could not be seen to be dragging the chain, because women across the board want to see women assuming responsible jobs, having power and decision

making and influence. She said that the ALP has to change, as the union movement has to change. I could not say she is wrong on either score there. Both of them need to move with the times.

Some of the women in the Labor Party, of course, would call their male colleagues troglodytes. I would not be so unkind. But I know Senator Reynolds, Senator Mackay and others have expressed their frustration over the years at trying to move that organisation into being more female supportive. You will recall, Mr President, that, when we introduced our policy of assisting women to aspire to public office, helping them through the processes of learning what it means to be a member of parliament and how to get there, we were ridiculed by members of the ALP, who obviously thought it was a long haul and would not be productive.

Senator Hill—They are very quiet now, aren't they?

Senator NEWMAN—They are very quiet now. Our policy is selection—

Senator Hill—The women are not saying much.

Senator NEWMAN—The women are deathly silent. They know exactly what I am saying is true. I am speaking for them as well, I guess. We have heard—

Opposition senators interjecting—

Senator Alston—A plea of guilty.

The PRESIDENT—Order!

Senator NEWMAN—I was asked what implications there are for government policy. I would answer Senator Troeth in this way: by sticking to our policy, we will continue to put the runs on the board that the ALP cannot. By continuing to select people of merit regardless of their gender, by helping women to achieve the skills that they need to get a job—any job—we are doing more in a practical sense to achieve national involvement of women in the decision making processes of this country. Let me point out further that, by having an enlightened party with an enlightened leader, we have managed to achieve four women in the ministry of this country. It is a

thing the ALP, for all their rhetoric, have never been able to achieve.

Native Title

Senator BOB COLLINS—My question is to the Minister for Aboriginal and Torres Strait Islander Affairs. Minister, in answer to a question I put to you in this chamber on 2 May, in relation to legislating to extinguish native title and pastoral leases, you said:

We—

that is, the government—

have not said we are doing that.

In answering that question, were you aware that your Deputy Prime Minister and Leader of the National Party, Tim Fischer, said publicly on radio FM103.3 that a Howard government would in fact legislate to extinguish native title over pastoral leases. In response to a question from the interviewer about the claim made by the Western Australian Premier Richard Court that such a commitment had been given by Mr Fischer, Mr Fischer confirmed it. In response to the question, 'What is the amendment you are intending to make if you gain power?' Mr Fisher said, 'It is to fix the problem with regard to pastoral leasehold.' Minister, now that you are aware of that statement, will you admit to the Senate that your answer given in here was wrong? Will you now confirm that the government will not take such action in respect of native title?

Senator HERRON—I thank Senator Bob Collins for the question, because it brings up a very important point. During the election campaign, the Prime Minister and all on this side of the chamber said we would make the Mabo legislation more workable. That was the commitment that was made. The former government, after it was passed, did nothing. Not a thing occurred as a result of the passage of that legislation. I should bring that to the attention of the chamber. Nothing occurred; not one decision has been made since the passage of that legislation.

Senator Collins, on your side you should be applauding the Prime Minister's statement, which he made earlier today, that he will be issuing a discussion paper very ably prepared by my colleague Senator Minchin with con-

sultation all around the country. Senator Minchin has done a magnificent job in preparing that discussion paper, which I hold up to everybody in this chamber. I hope that everybody in this chamber responds to that discussion paper, including Senator Collins and the opposition, because they achieved nothing in relation to the native title legislation when they were in government. We are looking forward to your input, Senator Collins, into that discussion paper which has been so ably prepared with the assistance of all my colleagues. It will be issued shortly, as the Prime Minister said in another place, this afternoon. I hope that, in a constructive sense, everybody in this chamber will make a contribution, because it is in the interests of this country that reconciliation is achieved. The establishment of the Native Title Act and its workability is in the interests of the Aboriginal and Torres Strait Islanders as well as the rest of the community at large.

Senator Bolkus—Where is the discussion paper?

Senator HERRON—I would welcome input from you, Senator Bolkus, as well. Even you may have a contribution to make. The people on this side of the chamber will have a contribution to make in that regard. My National Party colleagues have already done so and will continue to do so.

Senator Collins, you will recall using the guillotine when that legislation was passed. You will recall that fateful day when, with the assistance of the Democrats, I might say, you guillotined it through at two minutes to midnight on 23 December.

Senator Bob Collins—After 92 hours of debate—the guillotine!

Senator HERRON—You did not give adequate consultation. What this government is doing is allowing adequate consultation. Ask the pastoralists, ask the mining people, ask the indigenous people that cannot get their claims heard through the Native Title Tribunal. Senator Collins, you have a contribution to make, as the opposition has. We on this side would welcome it when the discussion paper is issued shortly.

Senator BOB COLLINS—Mr President, I ask a supplementary question. With respect to that non-answer given by the minister, is he aware that the Premier of Western Australia, Mr Court, told the *Australian* newspaper on 5 January, and he has repeatedly said it since, that he did receive a cast-iron commitment from your Deputy Prime Minister and your Prime Minister—in fact, the same cast-iron commitment that the Deputy Prime Minister gave publicly on radio which you do not seem to have noticed—before the election that a coalition government would in fact legislate to extinguish native title? Are you now saying, Minister, that the Premier of Western Australia, Mr Court, is a liar?

Senator HERRON—I would ask Senator Collins to show us, in the policy document that we produced, where we said that pastoral leases would extinguish native title. It is not in the policy document. Any interpretation that Premier Court may have had of anything that was conveyed to him I think is a matter of interpretation. I am not going to say what occurred in a private conversation I was not privy to, so it is unacceptable to make that statement. Mr President, nowhere in the document that we went to the election with did we say that pastoral leases would extinguish native title.

Social Security Recipients

Senator WOODLEY—My question is addressed to the Minister for Social Security. Since the election the Prime Minister has given assurances that the poor and the most vulnerable in the community will not suffer from expenditure cuts in the forthcoming budget. While the Prime Minister has specifically mentioned the level and indexation of the age pension and the sole parent pension, he has conspicuously avoided providing a similar assurance for all those people on unemployment allowances. Will the minister now reaffirm, for the 800,000 Australians on unemployment payments, your pre-election promise that their rate of payment and their eligibility requirements will not suffer in the coming budget?

Senator NEWMAN—The concerns that Senator Woodley has about the poor and the needy, the disadvantaged in our community

for whatever reason, are shared by the coalition. Unfortunately, we have inherited an economy which has put a whole lot of people out of work.

Opposition senators—Oh!

The PRESIDENT—Order!

Honourable senators interjecting—

The PRESIDENT—Order! I remind honourable senators on the government side and on the opposition side of the pledge made by the government to improve standards in the parliament and of the opposition's support for that aim. I would ask you to put it into practice on all sides.

Senator NEWMAN—Thank you, Mr President. I heard the shouts from of the other side. You would think that they were not the guilty party.

Honourable senators interjecting—

Senator NEWMAN—Let me remind Australia, if I cannot get this through to the ALP, that—

Senator Carr—You are the ones who are attacking these people.

Senator NEWMAN—During the recession we had to have, Senator Carr, from July 1990 to July 1991, 358,000 Australians lost their jobs, but by January 1996 less than 30,000 full-time jobs had been created. Five and a half years later we are still suffering the pain of what your government caused. Now in those circumstances, and putting together the fact that we have inherited \$8,000 million—for the sake of the Democrats who don't seem to know the difference between billions and millions—we are faced with a dreadful problem to look after those who are needy in Australia. The best thing we can possibly do is get more work for Australians, as Senator Vanstone has said this afternoon, and that is going to be the highest priority. We stand by our commitments to those who are disadvantaged and, if Senator Woodley wants details of how, he will have to wait until the budget.

Senator WOODLEY—Mr President, I ask a supplementary question. I draw your attention, Minister, to the comments of the Prime Minister last Sunday when he said that 'noth-

ing saps the confidence and the faith of the people in the elected representatives more than the cynical repudiation of promises shortly after a change of government'. Does the minister agree that—

Senator Kemp—Like Telstra. Are you supporting the Telstra promise?

The PRESIDENT—Order! there are far too many interjections, this time on my right.

Senator WOODLEY—Does the minister agree that reneging on a promise to protect social security recipients will be a betrayal of the many battlers who are reputed to have voted for the coalition in House of Representatives seats at the last election?

Senator NEWMAN—I thank Senator Woodley. This is just a continuation of an exercise he has been engaged in for some time, which I think is quite despicable—frightening people who are vulnerable, who are the most vulnerable in our community.

Senator Stott Despoja—You are the one who is frightening them.

Senator NEWMAN—Senator Stott Despoja has been guilty of this as well. But I happen to have a quotation here about Senator Woodley. The *Courier-Mail* of 1 May pointed out that Senator Woodley, a Uniting Church minister, said that 'Suggestions of across-the-board cutbacks to government spending, including social security, suggest that the coalition plan is a sledgehammer approach to pound the poor'. He said, 'If you are targeting the people at the bottom almost as the enemy, then I think that flies in the face of Christian values'. And I think—(*Time expired*)

Superannuation

Senator LUNDY—Mr President, my question—

Senator Woods—What is going on?

The PRESIDENT—Order! Everybody knows full well what is going on.

Senator LUNDY—My question is addressed to the Assistant Treasurer, Senator Short. Under the coalition's plan to introduce retirement savings accounts, will the banks and other financial institutions be exempted from the prudential requirements of the superannuation supervision act?

Senator SHORT—The final details, as the senator well knows, are to be determined in a way unlike that done by Labor when it was in government; that is, after full consultation—

Senator Bolkus—Mr President, on a point of order: Senator Lundy has actually asked Senator Short a precise and concise question about an area of policy. She has not asked him about the Labor government or anything like that. What he is trying to do is conceal his total ignorance of the answer by bluster. Can you bring him back to the question?

The PRESIDENT—There is no point of order.

Senator SHORT—The whole proposal for retirement savings accounts is something that Labor eschewed when it had the opportunity to improve the product range for retirement income contributors, particularly casual and part-time workers, women who are in and out of the work force and people who are approaching the retirement age. Those groups desperately wanted new products to be part of the retirement income process. The former government refused completely to do that.

We have announced an initiative in the form of retirement savings accounts. These are going to have very significant benefits for that large section of the community that has been penalised over so many years by the former government. RSAs are regarded very widely now as having very considerable potential value to those people and as also helping lift the savings effort in this country.

So far as the specific question is concerned—that is, what prudential requirements will exist—whilst that has all to be finalised, my expectation is that RSAs will, so far as the supervisory and regulatory arrangements are concerned, come under the aegis of the Insurance and Superannuation Commission.

Senator LUNDY—Given that you effectively avoided answering the question, I ask: if they are in fact to be exempted, will this not give them an unfair competitive advantage over existing superannuation funds? Why should they be exempted when banks already control 61 per cent of all financial system

assets as compared with fund managers, who control only 31 per cent?

Senator SHORT—I can only say yet again to Senator Lundy that the consultations which will determine the final details and arrangements for RSAs are still to be conducted. They will be wide ranging. They will involve all sections of the particular stakeholders. They will include the banks, the credit unions, the superannuation funds and the building societies. We will be consulting very widely. The points that may be raised—we have already started those consultations in an informal way—will be taken into account in the finalisation of the end arrangements.

Self-funded Retirees

Senator WATSON—My question is directed to the Assistant Treasurer. The minister would be aware that under the Labor Party government the group in society that was most discriminated against was that of elderly, self-funded retirees. What changes, particularly to taxation, does the Liberal-National party coalition intend to make to redress some of these wrongs? The minister would be aware in particular of the taxation treatment of self-funded retirees compared with pensioners. How does the Liberal-National party coalition intend to address this discrimination?

Opposition senators interjecting—

Senator WATSON—It's not a laughing matter.

Senator Faulkner—Just watch him muck up the answer. It was a brilliant question.

Senator SHORT— Yes, it is a very good question indeed because it highlights in a very stark way the difference between the positive attitude of this government towards those self-funded retirees, the elderly citizens in our community who have worked and saved very hard for their retirements, and the niggardly, negative attitude that Labor showed towards them during its 13 years in government.

The government recognises the vital contribution that self-funded retirees have made to the Australian community during their working lives, and during their retirement lives as well. They rely solely or partly on income

from investments such as shares and interest earned on savings in order to accumulate that capital. As I said, they have worked hard and they have saved hard throughout their working lives. They exercised discipline and they deserve as recognition of that discipline, hard work and saving, proper, fair and equitable treatment by government. That is a treatment they did not receive under 13 years of Labor government.

During the election campaign, the now government announced that the pensioner rebate would be extended to self-funded retirees of pensionable age with annual incomes below the level where the pensioner rebate cut out. That tax incentive will benefit thousands of self-funded retirees throughout Australia—those retirees that Labor ignored. The initiative announced during the campaign is due to commence in the income year beginning on 1 July 1996. The election commitment indicated that that measure would be delivered through a tax rebate which will be claimed at the end of the financial year. The cost of that measure to revenue is \$70 million per year and is a very important redressing of the unfairness and inequity that existed under the Labor government.

This initiative is in addition to a number of other initiatives that we announced during the campaign which will also provide tax assistance to self-funded retirees—the reduction in the provisional tax uplift factor from eight per cent to six per cent, the legislation for which is currently in the parliament, the tax rebate on interest income and the tax incentive for private health insurance.

So far as the second part of Senator Watson's question is concerned, as I have said, under Labor self-funded retirees did not receive equitable tax treatment compared with pensioners on similar incomes. Rather than recognise their contribution, Labor penalised them through the tax system. Whereas pensioners received specific tax relief through a tax rebate, this rebate was not available for self-funded retirees and generally those self-funded retirees would have paid tax on every cent they earned over \$5,400. They were also promised l-a-w law tax cuts—tax cuts which

never materialised. Then when Labor magically turned tax cuts into superannuation entitlements it cheated the self-funded retirees again because self-funded retirees are already retired and were never eligible. So there is a stark contrast. There will be great benefit for self-funded retirees. (*Time expired*)

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

Migrants: Social Welfare Entitlements

Senator NEWMAN—I want to add to an answer I gave Senator Faulkner in question time, that family payment would be available to newly arrived migrants affected by the proposed two-year waiting period. I want to make it perfectly clear that these families would still retain access to minimum family payment, which is consistent with our election commitment.

Sale of Telstra

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate)(3.10 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Communications and the Arts (Senator Alston) to a question without notice asked by Senator O'Chee today, relating to the consideration of the Telstra (Dilution of Public Ownership) Bill 1996.

Senator O'Chee has had a pretty good day, rolling Mr Howard, rolling Senator Herron and rolling Senator Minchin in the joint coalition party room today.

Senator Alston—Mr President, I rise on a point of order. How could that possibly be relevant to this motion?

The PRESIDENT—Order! It is not but I suggest it is not the first time this has happened during question time and just after it. Senator Faulkner, I would ask you to address yourself to the question.

Senator FAULKNER—I was making the point that Senator O'Chee, having been very active in relation to the dealings of the joint coalition party room and after his success this morning, came into this chamber during question time today and in a question to Senator Alston deliberately and maliciously misrepresented the Deputy Leader of the Opposition

in the House of Representatives, Mr Gareth Evans.

Senator O'Chee—Mr President, I rise on a point of order. Senator Faulkner knows, because he has been brought to order on this point a number of times by Deputy President Reid, that it is unparliamentary to accuse somebody of being malicious or deliberately misleading, except in a substantive motion to that effect. Senator Faulkner always does this. I request that you ask him to withdraw that imputation. It was grossly unparliamentary and it does not help the proceedings.

The PRESIDENT—I would ask you to withdraw that term 'malicious'.

Senator FAULKNER—I withdraw, Mr President. I will quote what Mr Gareth Evans did say in answer to a question directed to him by Paul Bongiorno on *Meet the Press* the weekend before last. Paul Bongiorno said:

Well, Mr Evans, what's Labor's tactic in this, especially in the Senate. I understand now that because of Robert Hill's ironically cut off motion, it could well be that this Bill doesn't get debated in this session.

Gareth Evans said:

Well, if it doesn't get debated this session, it will be largely because of the extraordinary cynicism that's being displayed by the present Government leadership in the Senate who are now behaving in all the ways they accused us of behaving in our worst and most cynical moments previously, and the biter does occasionally get bit. But look, we frankly are prepared to debate the Telstra legislation in the normal way when it comes up. We're not going to hang in, in imposing ridiculous constraints on that and we'll just respond to the issues in a measured way as they come forward. We'll debate the Bill on its merits and we'll look at the whole future course of the argument on its merits.

That is what Mr Gareth Evans said on that program. That is what has occurred in relation to the debate on Telstra, which has taken place in this chamber over the past day or so.

The reality is that without any involvement by this chamber at all in the Telstra bill, that bill would automatically be deferred to the first day of the budget sittings. That is because there is an order of continuing effect in the Senate, and that order is something that was proposed and supported by the coalition parties when they were in opposition. It is

something that they argued for very persuasively indeed. Without any decision by the Senate on this matter at all, the Telstra bill would be automatically adjourned till the budget sittings of this parliament.

What the opposition and the minor parties have said, and what Senator Harradine, I think, is in the process of saying, is this: instead of seeing that cut-off motion work in that way, we are proposing a sensible approach that will mean there can be Senate committee consideration of this extremely important piece of legislation over the recess. That is a constructive approach. That is a sensible approach. That is a judicious use of the Senate's time and it is something that the opposition is going to facilitate. It is not unusual.

It is commonplace to refer bills to standing committees in the Senate. Since 1983, 328 bills have been referred—32 of these went to select committees. An average of around 50 bills have been referred to committees in the last five years and the time involved for those inquiries has often been two or three months—the sort of time frame that is proposed now. This is absolute hypocrisy from the government on this issue. The government stands exposed. (*Time expired*)

Senator ALSTON (Victoria—Minister for Communications and the Arts) (3.15 p.m.)—It is very interesting that Senator Faulkner should feel the need to get up and speak on this, isn't it? It is very interesting indeed. He knows he is burning on this issue. He knows full well what Gareth Evans was saying when he claimed to be speaking frankly—whatever that meant; presumably it meant he had been speaking unfrankly prior to that time. Nonetheless, Gareth Evans was there saying with mock humility:

... we frankly are prepared to debate the Telstra legislation in the normal way when it comes up. We are not going to hang in imposing ridiculous constraints on that . . .

You only have to look at the amendments that were introduced into this chamber yesterday to see what an amazing grab bag of amendments have been proposed and presumably supported by the Australian Democrats.

Senator Kernot—Do you mean the terms of reference?

Senator ALSTON—I am sorry you were not here when I pointed out that Senator Bourne let the cat out of the bag for you at 12 o'clock today.

Senator Kernot—Yes, I have got that.

Senator ALSTON—Right. The fact is that a lot of those amendments have absolutely nothing to do with the Telstra bill. There is one there about whether carriers should be subject to normal state and territory planning requirements; in other words, picking up on overhead cabling. There is another one about whether there should be duplication of infrastructure. These are not privatisation issues; these are telecommunications issues.

So by all means let's have a debate about post-1997, but do not for a moment pretend that somehow these have anything to do with privatisation. That is where the monumental hypocrisy comes in. Senator Faulkner gets up and says, 'It is perfectly normal practice to refer bills to committees.' You know what happens. When you refer bills to committees, you do that for a purpose; that is, to see whether the bill can be improved, to flush out some problems that there might be with a view to considering the bill on its merits. But what we have is this absolutely stark position taken at the very beginning of the debate by both of the major opposition parties in this chamber: they are absolutely opposed irrespective.

What is the point of referring a bill off for three months? You do not have the guts to debate it on the merits. You do not have the guts to face up to the consequences of you having slammed the bag on this bill. If you had any political nous, you would have at least pretended you had an open mind, but neither of you is prepared to do that.

So what earthly purpose is served by referring this off to a committee? I think we all know the answer to that. You are simply wanting to obstruct this chamber; you are wanting to do all that you possibly can to frustrate our legislative program. You know full well that this bill and these proposals have been exhaustively canvassed during both

the election campaign and subsequently. About the only concerns you can identify are those from your captive clients; in other words, those in the trade union movement who have an acute vested interest in maintaining the inefficiencies that surround Telstra, who do not for a moment want it to be exposed in the way that it needs to be to real competition, to having a share price that will determine its true value.

They are the sorts of things you ought to be debating and exploring in committee. If you were fair dinkum, you would go off to that committee with an open mind. You would look at the arguments and see whether, in fact, they might not just be persuasive. You would have a look at what is going on around the rest of the world, but no—

Senator Schacht—Will your members have an open mind on the committee?

Senator ALSTON—Your admission last night just damns you. You cannot even be bothered to read this bill. You only had to read the explanatory memorandum. You had a briefing. You rang my office and got a briefing. Where were you? You were out to lunch. Didn't you understand it? All you had to do was say, 'Look, I'm sorry. I'm not clear on that. What is this shareholder oversight proposal?' Then you would have understood it. But to stand up in the chamber, as you did last night, and say, 'Well, I might have got it wrong, but that is a good reason for sending it off to a committee,' is a screaming indictment of inadequacy and incompetence. You cannot possibly come along here and use that as your principal reason for referral to a committee.

Bills go to legislative committees in order to be tested and explored. This one is going off there for filibustering purposes. This is not going off there so that you can actually take evidence. You have no idea how many people might be concerned. If you were fair dinkum, you would refer it off to a committee for three or four weeks and see what the level of concerns were. If you were overwhelmed, you would come back and ask for an extension, and we would be hard-pressed to deny that.

No, what you do is you say, 'This needs a three-month extension because that will get us

through to the budget session. We'll throw in absolutely everything we can possibly think of to justify a two- or three-year inquiry.' That is basically what you would need if you wanted to cover all those issues. The effect of privatisation on economic activity has nothing to do with the privatisation of Telstra, yet there you are simply determined to frustrate our program, and you will be exposed. (*Time expired*)

Senator SCHACHT (South Australia) (3.25 p.m.)—I support the motion moved by Senator Faulkner—

Senator Alston—Is this a personal explanation? Are you doing that?

Senator Kemp—He is taking note of it, I think.

Senator SCHACHT—I want to take note of your answer, Senator Alston, to a question asked by Senator O'Chee. I have to say that again we got from the Minister for Communications and the Arts (Senator Alston) in his answer today just a heap of bluster about the politics of his proposed legislation. He mentioned in his answer some remarks that I made in the Senate yesterday afternoon. I just want to talk about that debate.

First of all, when Senator Alston came in and moved the motion on behalf of Senator Kemp, he spoke for 26 minutes. He had no notes; he spoke off the cuff. A number of senators interjected because, when I started interjecting, he actually started a discourse with me, because it was quite clear he had no substance to last for the 30 minutes of time he had allotted. Some senators objected to the fact that I had almost half the time that he was speaking. Why? Because Senator Alston could not explain in detail the reasons for the privatisation of Telstra.

He had a half hour. He moved the motion, but he could not speak to it. He had to rely on responding to interjections and cross-chamber discourse to try to fill up his half hour. He spoke for 26 minutes. I spoke for nine minutes only, because I wanted to make sure that Senator Harradine had time to speak and declare his position. Senator Alston said that I gave only one reason. He ought to refer to the speech I made on the address-in-reply,

when I spoke for half an hour, of which 25 minutes was about the Telstra issue.

Senator Alston accuses us of having a grab bag of terms of reference in the amendment we moved, which it looks like the Senate, the opposition and the minor parties will carry. He did not mention even in his remarks today that one of the fundamental areas we have raised is that you cannot disconnect the amendments to the Telecommunications Act for the post-1997 regulatory regime from the privatisation of Telstra. If you did get the privatisation of Telstra through this parliament in the next six months, it would not mean a thing to anybody who wanted to bid for \$8 billion, or whatever amount of money. No-one will put a cent up till they know what the rules are for post-1 July 1997, because it would only take the Senate or the House of Representatives, this parliament, to change one paragraph of the bill to change the income stream of the privatised Telstra by billions of dollars. Nobody is going to invest.

The scoping studies that the minister now has merchant banks doing are not worth anything. The banks will tell him, 'We can guess this, we can guess that, but until you tell us what the post-1 July regulatory regime will be, we can only guess. We cannot advise investors on what the marketplace will be until we know the rules the parliament will give.' That is a fundamental issue. You cannot disconnect the telecommunications amendment or the Telstra privatisation. That is a major reference in our amendment to this bill.

Senator Kemp—No wonder you are over there. Leave that to the financial markets.

Senator SCHACHT—We want to give people, including, I say to Senator Kemp, the merchant banks, the chance to come along and give evidence or seek information about what the post-1 July regulatory regime will be. That is a fundamental issue which Senator Alston has further compounded by saying six weeks ago, 'I'm not going to go ahead with Michael Lee's draft exposure bill published late last year; I'm going to start from scratch.' That is only delaying the drafting of this piece of legislation, which some people say could be 600 pages long.

Does anyone believe that someone is going to invest \$8 billion in Telstra with an unknown piece of legislation, which could be 600 pages long, which could change the whole investment regime or the profitability of a proposed privatised Telstra? These are reasonable issues for the public to be given three months to ask questions about. That is why it is a very important part of those rules. We had from Senator Alston yesterday a 26-minute speech in which he said nothing to explain why this bill was so important. (*Time expired*)

Senator FERGUSON (South Australia) (3.25 p.m.)—I want to take issue with a couple of the comments that Senator Faulkner made in taking note of the answer that Senator Alston gave. Senator Faulkner was quite keen to cite the number of references that have been made to committees, or the number of pieces of legislation that have been sent to committees by the Senate. I agree that there are a number of bills that come into this place that are referred to committees, but, on almost every occasion, they are referred to a legislation committee or a select committee. Yet we have the situation here with the Telstra bill where, in combination—

Senator Schacht—In 13 years, 250 matters went to a reference committee.

Senator FERGUSON—We have had legislation committees separate from reference committees only since October 1994. One of the purposes for setting the committees up in that way was that bills that came into this place could be sent to legislation committees because they were actually dealing with legislation that had been introduced into this place, and other matters—outside references or any other matters pertaining to any particular committee—could be sent to a reference committee.

We have a bill that is now before the Senate being sent to a reference committee as though it was an outside matter that had not even been introduced into this chamber. Why on earth would the opposition, together with the Democrats, want to send this to a reference committee?

Senator Kernot—And Senator Harradine and the Greens.

Senator FERGUSON—And Senator Harradine and the Greens. Well, there is one particular reason why. The reference committees, as they are currently constructed, in no way reflect the numbers in this chamber. Thirty-eight per cent of the senators in this chamber are from the opposition, yet on the reference committees they have four members—in other words, half of the eight—

Senator Schacht—You agreed to that two years ago. It was your idea.

Senator FERGUSON—We agreed to that system at the time—

Senator Schacht—It was government and opposition. It was your idea.

Senator FERGUSON—Would you just listen to the answer. At the time that that was brought in, the opposition had almost 50 per cent of the senators in this chamber. They now still have almost 50 per cent of the senators.

Senator Schacht—You are telling fibs, Alan. You put it up two years ago.

Senator FERGUSON—Senator Schacht, you have had your go. The only reason we had 50 per cent of the people on those committees is that it reflected the numbers in the chamber. That is why they were set up in that way. It means that the opposition, with only 38 per cent of the senators in this chamber, can bring down a majority report without the concurrence of the Democrat members on the committee and certainly without the concurrence of the government members on the committee. That is the reason why this opposition and the combination of parties decided to send this to a reference committee rather than to a legislation committee, which is where it should rightly go because the legislation has been introduced into this chamber and, as such, should be discussed and looked at by a legislation committee rather than a reference committee.

The only reason you have decided to choose a reference committee is that you know that with 38 per cent of the senators in this chamber you have 50 per cent of the vote, plus a casting vote if you so require it, on those reference committees. That means that you do not require the support of the

Democrats—whom you require if you are to get 50 per cent, or close to it, for any other decision that is made in the Senate—to bring down a majority report, with the casting vote of the chairman, on a reference committee. I think it is totally dishonest of this opposition to have sent this legislation to a reference committee in preference to a legislation committee. It is the kind of matter for which those legislation committees were rightly set up.

Senator KERNOT (Queensland—Leader of the Australian Democrats) (3.30 p.m.)—In using a dorothy dixer today, Senator Alston deliberately chose to re-open the Telstra inquiry debate when he knew it was coming up later this afternoon. Over the last few days, we have seen so much vitriol and misrepresentation from Senator Alston. I think it is a pity. We said to this government that we have identified 23 areas of policy that we have in common on which we are prepared to work together. But what we have seen from Senator Alston and Senator Hill is abuse and vitriol closing every door at every opportunity.

Senator Alston has had for the last couple of days some kind of preoccupation with my speech to the Housing Industry Association. What I need to point out to him is that I did not go to speak to the Housing Industry Association about Telstra; I went to speak to them about support for access to superannuation for housing purposes. It actually happens to be a matter that they think is pretty important. Month after month, the coalition, in opposition, led the housing industry along the path on this policy, implying that it would be an election commitment. Then a few days before the election they dropped it and they dropped the HIA. I was there to talk about that policy, and I mentioned Telstra briefly in passing. I would have been delighted to spend 40 minutes pointing out why I thought the government had failed to make an economic case for the sale of any of Telstra. However, unlike Senator Alston, I do not seek to turn every opportunity to base politics; I went there to speak to my brief.

I do not think I have been the victim of the legendary Alston slipperiness while Senator

Alston has been in opposition. But in government I think it is another matter. Perhaps it means that we are starting to hurt them a little. Why spend so much of question time attacking Cheryl Kernot and the Democrats?

Senator Abetz—I rise on a point of order. If Senator Kernot wants to engage in such undignified language and the standing orders allow her to do so then clearly she is entitled to do so, but that would be a surprise to me. But if it is parliamentary, then undoubtedly the people listening to the broadcast will be aware that she employs the vitriolic language that she complains about Senator Alston employing against her. It exposes her double standards.

The DEPUTY PRESIDENT—I think it is a very borderline issue as to whether or not it is parliamentary. I shall listen carefully to the language being used.

Senator KERNOT—Madam Deputy President, I will tell you why I have decided to use that word for the first time. Today on the *World Today* program, Senator Alston chose to quote three words out of a 39-word statement by Senator Bourne. He chose to use the words 'No. Absolutely not' in answer to the question:

But will you vote for a privatisation of Telstra under some circumstance?

The rest of Senator Bourne's quotation was this:

But that's not all that's in that Bill. This Bill doesn't just say 'privatising Telstra'. This Bill says privatising Telstra and getting rid of the Minister's power to direct Telstra and consumer protection and customer guarantee.

That is the part he deliberately chose to leave out. I think that is a very deliberate misquotation, and that is why I used the word that I used.

Senator Abetz—That could be a personal explanation for Vicki if she wanted one.

Senator KERNOT—I think it is relevant to this debate.

Senator Abetz—You have got to make up ground with it, don't you?

Senator KERNOT—The important point is that the key reference to the Senate inquiry is the post-1997 regulatory regime. I am sorry

I did not hear that interjection but I will not be distracted. Senator Alston knows full well, as do the members of the government who have bothered to take an interest in the details of the legislation rather than parroting on on the back benches all the time, that privatisation of itself will not deliver a single shred of consumer benefit and that Telstra is still an effective monopoly.

He knows full well what has been said by the British National Consumer Council, the Australian Consumers Association and the NUS International survey. Virtually everyone who comes to this debate with a shred of independence and objectivity knows that the best consumer outcomes on telecommunications do come from a regulatory regime. The government is proposing a regulatory regime after 1997. We want to make sure that the knowledge of what is in that piece of legislation is available to us at the same time as we debate the sale of Telstra.

It is the government which has failed to introduce the full legislative package in a logical and coherent way. It is the government which has failed to produce the bill to support its argument that the Telstra-environment link is so essential. The cut-off, as Senator Faulkner has said, is the way we have been operating. Under that cut-off motion proposed by Senator Hill, this bill automatically goes into the next session and it is meeting due process of this Senate and due scrutiny—scrutiny that was missing in the House of Representatives when the bill was gagged. Any government which is strong in its defence of its own policy has nothing to fear from a short inquiry. (*Time expired*)

Senator COONEY (Victoria) (3.35 p.m.)—The argument that is being made against the question that was asked by Senator O'Chee and the answer that was given by Senator Alston—

Senator Abetz—A good senator.

Senator COONEY—A good senator, if you like. They both created a situation where a wrong impression was given to people who were listening to this debate on broadcast day. What was said in the question and the answer was that Mr Evans had said, on behalf of the opposition, that the opposition was prepared

to debate the issue of the sale of Telstra now and that therefore there was really no need for this matter to be sent off to a committee. It has been pointed out by Senator Faulkner that that was a wrong impression if that was the impression that was given. Paul Bongiorno—and Senator Faulkner has mentioned this—clearly asked this question:

Well, Mr Evans, what's Labor's tactic in this, especially in the Senate? I understand now that because of Robert Hill's ironically cut off motion, it could well be that this Bill doesn't get debated in this session. Is that something—

Gareth Evans, as he is described in the transcript I have, then said:

Well, if it doesn't get debated this session, it will be largely because of the extraordinary cynicism that's being displayed by the present Government leadership in the Senate who are now behaving in all the ways they accused us of behaving in our worst and most cynical moments previously, and the biter does occasionally get bit. But look, we frankly are prepared to debate the Telstra legislation in the normal way when it comes up. We're not going to hang in, in imposing ridiculous constraints on that and we'll just respond to the issues in a measured way as they come forward. We'll debate the Bill on its merits and we'll look at the whole future course of the argument on its merits.

He is saying that when the proper process has been followed—that is, when this legislation goes to the spring session—debate will take place.

It is of enough concern when that ploy is used in this chamber during question time. To follow on from Senator Kernot's speech, we had to become concerned when a similar sort of ploy was used in respect of something that Senator Bourne said. In the course of this debate we have had two instances where people were quoted out of context in order to create an impression that should not be created if we are seeking a proper, logical and considered debate about this very important issue. It is essential that we point out such ploys of advocacy as have been demonstrated today.

I now go to the issue of the proper consideration of legislation. We are here as a parliament. As I look around I see many honourable senators, among them Senator Crane who will be present at 8 o'clock tomor-

row morning at the Scrutiny of Bills Committee to look at this legislation. He would understand the necessity of the parliament properly considering legislation. In that respect, we would do well to consider the words of Abraham Lincoln, one of the great Presidents of the United States, who, in his inaugural presidential address on 4 March 1861, had this to say:

My countrymen, one and all, think calmly and well, upon this whole subject.

Nothing valuable can be lost by taking time. If there be an object to hurry any of you, in hot haste, to a step which you would never take deliberately, that object will be frustrated by taking time; but no good object can be frustrated by it.

In this situation, no good object can be frustrated by taking time over this matter, one of the most essential bills to come before this parliament.

Question resolved in the affirmative.

PETITIONS

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

French Nuclear Testing

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

We, the undersigned, wish to lodge our protest in the strongest possible terms against the resumption of Nuclear Testing. Therefore we request:

1. the immediate and permanent cessation of mining and the export of Uranium as a signal to all nations that we will not accept nuclear weapons in any form,
2. the use of all means possible to dissuade France and any other nation from Nuclear Weapons Testing,
3. that the Minister for Foreign Affairs make a submission arguing the illegality of Nuclear Weapons to the International Court of Justice.

by **Senator Bell** (from 53 citizens).

Afghanistan

To the Honourable, the President and members of the Senate assembled, the petition of certain citizens of Australia, draws to the attention of the Parliament that many members Afghan born Australians continue to suffer due to trials of separation from family members who have sought refuge in Pakistan, Iran, India and Russia.

Your petitioners draw to your attention the state of unrest and political instability current in Af-

ghanistan and the resultant trauma being suffered by people within Afghanistan, displaced Afghan people living outside the country and Australians of Afghan background.

Your petitioners respectfully draw your attention to the impossibility of displaced Afghans being repatriated in the near future and call on the Australian Government to:

work with the United Nations to achieve peace in Afghanistan;

provide support to Afghans wishing to migrate to Australia by making access to a Special Assistance Category; and Women at Risk;

work with NGO's to achieve reconstruction in Afghanistan.

by **Senator Jacinta Collins** (from 179 citizens).

Religion and Democracy in Australia

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

The petition of the undersigned requests:

(i) that those of religious conviction who have contributed to the development of Australia should be recognised in the study of Australian history to ensure that a balanced history is taught;

(ii) that any syllabus prepared on the teaching of Civics and Citizenship should include the contribution of people of religious conviction highlighting their religious motivation;

(iii) that funds be allocated to ensure that teachers are given in-service training on their role of religious influences in the development of Australian democracy; and

(iv) that materials are produced to support the above for use in the classroom.

by **Senator Woodley** (from 6,851 citizens).

Petitions received.

NOTICES OF MOTION

Condolences: Mr Michael Lloyd

Senator MICHAEL BAUME (New South Wales)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

(a) notes:

(i) with regret, the untimely death at the age of only 45 of the Assistant Director of the National Gallery of Australia (NGA), Mr Michael Lloyd,

(ii) his high international reputation as an outstanding art curator, with the present

Turner exhibition at the NGA being a fitting testament to his remarkable skills,

(iii) the moving obituary by Professor Virginia Spate in the *Australian* of 21 May 1996, which described Mr Lloyd as a quiet man, modest, reticent, generous—virtues underestimated in the art world—who played a major role in changing Australian museum culture from one which accepted pre-packaged exhibitions from overseas to one comprising exhibitions of international quality curated in Australia by Australians, and

(iv) the dignity with which Mr Lloyd behaved during the 1995 controversy over the previous Government's failure to act on the gallery's recommendation that he be appointed its director; and

(b) extends its condolences to Mr Lloyd's wife, Janet, and their two daughters.

Student Newspapers

Senator MARGETTS (Western Australia)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

(a) notes, with concern, moves by State and Federal Governments to remove funding for student newspapers;

(b) supports the role of student newspapers in providing relevant and empowering information, entertainment and social critique to students;

(c) commends the recently formed Student Newspaper Alliance for its efforts to raise awareness on this issue and, in particular, the staging of the 'stop press' event at Melbourne University on 21 May 1996;

(d) expresses its support for community-based media outlets such as student newspapers, community broadcasters, local newspapers and community-oriented journals; and

(e) calls on the Federal Government to make a commitment to funding student publications and support other locally-based media outlets.

Public Service: Office Closures

Senator REYNOLDS (Queensland)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

(a) condemns the first round of public service office closures with the closure of six immigration offices in Townsville, New-

castle, Chatswood, Wollongong, Sunshine and Geelong; and

- (b) calls on the Coalition Government to maintain a commitment to decentralisation of the public service so that people in regional Australia enjoy the same level of service as those in urban areas.

Schizophrenia Awareness Week

Senator FORSHAW (New South Wales)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

- (a) notes that the week beginning 19 May 1996 is Schizophrenia Awareness Week;
- (b) recognises that persons with schizophrenia have long suffered social ostracism due to a lack of community understanding of this illness;
- (c) understands that much research has to be undertaken to unlock the mysteries of what causes schizophrenia;
- (d) recognises that there is still a need for greater community awareness and understanding of schizophrenia;
- (e) congratulates the organisers of, and all those associated with, Schizophrenia Awareness Week; and
- (f) calls on the Federal Government to ensure that adequate funding and resources continue to be allocated to this important area of mental health.

Industrial Relations Law

Senator MICHAEL BAUME (New South Wales)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

- (a) notes:
- (i) the extraordinary intervention in the March 1996 federal election campaign by the Chief Justice of the Australian Industrial Relations Court, Mr Murray Wilcox, in opposing the Coalition's policy of correcting unreasonable and unfair aspects of the wrongful dismissal elements of the industrial relations law,
- (ii) that Mr Wilcox then claimed these laws were working well and should not be changed in line with the Coalition's proposal,
- (iii) the Industrial Relations Court judgment, in the week beginning 12 May 1996, by Mr Wilcox in which he ruled that he could not find in favour of three workers

who had been 'harshly, unjustly and unreasonably' sacked because of a loophole in the industrial relations law, and

- (iv) that the person using this loophole to the disadvantage of the workers is Mr Paul Keating's piggery partner, Mr Achilles Constantinidis, who 'harshly, unjustly and unreasonably' sacked the three workers after they had successfully complained about being paid lower than the award wage, during the years Mr Keating was a half-owner of this piggery; and
- (b) commends the Australian electorate for ignoring Mr Wilcox's inappropriate and highly political intervention into the pre-election industrial relations debate especially now that his own Industrial Relations Court judgment has shown his intervention to have been grossly inaccurate.

ORDER OF BUSINESS

BHP Petroleum

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

That general business notice of motion No. 11 standing in the name of Senator Margetts for today, relating to a review of BHP Petroleum's offshore safety arrangements, be postponed till 17 June 1996.

COMMITTEES

Legal and Constitutional Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Legal and Constitutional Legislation Committee on the examination of annual reports be extended to 26 June 1996.

Rural and Regional Affairs and Transport Legislation Committee

Extension of Time

Motion (by **Senator Crane**)—by leave—agreed to:

That the time for the presentation of the report of the Rural and Regional Affairs and Transport Legislation Committee on the examination of annual reports be extended to 27 May 1996.

ORDER OF BUSINESS

Customs (Prohibited Exports) Regulations

Motion (by **Senator Chris Evans**, at the request of **Senator Faulkner**) agreed to:

That business of the Senate notice of motion No. 1 standing in the name of Senator Faulkner for today, relating to disallowance of regulations made under the Customs Act 1901, be postponed till the next day of sitting.

COMMITTEES

Employment, Education and Training Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Employment, Education and Training Legislation Committee on the examination of annual reports be extended to 26 June 1996.

ORDER OF BUSINESS

Nuclear Testing: China

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

That general business notice of motion No. 57 standing in the name of Senator Margetts for today, relating to nuclear testing by the Chinese government, be postponed till the next day of sitting.

Superannuation Committee

Motion (by **Senator Panizza**, at the request of **Senator Watson**) agreed to:

That general business notice of motion No. 41 standing in the name of Senator Watson for today, relating to the reappointment of the Select Committee on Superannuation, be postponed till 23 May 1996.

Coalition: Election Commitments

Motion (by **Senator Chris Evans**, at the request of **Senator Sherry**) agreed to:

That general business notice of motion No. 49 standing in the name of Senator Sherry for today, proposing an order for production of documents by the Departments of Treasury and Finance, be postponed till the next day of sitting.

COMMITTEES

Community Affairs Legislation Committee

Extension of Time

Motion (by **Senator Panizza**, at the request of **Senator Knowles**) agreed to:

That the time for the presentation of the report of the Community Affairs Legislation Committee on the examination of annual reports be extended to 26 June 1996.

EXPORT MARKET DEVELOPMENT GRANTS AMENDMENT BILL (No. 1) 1996

First Reading

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

That the following bill be introduced: a Bill for an Act to amend the Export Market Development Grants Act 1974, and for related purposes.

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

That this bill may proceed without formalities and be now read a first time.

Bill read a first time.

Second Reading

Senator KEMP (Victoria—Parliamentary Secretary to the Minister for Social Security) (3.52 p.m.)—I table the explanatory memorandum and move:

That this bill now read a second time.

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

Leave granted.

The speech read as follows—

Mr President, a bill with substantially the same content to this was introduced to this place by the previous government in November 1995.

However, the bill lapsed due to the prorogation of parliament this year.

Today's bill differs in only two respects from the one introduced by the previous government: (i) the title has been altered and (ii) subitem 4(1), schedule 8 has been deleted because the 30 April 1996 deadline for that particular provision has passed.

The previous government's bill introduced a number of measures which would result in significant savings over the next three years. These savings have already been incorporated in the forward estimates.

For this reason, the government is introducing this bill which incorporates these savings measures.

However, I would like to make it very clear that this step does not provide any indication about what may or may not be the subject of ongoing budget discussions. The results of these discussions will be made public at a later time, and will not be influenced by our decision to introduce this bill now.

Mr President, this bill reduces the maximum annual grant from \$250,000 to \$200,000, providing for fairer distribution of the available funding amongst small and medium exporters.

This bill introduces the framework for a flexible grants entry test. This will both limit the payment of grants to claimants who are least likely to succeed, and increase the guidance provided to Australia's smaller exporters.

The accountability and risk management aspects of the export market development grants scheme will be improved by the other measures contained in the bill.

The amount by which a claim for grant can be increased between the time of lodgement and its assessment will be limited. This will reduce the scope for lodgement of ill prepared or ambit claims.

A limit will be placed on the number of EMDG Approved Joint Venture and Consortium (AJVC) of which a "person" may be a member. This will reduce the potential for individual organisations to receive very large amounts of EMDG funding through multiple membership.

Austrade will be given the power to reduce the grant paid to an AJVC claimant to the extent that the claimant has breached the conditions of approval of its AJVC status.

Grants will not be paid where a consultant convicted of fraud or dishonesty offences has prepared the claim, or where the expenditure in the claim is related to illegal activities.

Finally, Mr President, the act will be amended so that the general prohibition on the payment of grants in relation to 'in house' expenses cannot be circumvented through the use of interposed companies.

I commend this bill to honourable senators.

Ordered that further consideration of the second reading of this bill be adjourned until the first day of sitting in the Spring sittings, in accordance with the order agreed to on 29 November 1994.

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

That the order of the Senate of 29 November 1994, relating to the consideration of legislation, not apply to the Export Market Development Grants Amendment Bill (No. 1) 1996.

COMMITTEES

Foreign Affairs, Defence and Trade Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Foreign Affairs, Defence and Trade Legislation Committee on the examination of annual reports be extended to 26 June 1996.

Rural and Regional Affairs and Transport Legislation Committee Meeting

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

That the Rural and Regional Affairs and Transport Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on Tuesday, 21 May 1996, from 7.30 pm for the purpose of taking evidence for the committee's inquiry into the provisions of the Shipping Grants Legislation Bill 1996.

NATURAL HERITAGE TRUST FUND BILL 1996

First Reading

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

That the following bill be introduced: a Bill for an Act to establish a National Heritage Trust Fund for environmental programs of significance to be funded from a proportion of the profits of Telstra.

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

That this bill may proceed without formalities and be now read a first time.

Bill read a first time.

Second Reading

Senator KERNOT (Queensland—Leader of the Australian Democrats) (3.54 p.m.)—I move:

That this bill now read a second time.

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

Leave granted.

The speech read as follows—

This bill seeks to implement the Coalition Government's promise to set up a Natural Heritage Trust Fund, but in a more responsible and honourable way.

The Trust Fund will be used to fund environment programs, but will do so without attaching the creation of the Fund to the sale of any part of Telstra.

The Democrats believe such a vitally important area as environmental funding should come from the Budget. We demonstrate with this bill that if the Government is determined to link Telstra to the environment, it can get a better deal for both through this model which does not involve the sale than with its own controversial proposal.

Maintaining Telstra in public ownership provides such an improvement in public sector finances that 7 per cent of Telstra's profits can be allocated to

setting up the Natural Heritage Trust Fund while still improving public sector savings.

The bill itself is a fairly simple one.

It establishes a Natural Heritage Trust Fund to be administered by the Minister for Finance in accordance with section 62A of the Audit Act 1901.

The purpose of the Fund will be to make payments for environmental programs of national significance.

The Minister for the Environment will nominate environmental programs of national significance to be funded from the Fund.

Into the fund will be paid 7 per cent of Telstra's pre-tax profits for the next five years. By "pre-tax", we mean the definition of profit used by the Australian Tax Office with the deduction to apply immediately prior to the tax being taken out. In 1994/5, 7 per cent of pre-tax profits would have been about \$168 million.

The amounts in the Fund will be invested by the Minister for Finance, with the income to be repaid back into the Trust Account.

The bill also makes provision for Parliament to make future appropriations to give effect to these purposes.

This structure is not unusual in Commonwealth public finance. Indeed, the structure is similar to that established for the Land Fund and several of the agricultural marketing funds.

This bill, if passed, will achieve the objectives of Government policy far better than the alternative of selling Telstra and using part of the proceeds to set up the Fund.

It will be capable of funding more programs. It will leave public sector savings significantly higher than they would be if Telstra was sold. And it retains Telstra in public ownership.

This bill conclusively demonstrates that it is possible to have both an environment policy and to have Telstra in public ownership while improving fiscal responsibility.

It is an economically and environmentally responsible proposal which shows up the flaws and shortcomings in the Coalition's proposal.

This bill is not a "get Telstra" bill. Yes, Telstra will lose access to 7 per cent of its retained profits for 5 years and this will reduce the capital base of the company. The reduction is only marginal, about 1.5 per cent in five years.

That 1.5 per cent reduction can be usefully compared with the 5.7 per cent discount at which the Commonwealth sold CSL shares, or the 20 per cent undervaluation on the original tranche of Commonwealth Bank shares. The Democrats believe it is a small price to pay, considering the significant

benefits which will accrue to in improved public sector savings and a more sustainable environment.

Our proposal will also marginally reduce the amount of funds Telstra has available for re-investment, by about \$75 million, compared with Telstra's total capital investments of \$3.2 billion. But, as the Coalition itself points out in its environment policy, investment on the environment should itself be seen as capital investment. So while Telstra's capacity for capital investment would be reduced slightly, the net effect would be one of substituting one form of capital investment for another.

This is also not a "tax Telstra" bill. Telstra is owned by the Government on behalf of the Australian people. If owners wish to withdraw funds from their own company, for a purpose which the ultimate owners—in this case, the Australian people—want, then they are entitled to do so. That is not a 'tax'.

Unlike the Coalition, we do not regard Telstra as a 'magic money tree', a tree that can be chopped up and sold off to fit an ideological commitment to smaller Government and short-term debt reduction. We regard it as a highly profitable public asset which should be used for the benefit of all Australians, and which will contribute significantly to even greater long term debt reduction.

We accept that ultimately this bill will marginally reduce the flow of company tax and dividend payments to the Budget. But this is consistent with our view that the Government should have made a decision to stick with funding environment policy from the Budget in the first place and not moved to tie environment funding to the sale of Telstra.

The Democrats and, I believe, the majority of Australians regard the Government's attempt to link the Telstra sale to the funding of the environment programs as little more than a cynical political stunt.

It was originally conceived as something of a clever trick during the election campaign, but it has turned out to be huge miscalculation based on two inaccurate and arrogant assumptions. The first is that the Democrats are a single issue environment party. The second is the assumption that the Democrats will cross-trade one reasonable policy for an appalling one.

The Democrats are certainly committed to the environment. We have an 18 year record to prove it. We have demonstrated how this can be achieved while only maintaining a fiscally responsible deficit reduction program.

But, unlike the breathtakingly cynical position of the Coalition, we believe the environment is sufficiently important to stand on its own two feet as a policy area worthy of being funded from the Budget.

The Coalition's refusal to fund the environment from the Federal Budget reinforces its continuing failure to acknowledge the centrality of the environment to economic and social policy-making.

The Telstra link also highlights the fact that the Coalition has failed to convince the Australian people there will be substantial benefits flowing to them from the sale of Telstra.

To make the privatisation poison pill easier to swallow, the Telstra sale has been sugar coated with the promise of using part of the funds to improve the environment.

It is a link which is unnecessary, cynical and fraudulent.

During the election campaign, the Coalition made nearly \$6 billion worth of election promises across 55 policy areas. Only one of those policy areas—the environment—has its funding attached to the sale of Telstra.

Imagine the outcry if the Coalition had made funding for defence, family assistance or schools contingent upon the sale of Telstra. Such a scenario would be rejected out of hand—and the fact that the Government has chosen to make environment funding contingent upon the sale of Telstra shows only too clearly its lack of respect for and commitment to the Australian environment.

This link should be seen for what it is: a thinly disguised attempt at political blackmail and an enormous insult to those many Australians who have campaigned so long and so hard on environmental issues.

Not only is the Telstra-environment link a false one, but it comprises only \$277 million worth of expenditure on the environment over the next three years.

That figure represents less than 5 per cent of total Coalition election promises and about 0.1 per cent of the total Federal Budget.

If the Government can find within its Budget \$600 million worth of new defence spending, half a billion dollars in subsidies for the private health insurance industry, and over \$2.5 billion in tax relief, why—then—is the environment being singled out for such unfair treatment?

The sale of Telstra should stand or fall on its own merits. The funding for the environment should stand or fall on its own merits. One should not be used to prop up the other.

The Democrats have already outlined their reasons for opposing the sale of Telstra. We have concluded, based on international experience and research, that better consumer outcomes, better national savings outcomes and better economic outcomes can be achieved in other ways.

The more information that becomes available, the more obvious it becomes: the decision to sell Telstra is ideologically—and not economically—driven.

The Democrats do not deny the need to allocate additional funding to the environment. We have a long record of calling for a significant boost in environment funding and, after years of inaction and neglect, there are now very clear priority areas which require urgent action.

We also know that Australians are becoming increasingly aware of the need to take action to protect and preserve the environment. A major EPAC study of the spending and taxing preferences of Australians in 1994 found that the electorate at large wanted to see spending on environment programs doubled, and—most significantly—they were prepared to pay to ensure that happened.

Governments in this country—both Labor and Liberal—have a long history of taking a short-term, short-sighted and small-minded approach to funding the environment. Their lack of leadership has led to the point where we now lag well behind the rest of the world in addressing our environmental problems and making our taxation system more environmentally responsible.

The sale of Telstra does nothing to remedy this situation.

For a start, if the sale of Telstra proceeds, public sector savings will actually fall. That will leave less public sector revenues available to fund the full range of government programs, including environmental programs.

Over the next four years, the profits from Telstra have been forecast by BZW Australia to rise from \$1.752 million last year to nearly \$3 billion a year by 1998. The sale of 35 per cent of Telstra will result in a loss to the public sector of nearly \$500 million a year by 1998.

This is because the saving on interest payments from reducing debt—about \$530 million a year—will be much less than the loss of 35 per cent of Telstra's profits—by then worth about \$1 billion a year.

The oft-repeated refusal of this Government to consider its revenue options means that shortfall will have to be met from spending cuts across other programs, including the environment.

This will be on top of the cuts to environment programs the Coalition already appears to contemplate in five years under what it claim is the "biggest and best environment policy ever".

Under the Coalition's proposed Natural Environment Heritage Trust Fund, spending on the environment will fall from \$206 million a year in 2000-01 to just \$28.8 million in 2001/2.

Just when programs start gearing up, they will face an 86 per cent cut.

That demonstrates, despite public protestations to the contrary, this Government's cynical commitment to the environment.

(This is based on the Coalitions statements. The Natural Heritage Trust Fund Bill has not yet been drafted with Environment Minister Senator Hill describing it as "non-essential" for this session of Parliament. This is despite the Government's insistence on the importance of the Telstra/ environment link).

The difference between the Coalition approach and the Democrat bill is clearly demonstrated by our estimate that, at the end of five years, having funded all the programs nominated by the Coalition, the Democrats' Fund would stand at about \$1.1 billion.

That is three times as much money available for future programs than under the Coalition fund, which would have been run down to \$360 million by 2001.

The interest from the fund would support three times as many environment programs as the interest from the Coalition fund.

Public sector savings would be about \$700 million a year better off than if Telstra was sold, because 100 per cent of Telstra profits would be flowing to the Commonwealth.

And Telstra would remain in full public ownership with full public accountability.

In short, the Democrats seek to show through this bill that if Telstra is not sold, the public is better off, public sector savings are better off, and the environment is better off.

I commend the bill to the Senate.

Senator KERNOT—I seek leave to make a short tabling statement.

Senator Panizza—Regarding making a short statement, before we give leave I would like an indication of how short the statement is.

Senator KERNOT—I understood we gave you a commitment that it would be two minutes. It is probably less than that, Senator Panizza.

Leave granted.

Senator KERNOT—This bill seeks to implement the coalition government's promise to set up a national heritage trust fund, but in a more responsible and honourable way. The trust fund will be used to fund environment programs but will do so without attaching the

creation of the fund to the sale of any part of Telstra.

The Democrats believe such a vitally important area as environmental funding should come from the budget. We demonstrate with this bill that if the government is determined to link Telstra to the environment it can get a better deal for both through this model than with its own controversial proposal. Maintaining Telstra in public ownership provides such an improvement in public sector finances that seven per cent of Telstra's profits can be allocated to setting up the national heritage trust fund while still improving public sector savings.

This bill conclusively demonstrates that it is possible to have both an environment policy and Telstra in public ownership while improving fiscal responsibility. The difference between the coalition approach and the Democrat bill is clearly demonstrated by our estimate that at the end of five years, having funded all the programs nominated by the coalition, the Democrats' fund would stand at \$1.1 billion. That is three times as much money available for future programs than under the coalition fund, which would have been run down to \$360 million by the year 2001. By then, public sector savings would be about \$700 million a year better off than if Telstra was sold because 100 per cent of Telstra profits would be flowing to the Commonwealth. Telstra would remain in full public ownership with full public accountability.

In short, the Democrats seek to show through this bill that if Telstra is not sold the public is better off, public sector savings are better off and the environment is better off. I commend the bill to the Senate.

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

SENATOR-ELECT FERRIS

Senator BOLKUS (South Australia)—I ask that general business notice of motion No. 50, standing in my name for today, relating to an order for production of documents in relation to Senator-elect Ferris, be taken as formal.

Leave not granted.

Suspension of Standing Orders

Senator BOLKUS (South Australia) (3.58 p.m.)—Pursuant to contingent notice, and at the request of the Leader of the Opposition in the Senate, Senator Faulkner, I move:

That so much of the standing orders be suspended as would prevent Senator Faulkner moving a motion relating to the conduct of the business of the Senate, namely a motion to give precedence to general business notice of motion No. 50.

Senator Hill—If that is the minister's speech demonstrating urgency, he has not made out a case.

Senator BOLKUS—At this stage I have only moved the motion. If you want me to speak on demonstrating urgency, I will do that right now.

Senator Hill—You have just had your chance. You sat down.

Senator BOLKUS—I am sorry. I was playing by what I thought to be the rules of the game. I do, of course, accept your referral to me as minister but I suspect that the nomenclature might change.

The urgency is that the return of the writs for the election of senators in South Australia has taken place. We have some 30 days to resolve whether there is a problem with the election of one of those senators, Senator-designate Ferris. Under the constitution she may very well be incapable of sitting as a senator in this place. As I said, 30 days from the close of the writs is the end of next week—Thursday, 30 May.

We have just over a week to discuss this issue. Some may argue that this gives us a bit of time but just over a week not only for us to discuss the issue but also for people to institute proceedings, if in fact proceedings are appropriate in this case, is not long. It may well be that proceedings may have to be issued through the Court of Disputed Returns. To do that right, anyone who may feel aggrieved by the election process or the capacity for Senator-elect Ferris to sit in this place will, I am sure, have to brief solicitors, go through the documentation and lodge those documents. That would take the best part of four or five days.

Therefore, to get it right there needs to be a return to order by the end of this week. That is why the date imposed by this motion gives us 1 pm on Thursday of this week and five, six or seven days, not including two days over the weekend, is a tight framework within which to formulate the documentation. That has to be taken into account in the context of the fact that it has already taken some 22 days to get serious answers from the government.

The first question concerning this matter was raised on 1 May and it is now 21 May. It has been 20 days. After 20 days, in response to a number of questions from the opposition, we have had one answer from Senator Vanstone which did not go to the essence of the concern that we have, that is, whether senator-designate Ferris either occupied a position of profit or in fact received any benefit which would accrue to such a position.

If they cannot get it right in 20 days, we need to be sure that the documentation that is presented to us by Thursday is full and adequate. In fact, there may be a further need for a return to order, given the degree of dissembling by the government. I understand that it is not an easy issue for the government and that there are pressures surrounding this particular matter. I can understand that some of those pressures are forcing some of the leadership in this parliament to ensure that the 30-day period does expire and that thereafter there is a belief that the appointment of senator-designate Ferris may not be open to challenge, particularly in the Court of Disputed Returns.

There is a time imperative in this matter. Senator Hill says that they are actually getting the documentation together and that they want this motion deferred until tomorrow. If he is getting the documentation together, there is no problem with letting this motion pass today, having the cut-off day as Thursday and the government working within that time frame from today until Thursday, which is close to 45 hours, and then getting the documentation to us.

I cannot see why Senator Hill wants to defer this motion until tomorrow if in fact

what he says is right, that he is trying to get these documents together. There is a time imperative because there are constitutional limits and limits imposed by the Electoral Act which would force proceedings in this matter to take place within a certain period. There may be capacity to raise the matter after that, but that is another course of action altogether, and possibly one which the government by dissembling this process may be opening up in the longer term.

From the opposition's perspective there are serious issues to be answered. The advice we received yesterday concerned whether in fact senator-designate Ferris was officially appointed. That has not been the thrust of most of the questioning. The thrust of most of the questioning goes to other aspects such as a person being incapable of being chosen or sitting as a senator under section 44 of the Constitution. The documentation we are asking for here is documentation which, if provided, would satisfy the Senate one way or another about the problems senator-designate Ferris might have.

Senator HILL (South Australia—Leader of the Government in the Senate) (4.03 p.m.)—We oppose the suspension of standing orders. We do not believe that any case of urgency has been made out and that in fact the Senate would do far better if it gave a little time to debating the government's legislative program. I might remind the Senate that we are almost halfway through the third week and so far we have completed the debate on one bill.

Senator Bolkus—And that was our bill!

Senator HILL—And the only reason, as Senator Bolkus reminds me, that the now opposition agreed to the passage of that bill was that they first introduced it when they were in government. There are special circumstances applying to that one bill that the opposition has allowed us to debate in the first three weeks of these sittings.

Senator Bolkus—We have had 12 bills in.

Senator HILL—No. There has been one bill debated to its completion, Senator Bolkus. These things need to be spelled out for you. At the moment we are debating a cut-off motion in relation to a second debate. The

opposition has not allowed this government any real legislative time whatsoever for its program. It indicates the way in which you are planning to run opposition in this Senate. There has been a total disregard of the people's wishes demonstrated at the last election that there be a new government which has a policy program implemented through legislation.

I would suggest that a far better course than suspending standing orders today would be for this motion to come on in accordance with the normal practice under the standing orders and that exceptional circumstances calling for the suspension of those standing orders have not been made out.

I wish to clarify one point concerning Senator Bolkus's remarks about the preparation of documents. I said to Senator Bolkus that I would be pleased if he would consider allowing us an adjournment of one day in relation to the motion that he wishes to move today. I said that, if the opposition allowed us that one day adjournment, then I would not attempt to use as an argument the fact that the opposition had lost a day in the requirement for us to prepare these documents in the event that the motion was subsequently carried.

Senator Bolkus—What are you saying?

Senator HILL—You are not listening.

Senator Faulkner—We are listening.

Senator HILL—No, you are not. You are walking around the chamber and Senator Bolkus is having a chat about other matters. We respectfully asked—which was not unreasonable in relation to this matter—for an adjournment of this motion for one day, but apparently not even in relation to such a simple request are we able to get a positive response from this opposition.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (4.07 p.m.)—Senator Hill has just indicated across the chamber and given a commitment that he will not try to adjourn this matter until tomorrow. In the interests of allowing the chamber to proceed with the important matters it has to deal with, I certainly accept Senator Hill's word in relation to this matter and obviously the opposition will bring the issue forward to-

morrow. It is a matter of very considerable importance and significance from the opposition's perspective.

There are a number of issues that we feel need to be answered, and answered quickly. This is important information that the opposition is keen to have access to. I do accept the point that Senator Hill makes that the matter can come forward tomorrow. On that basis, the opposition will not press the suspension of standing orders at this time.

The ACTING DEPUTY PRESIDENT (Senator Childs)—Senator Faulkner, you have a choice of procedure. You could move your suspension, then you would be able to move the substantive motion, and then seek leave to continue your remarks, if that were acceptable. There is an alternative.

Senator ROBERT RAY (Victoria) (4.09 p.m.)—I think the most appropriate alternative, to meet with what both the Leader of the Government in the Senate (Senator Hill) and the Leader of the Opposition in the Senate (Senator Faulkner) have said, is for Senator Bolkus to seek leave to return to the placing of business, to have this matter adjourned until tomorrow and to withdraw his original motion.

The ACTING DEPUTY PRESIDENT—That was the second alternative that I was about to propose. If that is the acceptable alternative, it is left to Senator Bolkus to withdraw.

Senator BOLKUS (South Australia) (4.10 p.m.)—I withdraw the motion for suspension and seek leave for the notice of motion to be deferred until tomorrow.

Leave granted.

ORDER OF BUSINESS

NASA Shuttle *Endeavour*

Motion (by **Senator O'Chee**, at the request of **Senator Chapman**) agreed to:

That general business notice of motion No. 51 standing in the name of Senator Chapman for today, relating to the launch of the National Aeronautical Space Agency shuttle *Endeavour*, be postponed till the next day of sitting.

COMMITTEES

Employment, Education and Training Legislation Committee

Additional Information

Senator CONROY (Victoria)—I present additional information received by the Employment, Education and Training Legislation Committee as part of the 1995-96 budget estimates process.

Membership

The ACTING DEPUTY PRESIDENT (Senator Childs)—The President has received letters from the Leader of the Government in the Senate and an independent senator seeking variations to the membership of committees.

Motion (by **Senator Kemp**)—by leave—agreed to:

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

Community Affairs legislation Committee—

Appointed: Senators Eggleston and Coonan to replace Senators Patterson and Woods (from 1 July 1996)

Participating member: Senator Patterson (from 1 July 1996)

Community Affairs References Committee—

Discharged: Senator Harradine as a participating member

Rural and Regional Affairs and Transport Legislation Committee—

Participating member: Senator Boswell

Scrutiny of Bills Committee—Standing Committee—

Appointed: Senator Coonan to replace Senator Sandy Macdonald (from 1 July 1996).

CONSIDERATION OF LEGISLATION

Debate resumed from 20 May, on motion by **Senator Alston**:

That the order of the Senate of 29 November 1994, relating to the consideration of legislation, not apply to the Telstra (Dilution of Public Ownership) Bill 1996.

upon which **Senator Faulkner** had moved by way of amendment:

Omit all words after "That", substitute:

"the Telstra (Dilution of Public Ownership) Bill 1996 be referred to the Environment, Recreation, Communications and the Arts References Commit-

tee for inquiry and report by 22 August 1996, with particular reference to the following matters:

- (a) whether the proposed post-1997 telecommunications regulatory arrangements outlined in the Government's May 1996 discussion paper provide effective and adequate consumer protection safeguards;
- (b) whether the Telstra (Dilution of Ownership) Bill 1996 might need to be amended to fully accommodate the post-1997 regulation;
- (c) whether the timing and the likely proceeds of a partial Telstra float should be affected by the proposed post-1997 rules;
- (d) whether the Telstra (Dilution of Ownership) Bill 1996 should be split into two or more pieces of legislation;
- (e) the impact on public sector savings of the partial sale of Telstra;
- (f) whether the proposed accountability regime in the Telstra (Dilution of Ownership) Bill 1996 is adequate to protect the public interest;
- (g) whether joint ventures by Telstra are "de facto" privatisation and whether they confer unfair competitive advantages on Telstra's partners;
- (h) whether the Universal Service Obligations (USO) are adequately protected including:
 - i) Directory Assistance
 - ii) untimed local calls
 - iii) provision of public telephones
and in particular the provision of USO in regional Australia.
- (i) whether elements of equity of access, public interest and USO in terms of telecommunications services beyond simple telephony can be determined especially in regard to facsimile data and interactive transmissions;
- (j) the extent to which Telstra and telecommunications carriers should be excluded from State and local government regulations;
- (k) the impact of the duplication of infrastructure and the extent to which this can be reduced by sharing;
- (l) the impact of privatisation on employment and economic activity, particularly in regional Australia;
- (m) whether proposed foreign investment restrictions on Telstra and other telecommunications carriers are appropriate or adequate and take account of regulation and monitoring of financial transactions and currency flows; and

- (n) the extent to which the bill and the post-1997 arrangements will foster the development of the Australian telecommunications services and equipment industry, research and development, and the development of new services.
- (2) That the committee be authorised to have access to the records and evidence of the Economics References Committee in the previous Parliament in respect of its inquiry into the impact on industry, employment and the community of telecommunications developments up to the year 2000 and beyond.
 - (3) That the committee advertise for submissions in the media and conduct public hearings in each State and Territory capital city."

upon which **Senator Hill** had moved by way of amendment:

Omit "Environment, Recreation, Communications and the Arts References Committee", substitute "Environment, Recreation, Communications and the Arts Legislation Committee".

Omit "22 August 1996", substitute "17 June 1996".

Senator HARRADINE (Tasmania) (4.13 p.m.)—I do not want to transgress standing orders and repeat what I said on the last occasion. But it is a bit difficult to come back to an issue after there has been a separation period, particularly if the separation period has been for nearly 24 hours. I think that I made the point that I support the amendment relating to the Telstra (Dilution of Public Ownership) Bill being referred to a Senate standing committee. I do agree that the Standing Committee on Environment, Recreation, Communications and the Arts should be the committee to which this is referred. Whether or not it is the legislation or references part that deals with it is another matter.

I listened to what Senator Ferguson said and was inclined to the view that it should go to the legislation committee. I do not believe, unless I am missing something, that the opposition is suggesting that it be referred to the references committee so that it can get the numbers on that committee. I may be proved wrong, of course. If those who oppose the sale of a third of Telstra do become the majority of that committee—and it appears that they will—then they would have the very serious obligation in their report of making sure that their views are based on the infor-

mation that is provided to that committee and that they are persuasive enough for the various recommendations that may arise.

Senator Ferguson—Why not a legislation committee?

Senator HARRADINE—As has been advanced to me during the debate, if you refer the bill to the legislation committee it may well be that some of the matters that are pertinent to an understanding of the bill and pertinent to the issue surrounding the bill may not be able to be discussed at the legislation committee.

Senator Ferguson—You can say that about any bill.

Senator HARRADINE—That is correct. Most references to legislation committees are just that: the bill is referred to the legislation committee and the particular clauses of the bill are considered. It is not the general rule in legislation committees that the whole range of issues surrounding the bill which are not directly pertinent to the bill are canvassed. They can be canvassed if it goes to a references committee. Whether or not I vote for whether it goes to a references committee does not matter.

Senator Ferguson—It is important to indicate.

Senator HARRADINE—I think there is a very solid argument that it should go to a references committee. In relation to those people who may end up in the minority in the references committee—although it may not be necessary for a minority view—

Senator Ferguson—It will be unless one of them changes their minds.

Senator HARRADINE—Given the opinions that have been expressed around the place, I imagine there might be a need for a minority report. That then gives those people the opportunity of placing down, for the enlightenment of other senators, the reasons why the legislation should be supported.

I mentioned that I believe that a number of matters should be placed on the scales when weighing up whether or not one should support the Telstra (Dilution of Public Ownership) Bill 1996. Last night I briefly mentioned

that this should include the question of mandate. No doubt, the committee will receive heaps of submissions from academics and the like, but we should also receive some submissions from the public in respect of that question of mandate. That is one thing that should be put onto the scales. I do not say how much weight that should be given.

There are a number of other matters that should be put onto the scales as well, including the effect on regional employment and the question of regional service quality. What is precisely meant by the universal service obligation? The legislation talks of universal service obligations in terms of basic telephone services and pay phone services. I would like to see the committee examine the question of interactive services and the like for rural Australia. I would certainly hope—no doubt, the government has the answers to these questions—that business in rural Australia is not adversely affected by the Telstra bill. I have heard the arguments that have been advanced by the minister and others that not only is that not likely to occur but because you would be in a competitive field and there was an injection of private capital in the area, you would also get further expertise. Under those circumstances, rural Australia would not need to be worried. Why is the government worried about having this go off to a committee? I do not precisely understand the full reason for that.

I might mention a few other things, if the Senate would allow me. I refer to the question of the charging on user funded assets. In the past much of Telstra's infrastructure has been paid for by users. For example, farmers and subdividers have had to pay for much of the telephone network infrastructure on their own land. The decision of the High Court in *Anthony v. the Commonwealth* means that ownership of infrastructure, such as telephone poles, vests in Telstra even where others have defrayed much of the cost. Persons who have paid for these assets will need to be reassured that they will not be charged a rent for the use of assets that they have contributed. It will be important for them to have it on the record that the partly privatised Telstra will not be allowed to charge them beyond main-

tenance and other marginal costs for the use of fixed assets that Telstra never paid for or for which they paid a part.

There was discussion today following a motion to take note of an answer about the impact of the post-1997 telecommunications regime. I listened to Senator Alston's response. There is a tension between maximising the sale value of Telstra and maximising competition by ensuring free and liberal access by all telecommunications providers to Telstra's natural monopoly network. If Telstra could freeze out Optus and others, its value as an unregulated monopoly would be enormous. On the other hand, if Telstra is forced to make its network available to others at below marginal cost, it could be bled to death. Some would argue that to avoid such extremes Telstra should be floated as an operating company with ownership of the natural monopoly network retained in public ownership, just as we let different road freight companies compete on an equal footing over the public roads. That is not an option before us in this particular legislation, but such suggestions highlight the critical importance of access to natural monopoly infrastructure at prices which do not exceed marginal cost.

Investors in Telstra, competitors and the public need to have on record clear statements as to the nature of the post-1997 regulatory regime for telecommunications, especially clear statements on pricing principles for access to Telstra's network. I know the government has been considering this matter carefully, and I trust it will welcome the opportunity to spell out these issues for investors and others. I believe the committee will need to look at the questions relating to prospectus and information requirements under the Corporations Law, and I know that matter was given a run around the course today or yesterday.

The bill contains some provisions which may override the Corporations Law in ensuring that the Commonwealth as the majority shareholder is given privileged access to information and other overriding powers. I agree with the thrust of such provisions because they protect the Commonwealth's controlling role and because Telstra is no

ordinary company. It is a regulated public monopoly, essential for Australia's future as a modern society. Any reasonable investor should realise that his investment is more a financial investment than a controlling investment. They should be up-front and know that precisely. I think that is probably what they will know when they read the legislation.

However, it would be desirable to have on the record from the Australian Stock Exchange that there will be no problem with Stock Exchange listing rules if Telstra is floated on this basis and that Telstra shares will be acceptable for listing on overseas exchanges notwithstanding special provisions regarding information to the government and curbs on foreign investors. Whatever one's personal views on the partial sale of Telstra, it is important that potential technical issues are put beyond doubt. None of us should be happy if a bill were passed, expenses incurred for a float, and then some issue such as Stock Exchange listing rules caused difficulties. This will be the largest proposed corporate float in Australia's history. The previous largest proposed float—can honourable senators remember the previous largest proposed float?

Senator Kernot—Yes.

Senator HARRADINE—The previous largest proposed float was in fact the NRMA float. In fact, that collapsed at a cost of \$35 million because the prospectus was misleading or deceptive. Obviously the Senate will not want to see taxpayers' money wasted through lack of attention to detail with the legal requirements for such a successful float.

There is another matter that the committee might well turn its attention to, and that is the control of assets held in subsidiaries or joint ventures. Somebody mentioned that yesterday as well. One point which may be raised is whether Telstra can shift key assets into subsidiaries with a less than two-thirds Commonwealth ownership—for example, through joint ventures with other corporations.

Senator Kernot—How are we supposed to agree before we know this? That is the problem.

Senator HARRADINE—I take the point that has been made by Senator Kernot. I think

it important for these matters to be discussed at the committee. Some would argue, of course, that if Telstra can invest to an unlimited degree in subsidiaries which may be controlled by co-owners, public moneys may go to help private interests capture strategic beachheads in certain areas of new technology. I have no fixed view on this matter but would be interested to hear the views of those far more knowledgeable than myself. I would think that submissions to be made to the committee that we are envisaging would assist along that path.

In conclusion, I have had the benefit of indications from the government on some of these issues, but I think it would be desirable—and I feel sure that the government will have no objection to this—that we should have firmly documented all of these matters for all to see how some of these issues are to be handled. Investors in Telstra may need to be reminded that Telstra is still going to be a public, majority-owned asset with historical and national commitments to provide full services across Australia. The parliament can only consent to the partial sale of Telstra on the understanding that investors will not seek and will not be able to use its unique natural monopoly position to extract monopoly tribute from the country or ignore its community service obligations to provide a nationwide service.

I am sure that the government has these views and will welcome the opportunity to place its views on these matters on the public record. I understand what Senator Alston and other members of the government have been doing, but I believe they really should not object to representatives on the committee being able to do this so as to put it clearly on the public record. If Telstra is to be partially floated, it is vital that there be an informed market and that no investor is deluded into thinking that Telstra's directors will be at large to charge what the market will bear. This is not an ordinary company—indeed, the very term 'company' seems odd when talking about a publicly-owned utility—and no investor should think that the fiduciary duties of directors to secure the best returns for one-third minority shareholders mean that Telstra

is released from the overriding obligation to provide a world-class telecommunications service over the whole of Australia.

Senator BOURNE (New South Wales) (4.30 p.m.)—I will not take up much of the Senate's time, but I want to make a couple of points in relation to three words the government seems to have discovered quite recently go together and are using to an enormous extent; they are, 'failure to pass'. Government members tend to use this term to me over coffee, in meetings, outside radio stations and at any opportunity whatsoever. They are obviously popular words in the government at the moment. I thought I would just mention a few things about them. They were mentioned certainly yesterday by Senator Hill.

Firstly, Senator Hill seems to think that the double dissolution of 1951 is a good precedent to use for whether or not this Senate should refer the contents of this bill to a committee. The obvious problem with that is that in 1951 the Senate did not have the comprehensive committee system it has today. It is very obvious that 20 per cent to 25 per cent of all bills which come to the Senate are referred to one committee or another. We refer them to lots of different types of committees—

Senator Ferguson—Legislation or select.

Senator BOURNE—Yes, they may go to legislation committees, they may go to reference committees, they may go to joint committees and they may go to select committees. Let us have a look at a couple. Do we remember the Taxation (Deficit Reduction) Bill 1993? This is a classic bill. It was introduced into the House of Representatives on 17 August 1993 and into the Senate on 7 September of that year. The constitutional aspects were referred to a Senate committee on 31 August. There was an extension of time to report by 6 September. That report was tabled on 27 September.

The opposition then referred, by another motion, the fringe benefits tax provisions to a different committee on 6 September. There was an extension of time to report by 27 September. The report was tabled on 19 October. It was split into separate bills, all of which were then referred by the opposition,

through the Selection of Bills Committee, to various different committees and they were then passed with amendments in late October 1993.

Then, of course, there is the classic that we are all mentioning at the moment: the land fund bill 1994. That was introduced into the House of Representatives on 30 June 1994 and into the Senate on 21 September 1994 and was referred by the Selection of Bills Committee to the Standing Committee on Finance and Public Administration on 1 September. That report was tabled on 10 October. Senate amendments were referred by an opposition motion during the committee stage of that bill, on the floor of the parliament.

I can relate this back to something Senator Kernot has been quoted as saying. While that committee stage of that bill was going on, Senator Campbell moved an opposition motion to refer that bill to the Select Committee on the Land Fund Bill on 28 November. It was referred, the extension of time was given to them on 31 January and the report was finally tabled on 9 February. The House of Representatives agreed to certain amendments, disagreed to the remainder and laid aside the bill on 2 March and another bill was introduced after that.

Senator Kernot has actually been quoted in relation to the land fund bill as saying that two weeks was sufficient time for it to be sent out to a select committee for examination. I point out that that was the second time this bill had gone to a committee. That was the second committee it had gone to, not the first. We had been through the second reading of the bill. We had been through a referral to a committee. It had gone to a committee. The committee had reported. We had gone through some of the committee stage. We were in the middle of the committee stage on the floor of this parliament when the opposition rose to its feet and referred it to another committee. At that point, Senator Kernot said, not unreasonably, 'I think two weeks more is probably enough.' And it probably was. We got it back then—it was five months overall, I might add—five months after it was first introduced and it was finally laid aside and a new bill

came in. We all know what happened to that bill.

I am sure Senator Hill did not deliberately misrepresent Senator Kernot, just as I am sure Senator Alston did not deliberately misrepresent me during question time today. I was talking about the Telstra bill on *The World Today*, which is quite a popular program. I am quite surprised he could not remember the name of it. In answer to the question, 'But will you vote for a privatisation of Telstra under some circumstance?', I said, 'No. Absolutely not.' I did say that. Then I went on to say:

But that's not all that's in that Bill. This Bill doesn't just say 'privatising Telstra'. This bill says privatising Telstra and getting rid of the Minister's power to direct Telstra and consumer protection and customer guarantee.

That is the point. When Senator Hill says that because we are not prepared to vote for the privatisation of Telstra we should not be prepared to look at this bill, that is well and truly against the spirit of this Senate. Of course we should be prepared to look at this bill. Privatising Telstra is only one part of this bill; it is about half the bill. The other half of the bill looks at consumer guarantees—very important things which should be looked at, despite the fact that they are already in the Telecommunications Act at sections 287 and 288. They should still be looked at to see if they can be strengthened.

If it came to a joint sitting of both houses, the only amendments that could be made to a bill put to a joint sitting are ones which have been considered by one house of the parliament. You have to look at these measures. It is vitally important that they are looked at, looked at thoroughly and looked through. So we look through consumer protection and customer guarantees. It is very important that that happens.

The best way to do that is not what happened in the House of Representatives only last week. This bill was gagged through with virtually no debate—but that is the House of Representatives. This should now have public and parliamentary scrutiny. I thought this government when it was in opposition was in favour of public and parliamentary scrutiny,

particularly by the Senate. I thought that is what it was in favour of. I could be wrong. I hope I am not. I will certainly be voting in favour of public and parliamentary scrutiny of this bill.

This is due process. It is exactly what the Senate does with bills. This is what the Senate does with 20 per cent to 25 per cent of all bills that come before it: it refers them to a committee. It refers them to legislative, reference, joint or select committees. The bills go off to different committees and they come back in various periods of time. Senator Margetts told us yesterday that the average time taken is about three months.

If we are to refer it to a committee within this sitting session, we have to keep in mind we have only 3½ sitting weeks left. That is totally inadequate for a bill of this complexity and importance. It is vitally important that before the Senate looks at whether Telstra should be privatised we see what is going to happen in those 1997 reviews. People from merchant banks are saying to me, 'We cannot decide on how we should advise our clients until we know what is going happen in the 1997 review of deregulation.' That is vitally important. That is one of the things that will be looked at in this committee reference, and that is why I will be voting for it.

Senator ALSTON (Victoria—Minister for Communications and the Arts) (4.37 p.m.)—For the benefit of Senator Harradine, it has never been our intention to close off sensible discussion of a number of these issues. The whole purpose of the Senate committee system is to allow bills to be examined by committees with a view to, in a number of circumstances, improving them or highlighting areas of concern that might then result in amendments. As far as I am aware, it is absolutely unique to have two major parties in this place putting on record an absolute determination to oppose legislation and then to somehow refer the matter to a committee. What possible purpose can be achieved by that? They have made up their minds. They are not interested in exploring the issues. They will therefore, presumably, be making tendentious contributions designed to bolster their predetermined position.

It is quite reasonable to say, for example, what is going to happen in the post-1997 environment. The fact is that Labor proposed 138 principles to guide the post-1997 environment. I thought Senator Schacht made it clear yesterday that he still remains committed to full and open competition post-1 July next year. It is just a shame he was not at that industry forum that I chaired last Thursday when we had almost 200 people from the industry all very interested in the issues. As far as I am concerned, we are going to establish an experts group to work through what came out of that gathering. I have no doubt that it will be very useful in the debate.

It would have been open for this chamber to have established a select committee on the post-1997 environment just as this Senate, as I understand it, has already voted to re-establish the select committee on community standards. Why would you not want to consider those matters in isolation from the bill? They are only linked to this bill as a very shabby means of disguising the Labor Party's and the Democrats' predetermined position, to give some sort of shabby facade of respectability to what is clearly a desperate attempt to drag this process out as long as possible because they do not have the courage to give effect to the decision they have already made.

I made it clear yesterday that I thought Senator Faulkner made a fundamental tactical mistake by signalling the Labor Party's determination to oppose the bill before it had even been introduced into this chamber. That is what Senator Bourne ought to be reflecting on when it comes to considerations of failure to pass. The courts have always looked at the surrounding circumstances. They do not simply ask: is it reasonable to refer a bill to a committee? They look at whether that is a bona fide action or whether it is simply a mechanism for delaying a government.

Senator Faulkner was on his feet the moment question time finished with a furious defence of Mr Gareth Evans, a former erstwhile leader in this chamber. He seemed to be saying that Mr Gareth Evans was still a man of great virtue. He was still stating the honourable path that ought to be followed, that they were prepared to examine matters on the

merits and all of that. Senator Kemp has brought to my attention—and I find this fascinating—what former Senator Gareth Evans said when the then Labor Party in opposition, had the numbers in this place. He said:

... since 1 July this year the practical preconditions for the exercise of these powers have once again been created, with the Government's loss of control of the Senate. Until now the new Senate has exercised its power in a cautious and principled way, with neither the Australian Labor Party nor the Australian Democrats being willing to block in any way the passage of those money Bills crucial to the survival of any government in office, or to interfere with those measures for which the Government could reasonably claim a mandate.

He went on to say at a later date, on 26 November:

We will not vote against any Government Bill which is crucial to the Government's survival in office, and in particular the Supply and Appropriation Bills come into that description, nor will we vote against any Government Bill, whatever its character and however obnoxious we find it to be, if the Government has a clear-cut electoral mandate for the Bill.

What could be more crystal clear than the government's mandate in respect of the Telstra bill? If you walked into polling booths around Australia on 2 March, what you would have found were warning signs telling you, presumably in shorthand, of all the horrible things that would flow from the coalition parties being elected to government because they would decimate and destroy Telstra as we know it.

If ever there was an issue central to the campaign, if ever there was an issue upon which the public had its say and gave us a resounding tick, it was Telstra. I have not heard one word of criticism in relation to this bill that it does not faithfully reflect the promises we made during the election campaign. What is there about this bill that needs to be further explored in the Senate committee?

If you were fair dinkum, you may well want to have a separate inquiry into issues like the extent to which Telstra and telecommunications carriers should be excluded from state and local government regulations—that is an issue about overhead cabling and what

should happen from 1 July next year—or issues like whether you should continue to have a telecommunications national code or a land access code or whether you should simply vacate the field and leave it to local governments and state governments. Those issues have absolutely nothing to do with a bill that simply enables the government to sell a portion of Telstra. We cannot sell beyond one-third. That is what this law would require.

A scoping study is already under way. Investors are not concerned about having a Senate inquiry. What they want is due diligence carried out. They will make their judgments on hardnosed predictions about the future and the current regulatory environment. They all understand, without exception, that community service obligations ought to be imposed in any environment, whether you have a single monopoly, whether you have a cosy duopoly or whether you have ferocious competition. We will have been through each of those phases within a decade, irrespective of the passage of this bill. I regret to say that we are many years off the pace, and we are falling further behind in terms of competitive arrangements and therefore lower prices and better quality of service, but the fact is that all of these things are happening anyway.

No carrier has ever argued that it should not be subject to requirements for community service obligations. None of them has ever said to me, 'It's about time you got rid of untimed local calls.' None of them has said, 'Scrap the price cap regime.' None of them has said that the universal service levy scheme is not appropriate in a fully competitive environment. In other words, ever since 1991 Telstra has been required to operate commercially and it wears the community service obligations.

Whether or not this bill passes, if you have apprehensions that somehow they will use the wording in section 288—which Senator Bourne seemed to think was relevant—they can do that right now. There is nothing to stop them walking away from their obligations, watering them down and seeking to evade them. All of that can happen utterly unrelated to the privatisation of Telstra. That is why this ought to be seen for what it is.

We have no objection to a Senate committee bona fide investigating on the merits, and Senator Harradine is perfectly correct to say that that is what parliamentary committees are for. Indeed, he is quite right in saying also that that is the purpose of legislation committees.

I think Senator Ferguson made it perfectly plain earlier this afternoon, that the whole purpose of a legislation committee is to have legislation referred to it. Once you diverge from that principle, you are clearly conceding that you have ulterior motives. The motives here, of course, are transparent. The opposition wants the numbers. It wants to have the ability to come back on 20 August and say, 'Oh, well, we're only about a quarter of the way through this huge round-the-world excursion into absolutely every issue we can throw into a grab bag of issues. We need a lot longer than three months, thank you very much. Because we have the numbers on that committee and because, with the support of our close friends the Democrats, we can get the numbers in the chamber, we will simply go on avoiding the evil day for as long as possible.'

Senator Ferguson—About next April.

Senator ALSTON—The day of reckoning will arrive. Even if it does not arrive in this calendar year, it will arrive. They will be seen for what they are: people who are opposed to change; people who do not have any coherent view of what is in the national interest; people who are highly selective in their support of privatisation. They know what is happening internationally. They know that every dominant carrier in the top 20 by revenue around the world has already been privatised or is about to be. They know that no country has introduced competition without also privatising the dominant carrier. It has happened everywhere else; it will happen here. It is simply a matter of time.

What you want is to handicap Telstra for as long as possible, condemn it to a second-rate existence and keep one hand behind its back so that it becomes increasingly uncompetitive. That, I think, is not only a great shame but a disgrace in the context of a bill which is

simply designed to enable privatisation to commence.

Again, as Senator Harradine would have it, it is perfectly respectable to send a bill off to a committee. But, given that there has been very little community concern expressed to date, apart from a few vested interests, I would have thought the sensible course to follow would be to have referred it off to the legislation committee, initially for a four-week period—which is what we have in mind in our amendment—and you then see what comes in. If I am wrong and you are swamped by a whole range of concerns, then you may take the view that you need to come back to the chamber and ask for an extension. It would be difficult in those circumstances to justify the need to just ram the bill through.

That is not what is happening here. Irrespective of any level of community concerns, despite the fact that they have already made up their minds, they are now trying to put in place a regime that would justify not just a three-month extension but virtually an endless extension. If you seriously wanted to address all of these issues, many of which are utterly extraneous to the purpose of this bill, to do justice to those would take you a couple of years. You simply could not begin to assess the impact of privatisation on employment and economic activity.

The amendments do not even say 'privatisation of Telstra'. They say, 'the impact of the duplication of infrastructure and the extent to which this can be reduced by sharing.' That has been a hot debate for some months, probably several years. It could well have been looked at by a select committee. There is not the slightest interest in the subject. No-one on the other side has been jumping up asking questions about these issues or saying that these matters ought to be investigated as a matter of high priority. As I say, we have re-established the community standards select committee. Why couldn't we have established select committees on these issues? They have nothing to do with privatisation. Important though they are, they will operate totally unrelated to the privatisation proposal, just as the post-1997 regime to which you are com-

mitted—I am sorry you were not there last Thursday—

Senator Schacht—You didn't invite me. That was the reason.

Senator ALSTON—I suppose I did not expect that you would really appreciate the opportunity, but next time we have one—you are disqualified from joining the experts group, I have to say. I am sure you can understand that.

Senator Schacht—So would you be—we would both be disqualified.

Senator ALSTON—No, I am convening it.

Senator Schacht—I see.

Senator ALSTON—I am taking advice from the experts. That is what it is about.

Senator Chris Evans—You're an expert already.

Senator ALSTON—No, I don't profess to be an expert, but I am increasing my knowledge all the time.

Senator Schacht—Does that mean I get an invite to Murdoch's property as well?

Senator ALSTON—I am sorry you did not get a guernsey. The only reason I can think of why you did not is that it was not far enough away to justify a decent travel allowance. I know about your preference for staying in the best places in the biggest capital cities where you get the largest amount.

Senator Conroy—How big is Murdoch's property?

Senator ALSTON—Twenty-seven thousand acres. I presume you are aware that this bloke is the reigning Australian TA bronze medallist—

The ACTING DEPUTY PRESIDENT (Senator Childs)—Order! I think we are straying from the debate.

Senator Ferguson—No, Bolkus is.

Senator ALSTON—No, Bolkus is the reigning gold medallist. This bloke is the bronze medallist. Can I just conclude. I am indebted to you, Mr Acting Deputy President—

Senator Crowley—Mr Acting Deputy President, I rise on a point of order. I note

that Senator Alston was referring to his parliamentary colleagues by surname and not by title. I ask you to remind him to do it correctly, please. It is Senator Bolkus.

Senator ALSTON—I do not think I mentioned his name. I just said, 'He is the reigning gold medallist.'

Senator Crowley—No, you didn't. You said his name, Senator. Check the *Hansard*.

Senator ALSTON—I thought someone said, 'What about Bolkus?' And I said that he is the reigning gold medallist.

The ACTING DEPUTY PRESIDENT—Order! I think we perhaps have passed our informal interlude.

Senator ALSTON—Thank you, Mr Acting Deputy President. I have simply made the point that if you senators opposite were fair dinkum about these and other issues you would have raised them separately. They are not linked to the privatisation of Telstra. You know that full well. You have done it for purposes designed to simply frustrate the objectives of the government.

We are certainly interested in exploring interactive services for rural and remote communities, as Senator Harradine expressed concern about. I am sure he is aware that one of our commitments was to actually require Telstra to extend its ISDN roll-out so that you do have a higher level of digitalisation of local exchanges. That will provide enhanced services for the bush, get them onto the Internet and give them high-speed access. They are very important issues. We could have had a select committee on that if you had wanted to but, again, it has absolutely nothing to do with privatisation.

We all know what you are on about. The last thing that is going to come out of this is any change of heart on the part of the opposition parties. Their minds are set in concrete.

Senator Schacht—Will it change your heart?

Senator ALSTON—We are prepared to have the matter referred to a committee to see to what extent there is genuine community concern.

Senator Chris Evans—There would never have been a refusal in the past, on your argument.

Senator ALSTON—I don't think you have been to law school recently, my friend.

Senator Schacht—You have not been to law school.

Senator ALSTON—I am not about to. I am simply saying that we would be prepared to listen to genuine community concerns and, if we ignored them, we would wear it. That is the whole purpose of the exercise. You refer matters out to a Senate committee.

Senator Schacht—And just ignore it. What a great start for the government.

Senator ALSTON—If people come up with killer points and you ignore them, you will wear the political opprobrium. That is how it ought to be. You go into the exercise with an open mind, or at least you go through the motions. You have not been smart enough to do that.

Senator Schacht—Are the government members on the committee going to have an open mind or are they already pre-caucused?

Senator ALSTON—That is why we are prepared to have the matter referred to the legislation committee for a full report back, of course.

Senator Schacht—To a select committee. So they can say, 'We are going to vote against Howard's policy.' Of course not!

Senator ALSTON—I have no reason to think that they would want to do that. You do not normally refer a bill to a committee—

Senator Schacht—Nice try, Richard.

Senator ALSTON—Let's be serious. If you want to oppose the fundamentals of the bill, you do it in here. You do not do it in the committee. The committee is the place where you explore the implications of proposals. You do that by listening to the evidence. You certainly do not do it, having made it clear on the public record that you are going to vote against this bill, come hell or high water. I think it is pretty clear where we are headed, but we will certainly take the matter to the end.

I conclude by saying, again on Senator Harradine's point, that if you impose an obligation on Telstra to charge below marginal cost pricing principles, then it would effectively bleed to death. That is not how the universal service levy works. There is an avoidable cost methodology which is designed to fully compensate them for any losses and that is then recouped by a levy on the other carriers. That is regarded on all sides as a fair concept. As I have said many times, it is borrowed directly from the US, where they have never had publicly owned telecommunications companies. It services rural and remote areas just as effectively as it does here.

If you had concerns about that or in some other way you wanted to boost that obligation, you could do it via a select committee because, if it is an issue now, it will remain an issue irrespective of whether this bill goes through. It will be an issue in the post-1997 environment. The fact that you have tagged all these things on simply exposes you for what you are: obstructionist.

Question put:

That the amendments (**Senator Hill's**) be agreed to.

The Senate divided. [5.00 p.m.]

(The President—Senator the Hon. Michael Beahan)

Ayes	33
Noes	38
Majority	5

AYES

- | | |
|---------------------|---------------------|
| Abetz, E. | Alston, R. K. R. |
| Baume, M. E. | Boswell, R. L. D. |
| Brownhill, D. G. C. | Campbell, I. G. |
| Chapman, H. G. P. | Crane, W. |
| Ellison, C. | Ferguson, A. B. |
| Gibson, B. F. | Herron, J. |
| Hill, R. M. | Kemp, R. |
| Knowles, S. C. | Macdonald, S. |
| MacGibbon, D. J. | McGauran, J. J. J. |
| Minchin, N. H. | Newman, J. M. |
| O'Chee, W. G.* | Panizza, J. H. |
| Parer, W. R. | Patterson, K. C. L. |
| Reid, M. E. | Short, J. R. |
| Tambling, G. E. J. | Teague, B. C. |
| Tierney, J. | Troeth, J. |

AYES
 Vanstone, A. E. Watson, J. O. W.
 Woods, R. L.

NOES
 Beahan, M. E. Bell, R. J.
 Bolkus, N. Bourne, V.
 Burns, B. R. Carr, K.
 Chamarette, C. Childs, B. K.
 Coates, J. Collins, J. M. A.
 Collins, R. L. Colston, M. A.
 Conroy, S.* Cook, P. F. S.
 Cooney, B. Crowley, R. A.
 Denman, K. J. Evans, C. V.
 Faulkner, J. P. Forshaw, M. G.
 Harradine, B. Jones, G. N.
 Kernot, C. Lees, M. H.
 Lundy, K. Mackay, S.
 Margetts, D. McKiernan, J. P.
 Murphy, S. M. Neal, B. J.
 Ray, R. F. Reynolds, M.
 Schacht, C. C. Spindler, S.
 Stott Despoja, N. West, S. M.
 Wheelwright, T. C. Woodley, J.

PAIRS
 Calvert, P. H. Foreman, D. J.
 Macdonald, I. Sherry, N.

* denotes teller

Question so resolved in the negative.

Question put:

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

The Senate divided. [5.08 p.m.]
 (The President—Senator the Hon. Michael Beahan)

Ayes	38
Noes	33
	5
Majority	5

AYES
 Beahan, M. E. Bell, R. J.
 Bolkus, N. Bourne, V.
 Burns, B. R. Carr, K.
 Chamarette, C. Childs, B. K.
 Coates, J. Collins, J. M. A.
 Collins, R. L. Colston, M. A.
 Conroy, S.* Cook, P. F. S.
 Cooney, B. Crowley, R. A.
 Denman, K. J. Evans, C. V.
 Faulkner, J. P. Forshaw, M. G.
 Harradine, B. Jones, G. N.
 Kernot, C. Lees, M. H.
 Lundy, K. Mackay, S.

AYES
 Margetts, D. McKiernan, J. P.
 Murphy, S. M. Neal, B. J.
 Ray, R. F. Reynolds, M.
 Schacht, C. C. Spindler, S.
 Stott Despoja, N. West, S. M.
 Wheelwright, T. C. Woodley, J.

NOES
 Abetz, E. Alston, R. K. R.
 Baume, M. E. Boswell, R. L. D.
 Brownhill, D. G. C. Campbell, I. G.
 Chapman, H. G. P. Crane, W.
 Ellison, C. Ferguson, A. B.
 Gibson, B. F. Herron, J.
 Hill, R. M. Kemp, R.
 Knowles, S. C. Macdonald, S.
 MacGibbon, D. J. McGauran, J. J. J.
 Minchin, N. H. Newman, J. M.
 O'Chee, W. G.* Panizza, J. H.
 Parer, W. R. Patterson, K. C. L.
 Reid, M. E. Short, J. R.
 Tambling, G. E. J. Teague, B. C.
 Tierney, J. Troeth, J.
 Vanstone, A. E. Watson, J. O. W.
 Woods, R. L.

PAIRS
 Foreman, D. J. Calvert, P. H.
 Sherry, N. Macdonald, I.

* denotes teller

Question so resolved in the affirmative.

Question put:

That the motion (**Senator Alston's**), as amended, be agreed to.

The Senate divided. [5.08 p.m.]
 (The President—Senator the Hon. Michael Beahan)

Ayes	38
Noes	33
	5
Majority	5

AYES
 Beahan, M. E. Bell, R. J.
 Bolkus, N. Bourne, V.
 Burns, B. R. Carr, K.
 Chamarette, C. Childs, B. K.
 Coates, J. Collins, J. M. A.
 Collins, R. L. Colston, M. A.
 Conroy, S.* Cook, P. F. S.
 Cooney, B. Crowley, R. A.
 Denman, K. J. Evans, C. V.
 Faulkner, J. P. Forshaw, M. G.
 Harradine, B. Jones, G. N.

AYES

Kernot, C.	Lees, M. H.
Lundy, K.	Mackay, S.
Margetts, D.	McKiernan, J. P.
Murphy, S. M.	Neal, B. J.
Ray, R. F.	Reynolds, M.
Schacht, C. C.	Spindler, S.
Stott Despoja, N.	West, S. M.
Wheelwright, T. C.	Woodley, J.

NOES

Abetz, E.	Alston, R. K. R.
Baume, M. E.	Boswell, R. L. D.
Brownhill, D. G. C.	Campbell, I. G.
Chapman, H. G. P.	Crane, W.
Ellison, C.	Ferguson, A. B.
Gibson, B. F.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Macdonald, S.
MacGibbon, D. J.	McGauran, J. J. J.
Minchin, N. H.	Newman, J. M.
O'Chee, W. G.*	Panizza, J. H.
Parer, W. R.	Patterson, K. C. L.
Reid, M. E.	Short, J. R.
Tambling, G. E. J.	Teague, B. C.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.
Woods, R. L.	

PAIRS

Foreman, D. J.	Calvert, P. H.
Sherry, N.	Macdonald, I.

* denotes teller

Question so resolved in the affirmative.

**THERAPEUTIC GOODS
AMENDMENT BILL 1996 (No. 2)**

In Committee

Consideration resumed from 9 May.

Senator LEES (South Australia—Deputy Leader of the Australian Democrats) (5.12 p.m.)—Earlier in this debate I asked the Parliamentary Secretary to the Minister for Health and Family Services, Senator Woods, a couple of questions. I would like to go over one of them. It related to the fact that, for the last few years, the TGA has adopted the practice of formally notifying both the minister and the secretary to the department whenever it receives a request for the special use of a drug as an abortifacient. Can the parliamentary secretary confirm that that is the case? If it is, could he tell me how many requests have been received?

Senator WOODS (New South Wales—Parliamentary Secretary to the Minister for

Health and Family Services) (5.13 p.m.)—Yes, I can. Following discussions in the estimates committee, apart from anything else, the procedure now is that a notification of these goods is made in the form Senator Lees has indicated. I have asked the department for the actual figures.

As I am informed, since 1991, which is when the therapeutic goods legislation came into effect, there have been two approvals for RU486 under the CTN procedure. For the CTX procedure there were no clinical trial approvals. There were a number of approvals for RU486 for non-abortion related issues, such as various cancers or Cushings syndrome. Since February 1991, under the CTN there has been a total of six notifications of abortion drugs, including RU486.

Senator LEES (South Australia—Deputy Leader of the Australian Democrats) (5.14 p.m.)—Another matter that I brought up the last time we were dealing with this legislation regarded the review of the therapeutic goods legislation to look at some of the problems. Has the parliamentary secretary had any opportunity to discuss with the minister what form this review will take, who will be involved and what issues will be discussed? In particular, what is the time line? In other words, when will the review begin and what will the reporting date be?

Senator WOODS (New South Wales—Parliamentary Secretary to the Minister for Health and Family Services) (5.15 p.m.)—We have had some preliminary discussions about the review. A number of issues need to be reviewed. One of the key motivating factors for the review was not from the pharmaceutical end of the spectrum but rather from the natural foods and herbal products end of the spectrum. With some justification, there is a concern that perhaps unnecessary bureaucratic barriers have been erected to some of those products. That is one of the issues of the review. The time frame has not been settled, but we would certainly like to do this as soon as possible. I have instructed the department to look at ways in which we can do it quickly and get representations from a whole range of groups. My view is that it should be as wide

as it possibly can be in terms of representations and input .

Senator LEES (South Australia—Deputy Leader of the Australian Democrats) (5.15 p.m.)—Would you be able to table, before the end of this session of parliament, a specific proposal that includes a time frame?

Senator WOODS (New South Wales—Parliamentary Secretary to the Minister for Health and Family Services) (5.16 p.m.)—I would not like to give you a 100 per cent guarantee, but I will certainly endeavour to do so.

Senator CROWLEY (South Australia) (5.16 p.m.)—The question I have relates to Senator Harradine's amendment, so could I, through you, Mr Chairman, ask this question of Senator Harradine?

The TEMPORARY CHAIRMAN (Senator Teague)—Certainly.

Senator CROWLEY—As I said in my comments, I am very concerned about the use of the words 'intended for use'. Could you make it clear to me at what time the intention operates for the purpose of this amendment?

Senator HARRADINE (Tasmania) (5.17 p.m.)—At the time that the application is made.

Senator Crowley—Does that mean that if a medication were approved for use for some other reason, it then would be able to be used as an abortifacient, for example, and that would not be covered by your amendment?

Senator HARRADINE—Are you talking about the importation of the drug?

Senator Crowley—Senator Harradine, you are talking about the importation of the drug. I want to be clear exactly what your amendment means. I am very worried about the way this amendment is worded. Could you explain exactly when the intention for use applies for the purposes of this legislation? You have said it applies only at the time the application for importation is made. Therefore, can I conclude that if the medication were already in the country and if it were then used as an abortifacient, under this piece of legislation it would not be a problem?

Senator HARRADINE—No, you could not assume that. It is perfectly clear in the amendment. The amendment states:

In spite of any other provision of this Act, a person must not, without the written approval of the Minister, import any restricted goods into Australia.

Clearly, there needs to be an application for those restricted goods, namely, abortifacients, which include progesterone antagonists and vaccines against HCG intended for use in women as abortifacients. The procedure would be for a person who desires to import such drugs to apply. That is what happens now: they apply to the department. A delegate in the department makes the decision. All this does is require that that decision be made by the minister.

In the current circumstances, because these are prohibited imports—because they are abortifacients—there is clearly a decision to be made on the basis of the application. That does not mean that a person can import this particular abortion drug and then use it for purposes other than those for which the application was approved. Other procedures would then be able to be adopted which would ensure that that did not take place. The amendment states:

. . . written approval may be given:

- (a) unconditionally or subject to conditions; or
- (b) in respect of particular restricted goods or classes of restricted goods.

It further states:

It is an offence to breach a condition of an approval.

Penalty: 200 penalty units.

So the answer is perfectly clear.

Senator CROWLEY (South Australia) (5.21 p.m.)—I am glad you are comforted by that, Senator. I remain to be persuaded about the clarity of that wording. My concerns about this legislation very much go to that. As I am advised, some progesterone antagonists are already marketed in this country. Can I have that confirmed?

Senator WOODS (New South Wales—Parliamentary Secretary to the Minister for Health and Family Services) (5.21 p.m.)—If that is the case, neither I nor my advisers are

aware of it. I think RU486 is the first of that particular group.

Senator Crowley—Reliable information given to me was that very like medications are already marketed in this country.

Senator Woods—If that is the case, perhaps you could give us the name and we could check it for you very rapidly indeed.

Senator Crowley—I have looked hard for the bit of paper on which that name was written. I think it ends with 'mycin' and it has got an 'if' in it. I apologise; I thought we would have more time to prepare this. I was advised by fairly senior people that very similar medications are already marketed in this country.

Senator Woods—I can only repeat what I said before. If that is the case, I am not aware of it and the advisers in the chamber are not aware of it either.

Senator Crowley (South Australia) (5.22 p.m.)—Could I please have the tolerance of the Senate to put a hypothetical on the grounds that I was advised that something very equivalent to this progesterone antagonist is already marketed, and I would like to be clear on this. If it were the case that a similar medication to RU486 was already able to be marketed in this country, does your legislation also require ministerial approval every time a repeat importation for that already registered medication is made?

Senator Harradine (Tasmania) (5.23 p.m.)—Presumably you are referring to the use of progesterone antagonists in the treatment of meningioma. Is that what you are talking about? A great deal of questioning is going on about that particular treatment as well but my amendment does not interfere with that at all.

In your speech previously you seemed to indicate that this measure would prevent the importation and use of such progesterone antagonists for cancer. I have seen that. That was a statement made by the Family Planning Association. I was appalled to read that because I would have thought I would be the last one in this chamber to object to effective treatment for cancer in women particularly. My amendment will not touch the SAS

program—the special assistance scheme. It does not touch it at all. It is being peddled about that this will affect that. It will not affect that at all.

Senator Woods (New South Wales—Parliamentary Secretary to the Minister for Health and Family Services) (5.25 p.m.)—Perhaps I will clarify this situation. Probably one of the problems has been your description of progesterone antagonists, the category you asked me about. There are other drugs which have been approved for other purposes in Australia, in particular one or two drugs which are effective anti-ulcer drugs which also claim to have some effect in terms of being an abortion drug.

In that situation, I think it is fair to say that they have been approved for certain purposes—namely, their anti-ulcer properties—not for their abortion properties. Therefore, using them in that situation is not covered by Senator Harradine's amendment. It is still an unapproved usage of that drug. The only situation I can think of where that might be relevant is that if those drugs were in the country it might be possible for people to use their presence, if you like, in the country as part of a trial and then undergo a CTX or CTN notification of a chemical trial. That is outside the importation, which Senator Harradine's amendment is really focusing on.

Senator Crowley (South Australia) (5.26 p.m.)—Can I just try once again? If we had a registered medication currently being marketed in this country for the purpose of an abortifacient which was on the program, was already here, was passed some time ago, had been through ADEC and all those sorts of things—and I thought my advice was that we did have some other varieties of morning after pills or abortifacients—and if there was an application to increase or replenish the stock, could you confirm for me that every time an application was made to bring such registered medication into this country it would require the minister's approval?

Senator Woods (New South Wales—Parliamentary Secretary to the Minister for Health and Family Services) (5.27 p.m.)—Perhaps I can answer that. In that situation, and it might relate to some of the prostaglan-

din drugs which have been approved for some similar indications in Australia, the importation permit, which will be the issue Senator Harradine's amendment addresses in relation to requiring the minister to approve and to table, would be valid for a period of two years. So approval would not be needed for each individual batch. Once that approval had been given in that situation, if it were given, it would be valid for a two-year period. I think that is the situation.

Senator CROWLEY (South Australia) (5.27 p.m.)—I have one last question and it is to Senator Woods. Could you, Senator Woods, explain to me what your response is to the AMA, in particular the AMA women's committee, about its great concern with this amendment. That is not a usual group of people who might be expected to be concerned about this question. Would you care to comment on how you allay their fears or their concerns about this amendment?

Senator WOODS (New South Wales—Parliamentary Secretary to the Minister for Health and Family Services) (5.28 p.m.)—My staff have spoken to Dr Amanda McBride, whom I have known for many years, who is a very trustworthy and reputable member of the medical profession. I am surprised that you are surprised that the AMA would have concerns about anything which might be seen to be a restriction upon the importation and free availability of drugs. That would not surprise me at all.

Having spoken to a spokesperson of the AMA today, my staff told me that the AMA had not actually understood the thrust of Senator Harradine's amendment and they did genuinely believe this was a way of banning a particular drug from coming into Australia. In fact, the process really will be much the same as it is now. I was about to say it will be exactly the same but it will be exactly the same apart from two changes. Firstly, the decision will still be made on the basis of departmental evaluation but it will be signed off by the minister. Secondly, the public will be informed via a tabling procedure of that decision.

In the earlier debate on this Senator Harradine referred to this as increasing public

accountability. I accept that that is the case. There are some reservations which have been expressed around the chamber about setting a precedent in terms of ministers signing off on drugs. That is something which we could debate at some length. It is not a major concern to us. In terms of the AMA's apparent perception that we are in some way banning a drug from coming to Australia, that is not the case. We are making the minister sign off, if you like, and making sure that the public accountability is raised.

Senator CHAMARETTE (Western Australia) (5.30 p.m.)—I want to go back one step to the concern which has been raised by Senator Crowley and has been partially answered, I believe, by Senator Harradine. I wanted to get a comment, if I could, from both the parliamentary secretary and Senator Harradine on a very disturbing article that was in the *West Australian* newspaper dated today, Tuesday 21 May 1996. The article in part reads:

WA doctors warned yesterday that attempts by a senator to restrict the use of the abortion drug RU486 would rob them of an important tool used to treat breast, lung and brain cancer.

I will continue reading, because I think it is important for the context to be given. It goes on:

King Edward Memorial Hospital chief executive Gareth Goodier said the drug company which manufactured RU486 had warned it would withdraw the drug completely from the Australian market if Tasmanian independent Brian Harradine's restrictions were passed by Federal Parliament.

I find that a very disturbing article, for several reasons. One is that I think we should have an assurance from the minister that there is no question that an unintended consequence of this amendment could be that people who require this drug for treatment for other conditions—ones that have nothing to do with this amendment—will be disadvantaged and penalised in that way. I am also deeply perturbed that a drug company is using a threat of this kind against the Australian population, basically, and against the Australian Senate by saying that it wants to withdraw totally its activities in the country, even for beneficial purposes that are in no way related to this amendment.

I ask the parliamentary secretary, firstly, for his view on the likelihood of this prospect and, secondly, for some kind of reassurance for people who could be genuinely perturbed by that kind of information being spread in the community. I also seek a comment from Senator Harradine, in case he has not anticipated that this could be an unintended consequence of his amendment—which I believe is the thrust of the questions that Senator Crowley was addressing earlier.

Senator WOODS (New South Wales—Parliamentary Secretary to the Minister for Health and Family Services) (5.33 p.m.)—I am delighted to answer Senator Chamarette's question. I was slightly irate when I saw the article and had a previous communication. I thought it was from a Dr Goody rather than from Dr Goodier, but perhaps I am mistaken in that regard. I will come to the substance of what you are raising, but let me first of all point out to honourable senators that RU486 is not a valuable drug in terms of treating any of the cancers which are listed. I simply point out that, if it was so, why has it only been used on 10 patients, or some number of that order? If it is such a wonderful drug and if you would really be depriving patients of a valuable drug, why is it not more widely used? This is clearly something which has been dragged in to bolster an argument; but that is a separate issue.

Hypothetically, if it were a good drug, would there be any question of us trying to restrict its use in, say, meningioma—which is one of the potential uses of the drug? The answer is very clearly no. We have legal opinion to the effect that it would in fact be the case that the amendment moved by Senator Harradine would not restrict its access for those sorts of purposes. The amendment clearly states that it is the purpose of abortifacient uses that would be constrained by the legislation. As Senator Harradine has said, and I would reinforce it, certainly the last thing that either of us would want to do would be in any way to deprive patients of access to a drug which was beneficial in the treatment of cancer or, indeed, of any other serious illness.

Let me just say that RU486 is not on the market, so we are not depriving patients of a drug which is on the market. And it is not a drug which, as I understand it, is likely to come onto the market, according to the manufacturers—who, I believe, are Rhonpoulenc. We are not actually affecting a drug which is readily available on the market. It is imported in various situations, as far as I am aware, for a couple of clinical trials and for a handful of other indications.

Senator HARRADINE (Tasmania) (5.35 p.m.)—I do not think that I have anything further to add to the answer that has been given by the parliamentary secretary. It was certainly not in my intentions, and I made it perfectly clear.

There has been a lot of misinformation on this particular measure. I have a quite extraordinary statement by a Northern Territory person from the AMA. That statement has been checked with the head office of the AMA, and they disclaim authorship. I do not want to confuse the issue. I could privately give it to you for you to see what sort of extraordinary statements are being made. I hope that the Senate—as I believe it is doing—is examining this matter on its merits.

Senator CHAMARETTE (Western Australia) (5.36 p.m.)—Having given both the parliamentary secretary and Senator Harradine the opportunity to comment on that, I now ask the parliamentary secretary if there will be any opportunity to review this measure and any undesirable unintended consequences from the passage of this amendment, because that would obviously be something of concern.

Senator WOODS (New South Wales—Parliamentary Secretary to the Minister for Health and Family Services) (5.36 p.m.)—The answer is that we had not planned a formal review as such, but all these sorts of changes to the regulations involving usage and importation of drugs are reviewed on a very regular basis. There are a number of committees which actually do nothing else in life, apparently, but examine these matters. Some would say that there are too many committees to examine some of these issues. It is particularly something which is obviously important to

a number of people, on both sides of the argument, who will make sure that this actually works in the way in which Senator Harradine's amendment was intended to work.

Senator CHAMARETTE (Western Australia) (5.37 p.m.)—I have at least one further question, and it is to Senator Harradine. I am concerned about the wording of paragraphs (4) and (5) of your second amendment, which refers to the importation of restricted goods. They read:

(4) A written approval shall be laid before each House of the Parliament . . . within 5 sitting days of being given.

(5) Unless:

(a) a written approval is in effect;—

Is there any particular reason that we are being asked to support in this amendment the tabling and notification of an approval but we are not being asked for the notification or tabling of a rejection?

I raise this as it is a similar concern for other people. I am deciding my position on the amendment during this committee debate and on the basis of the answers I receive. I know that I do not hold the balance of power and that the issue may well already have been decided by other party positions. I wish that everyone here did have a conscience vote on this matter, because I think that that would give the people who are concerned about the passage of this amendment a greater degree of confidence in the determination of the Senate. I am sorry to digress a little bit, but that is the context in which I ask this question.

I believe that the appropriate accountability mechanism for an issue which has political and social components needs to be open and transparent. So I am slightly in favour of supporting the amendment, believing that it is the minister who should be accountable. I also think that notification would allow for a parliamentary debate without allowing a parliamentary veto, which could well be influenced by party political pressure and block voting.

I am concerned that this motion only half allows that debate to occur. Those people who are concerned about a rejection by the

minister for approval for trials feel that that decision will not be given the same level of scrutiny and accountability through ministerial process to which it is entitled. Is there any proposal to allow both approval and rejection decisions to be subjected to the notification process?

Senator HARRADINE (Tasmania) (5.39 p.m.)—Senator Chamarette has said that tabling of the decision in the parliament is not a trigger for a disallowance. That was in my original motion. I thank Senator Chamarette for expressing concern about that. It is fair to say that the government and the opposition were concerned about that for a number of reasons. As a result of the reasons being advanced to me, I dropped those parts of this amendment relating to them and did not move them. This measure requires the tabling of the decision in the Senate.

Senator Chamarette has asked, for example: if the minister is to table a decision to exempt RU486 from being a prohibited import, why should there not be a tabling of a decision which does not exempt? The measure that I am proposing arose out of a situation where a delegate in the department of health provided an exemption and told no-one, except the applicant. The decision was leaked by concerned people, people who were very much associated with the organisation which was the sponsor, who then provided the information.

That information was given to us for the estimates committee. It was asked of the Therapeutics Goods Administration: why did that decision take place when there was an undertaking, publicly given, for decisions of this nature to involve the minister?

Questions were further asked about the CTN, the clinical trial scheme, that has resulted. The Therapeutic Goods Administration has said that it was simply acting as a post box. If an application were made for a clinical trial—and that included a statement by an institutional ethics committee, whether it be a compliant institutional ethics committee or otherwise—and there was a payment of \$110, then that was the end of it. The Therapeutics Goods Administration had nothing else to do with it.

It was only because the decision of the delegate who approved the importation of that prohibited import was leaked by somebody within the system that the public found out about the matter; otherwise, the public would not have known about it. You may recall that the trial consent forms which were to be signed by women subjects of the trial were found to be inadequate and not to have contained vital information. As a result, the trial was stopped for a while.

Now we have got to the stage, hopefully, where the minister will assume ministerial responsibility and where the delegate in the department will not be required to take responsibility. We have gone one step further to say that the decision should be tabled in the parliament. The other side of the coin, relating to the decision not to approve, is not included. The reason, I suggest, is that the applicant would make absolutely sure that the matter was raised publicly. You can be absolutely sure of that. It would be in the interests of the applicant who was refused permission to raise it publicly. I have no doubt that that would occur both inside and outside parliament.

Senator CHAMARETTE (Western Australia) (5.45 p.m.)—I thank Senator Harradine for his exposition of the rationale of this amendment. Amendment No. 3, at 23AA(2), states that ‘A written approval shall be laid before each House of the Parliament by the Minister within 5 sitting days of being given’. I ask the minister whether changing the amendment to read ‘The Minister’s decision shall be laid’ would actually complicate matters or improve matters so they are more fair to all parties. I would not mind hearing Senator Crowley’s view. She is one of the people who have expressed concern about this.

I am concerned that some of the objections to this amendment have simply been to prevent a public debate and to actually suppress a dissenting voice. It may or may not be a voice I agree with. I believe that the public has a right to know the arguments that lie behind the importation of all therapeutic goods. There may be other categories that

deserve more public scrutiny than they currently get.

I am concerned that the parliament has done a Pontius Pilate in relation to the Therapeutic Goods Act. I have been trying to search for the reasons why Peter Baume raised the whole issue of distancing and putting at arms length these particular kinds of decisions from the minister. I actually think that, while there may be good aspects to that, there are also negative aspects to that. We deserve to have parliamentary scrutiny of decisions. We deserve to have a voice on issues and not simply leave them to boards of experts. That can result in the same kinds of political pressures and pressures from pharmaceutical companies that people are complaining would prevent us from adequately debating or deciding on that issue. There is a problem there.

That is the reason why I come into this debate at the point where I cannot say there is a clear-cut yes or no. If I support the amendment, it does not show that I think it is a clumsy instrument and it singles out one particular type of drug. There is no doubt about it; it is imperfect. However, if I do not support it, I am agreeing to a principle which I also believe is flawed.

If we were considering the importation of plutonium into this country, we would not leave it to an expert committee or an ethics committee; we would demand that this parliament had a say. I am keen that we see the processes of scrutiny and public consultation not undermined by distancing it. If this amendment can be improved in such a way that it allows a genuine public debate on an issue without putting undue pressure on the minister, but allows that kind of explanation to be given for reasons for a decision, it could be a beneficial amendment and it could warrant the support that I think it will probably get in this chamber.

Senator WOODS (New South Wales—Parliamentary Secretary to the Minister for Health and Family Services) (5.49 p.m.)—I do not feel strongly about the argument that Senator Chamarette has put forward. Senator Harradine’s arguments are very valid. We are essentially talking about how we increase the

public scrutiny of an important issue and the public accountability of an important issue.

The point that Senator Harradine made is that it is possible on the one side to allow scrutiny to take place with natural process. For example, if a particular organisation or manufacturer wanted to set up a clinical trial or a particular evaluation or a usage of a drug and that were turned down, it is pretty inconceivable that that would not be made public pretty quickly. Therefore, the suggestion which Senator Chamarette is making is probably superfluous in as much as that side of the fence will always be open to public scrutiny and accountability and, no doubt, public debate.

I am not quite sure why I am defending Senator Harradine; he is quite capable of defending himself. Senator Harradine is trying to say, 'Let's balance it up and make sure that the scrutiny is available, whatever the decision might be, and that the tabling and the actual formal statement about the decision is actually allowed, which in the past has had the potential to go through unnoticed until a late stage in the process.' Although I do not feel strongly about it, I am not sure that there is a necessity for it. I think there would be public debate on both sides if you accept what Senator Harradine is suggesting.

Senator CROWLEY (South Australia) (5.50 p.m.)—This is a point that has been of concern to me. If we are going to require under this amendment that the minister's decision to approve be in writing and therefore come into this place and be noted and open to public scrutiny, it seems to me to be quite surprising that we do not also require the minister's decision not to approve to come into this place and be open to scrutiny. I find it amazing that Senator Harradine is saying, 'I'm quite sure the vested interests which are making application would make public that they have not been allowed to proceed.' There may be many times when they would not. You could not rely on that.

That line might haunt you, Senator Harradine, compared to your consistency in terms of openness and accountability in other debates. You would not have wanted that same kind of 'Oh, well, you can expect that

they will take it up' to be sufficient to account for the people, for example, who might have wanted to oppose the clinical trials. It seems to me a bit unusual for you to allow that there is sure to be information in the public arena from, presumably, a pharmaceutical company that is given a rejection slip by the minister and that there is no need for that rejection slip to be made public in here. For the purposes of consistency, I would have thought Senator Harradine would find no trouble at all in allowing an amendment to his amendment that makes it the minister's decision and not approval. In the end, what is decided in this place will, no doubt, see the passage of this amendment.

The point that Senator Chamarette has raised—I appreciate her recalling it for me—is a very important point. If we are to go this way on the ground of public accountability and on the ground that the public should have access to information so that the community, being thoroughly informed, can then, on the evidence tabled in this parliament, discuss it further, proceed to another debate or whatever, it seems to me surprising that we should allow only 50 per cent of that information to come.

I think there is a de facto assumption, Senator Harradine, that you are presuming that, by and large, the minister will be giving approval, but there should not be any room for legislation to depend on that kind of assumption. If you want to argue openness, transparency and the rights of people to know, you cannot possibly say, 'But just some of the information.' For consistency, Senator Harradine, you more than most should be saying, 'You're quite right. It's an oversight. I agree, we should allow the minister's rejection to be as open to tabling and gazetting in this place as the minister's approval.'

Senator Harradine, I am shocked at your inconsistency on this point. You have a reputation for demanding transparency, for very often making your argument based on the right of people to know. I would argue with you about the focus of what they are entitled to know, but I am amazed that you would not accept the very reasonable proposition of Senator Chamarette. At least you

could accept an amendment to your amendment to allow full transparency and the opportunity for any rejection of approval by the minister or denial of approval by the minister to be equally open to gazettal and tabling and possible discussion in this place. To leave it up to those people who have put in the application to be very quick in making sure that it is known in the public arena is an insufficient fall back position and, as I say, Senator Harradine, is not up to your usual standard.

Amendments agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

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

That this bill be now read a third time.

Senator CHAMARETTE (Western Australia) (5.56 p.m.)—I rise to speak in the third reading debate on this bill because of the anguish that I went through in making my decision in relation to the amendment put forward by Senator Harradine. I would like to put on the public record the position that the Greens (WA) have taken on these amendments.

My colleague Senator Margetts indicated earlier in the second reading debate on this therapeutic goods bill that she already had a position—and that was a position that had the majority support within the Greens (WA), particularly amongst women's groups and people who felt that there was some difficulty with the amendments that were being proposed—but that she was not pre-empting my decision on that matter. As a consequence, I have been maintaining very close contact with this debate in order to actually determine what I would feel comfortable with at the end of it. In a way, because the issue is resolved, I seek the indulgence of my colleagues here to present that explanation. It was one that I did not mention in the second reading debate for obvious reasons.

The issue that we have been discussing may appear clear-cut to some people in one way or another. I believe that it is not a clear-

cut issue at all, and I think that the kinds of questions that were raised at the committee stage and that have been canvassed during the debate have been very important and appropriate. They basically go to the core of two issues, one of which is one of the most prominent social issues of our time. That issue concerns both personal liberties in relation to the unborn and the role of the state in relation to the individual.

It is my position, and it is also the position of the Greens (WA), that each decision concerning the termination of pregnancy is ultimately the right and responsibility of the individual woman concerned. That position is one, I believe, that people have felt was in jeopardy through some of the matters under consideration here. However, that decision is made in a social context which in this particular aspect—namely the availability of a drug which may be used to procure abortions—has at least two dimensions.

Firstly, there is the dimension of the responsibility to ensure the safety and health of users of the drug. That responsibility is discharged primarily by a committee of experts, as for any drug. I add that there has been a deal of debate on the issue of safety and the usage of that drug, not only in this country but internationally. It is quite difficult for lay people to access the kind of expert decision making bodies that may be dealing with that information if there is no public avenue for discussion of it. Secondly, there is the responsibility of the state with respect to the services available in our society by way of birth control generally.

This is not merely a matter of personal choice in which governments bear no responsibility other than to make that choice as broad as possible. For example, the way in which governments allocate resources between education on sexuality compared with abortion services will, to a large extent, determine personal choice. It is also true that the level of personal choice that is available is determined by the access to information, and to public information, on the topics involved.

Because there is no consensus in the community about the availability of this drug, the opinion of experts on its physiological effects

should not constitute the last word on whether it is made widely available. There is not only a health issue in the narrow sense—that is, whether the drug is safe—but also a question of whether the availability should be limited for ethical or policy reasons in the context of social policy. This debate is yet to be heard.

The states, which have responsibility for laws on surgical abortions, have largely swept the issue under the carpet. The laws against procuring abortions remain on the statute books but they are not enforced, while thousands of abortions are carried out each year primarily, it would sometimes appear, as a means of birth control.

Ultimately, our society may decide that it wishes abortion to be readily available on demand. My point is that the decision should be made openly and after taking into account community opinion. Senator Harradine's amendments address the need with respect to chemically induced abortions where community opinions may be directed and taken into account. The allocation of direct responsibility to the minister other than the usual committee no doubt constitutes a very imperfect system given the polarised positions of some community groups. It is nevertheless a mechanism which has been supported by this chamber and I believe deserves scrutiny. It deserves a watching brief on any unintended consequences which may occur to the detriment of the community.

I believe the question we have been looking at here is not the question for or against RU486. This question is really about who should have a say, who should have a voice and who should make the decision. While I was not prepared to at the end of the day support a mechanism which was imperfect, I nonetheless affirm the right of this parliament to have scrutiny over such issues. The position is basically taken from a point of view of: 'Do we delegate our responsibility in a Pontius Pilate fashion to experts? Do we look at it in terms of a majority view or a consensus view or take a check and balance approach?'

I believe the approach that has been taken is a check and balance one. I think it does bear grave responsibility on this parliament to

ensure that the dire predictions that have been made and which have really caused a great deal of anxiety and concern within the community of women across Australia—that their own rights would be violated by this parliament—are taken into great consideration in evaluating the effects of the decision to which this parliament has come today.

Senator CROWLEY (South Australia) (6.04 p.m.)—I rise on this third reading debate to draw to the attention of the Senate a matter brought to me as a consequence of the debate in this place on the Therapeutic Goods Amendment Bill. It is an urgent message I have received—I do not know how many others have received it—from Di Manning, Executive Director of Family Planning Australia Inc., calling on Senator Harradine to apologise for his misrepresentation in his speech on Thursday 9 May 1996. I would care to read the large amount of this message into *Hansard*. It states:

Family Planning Australia Inc. objects in the strongest possible terms to false accusations and allegations made in the Senate yesterday—

referring to Thursday, 9 May—

about the International Planned Parenthood Federation of which it is Australia's affiliated representative.

In debate Senator Harradine falsely and mischievously misrepresented the IPPF by saying that . . . "the International Planned Parenthood Federation, . . . is the greatest promoter of the concept of using abortions as birth control in Third World countries".

Nothing could be further from the truth Senator Harradine. Officially and without exception wherever it is active, IPPF stands and works for "**the elimination of the high incidence of unsafe abortion and increasing the right of access to safe, legal abortion**". This in no way translates into a proactive campaign of promotion of the concept of using abortions as birth control in third world countries, and Family Planning Australia on behalf of IPPF, demands an apology from Senator Harradine.

Senator Alston interjecting—

The ACTING DEPUTY PRESIDENT (Senator Childs)—Order!

Senator CROWLEY—If it is a matter of such importance, Senator Alston, I am glad you are listening instead of interjecting across the chamber. For the record, 500,000 women

die each year as a consequence of childbirth and related causes. That seems to me a matter of the greatest concern. A number of those deaths are due to unsafe abortion. This is a matter of the greatest gravity. The letter continues:

The facts are:

- . Globally, fifty million induced abortions are estimated to take place each year;
- . About half of these are euphemistically called "unsafe";
- . they are often a major health hazard.
- . The WHO has calculated that 500 women die each day from unsafe abortion.
- . In addition, millions are left with disease and injury.
- . Research suggests that for every one death, there may be up to 100 women infected or otherwise damaged as a result of unsafe abortion.

Over the past 20 years, improvements in family planning services, and the resulting rises in the numbers of women using contraception, have been mirrored by falls in maternal mortality and hospitalization for unsafe abortion.

In recognising that there is no perfect method of contraception, Family Planning Associations also recognise that some of their clients face unwanted pregnancies and the issue of abortion therefore has to be addressed. IPPF and Family Planning Associations see it as their responsibility to persuade governments and opinion leaders of the tragic consequences and costs of not removing the barriers which prevent women accessing safe abortion. Within this context, what individual Family Planning Associations are able to do is constrained by local laws and lack of resources. Where abortion is illegal, many FPAs carry out advocacy work and undertake research on the problem to back their advocacy services. Across the globe, discussions are held with influential people, religious and community leaders and policy makers. Some FPAs offer services for the management of post-abortion complications, or provide post-abortion counselling and contraceptive services. Where abortion is legal, some FPAs provide safe abortion services.

None of the above translates by any stretch of the imagination into a proactive campaign of promotion of the concept of using abortions as birth control in the third world countries. Such a statement is a blatant misrepresentation of the truth and underestimation and dismissal of the problem of unwanted pregnancies. And Family Planning Australia, on behalf of IPPF, demands an apology from Senator Harradine.

This statement was produced and authorised by:

Di Manning

Executive Director

Family Planning Australia Inc.

I read that for the record because I think it is a very powerful point. I certainly was appalled by what Senator Harradine had to say by way of a broad smear of anyone who seemed to have a different view from his during his few moments of heated rhetoric in his contribution to the debate. I do not think it helped at all, Senator Harradine, nor do such references as 'under the protection of the seemingly neutral World Health Organisation'. I think I am quoting you accurately. I understand they were the sentiments I heard but if that is to misrepresent you, Senator Harradine, I apologise in anticipation, but I do not think I do you an injustice with that reference.

What amazes me is that it takes a very important concern about the health of women for it to be raised in this chamber and very often by women. It certainly is a matter of concern that we have a lot of publicity and great concern about the deaths of people around the country from AIDS. I certainly am one of those who grieve and am very unhappy and sorry for people who suffer the consequences of AIDS. One has to feel the same grief and concern about those 500,000 women who die each year, but there has been nothing like the same passion or concern for those women, nor the 14 million, now reduced to about 11 million, children who die each year from easily preventable diseases.

I have to say that, on the best authority I have, none of those pregnancies are immaculate conceptions. I made the point in a slightly different way last time that men are involved in every one of those pregnancies. Yet what often happens is that women are left with very limited resources and very limited access to adequate contraception, let alone health education or preventive measures, and very often have to resort to abortion. Very often it leads to illegal abortion. Very often it leads to terrible consequences for those women.

I believe that the matters of population control—of better understanding the grief, the morbidity, the pain and the anguish and suffering of these women, their children and

their families—should be something that challenge this Senate instead of point scoring about whether or not abortion is being promoted. As I say, in reading this letter, that is a misrepresentation.

But I think we do need to look around the world and start being more fair in the allocation of our dollars, our health resources, our preventative programs and our education programs so that women's health equates to men's health and access to those services and we should be addressing any insufficiencies in either men's health or women's health. But the fact that 500,000 women can go on dying each year from largely neglect in the Third World is a matter of disgrace. It is time we took very seriously our concerns to assist those women toward better help so that they have choices other than abortion.

If you look at the Cairo conference about world population, if you look at the Stockholm conference about social policy, if you look at the Beijing conference—three terribly significant conferences in the last 12 or 18 months—you will see that all of them highlight one extraordinary factor; that is, where women have access to education, where women are literate, where women have some control and responsibility over their own lives, then you see much less need for the termination of pregnancies—for abortion—and less morbidity or mortality. I raised this point on behalf of this nation when I reported on the International Year of the Family at the United Nations. We need to be giving the resources, the funds, the information and the backup to women so that they can make healthier and saner decisions, not sitting in judgment in the way that Senator Harradine has done.

Senator HARRADINE (Tasmania) (6.12 p.m.)—Just let me deal with Senator Crowley's last statement. She has come in here in high dudgeon. She has just said something which I think we should focus our attention on because what we want here are the facts. No senator can suggest that on any issue, including this one, I have taken any other approach than a rigorous analysis of the facts and then applying those facts to the values that are held by people of goodwill

from all backgrounds to make a policy decision.

On this occasion I have taken the trouble to examine this matter thoroughly. I do not intend, in any shape or form, to respond to a suggestion that I should apologise to the International Planned Parenthood Federation. I do not intend to take the time of the Senate right here and now. But there will be an occasion for me, since you have invited me to and since the Family Planning Association has raised this subject, to set it down in detail.

The IPPF has its hands out for funds. The IPPF is saying that there are 500,000 maternal deaths each year. The implication of what you said was that the majority of those are from illegal abortions or botched abortions presumably.

Senator Crowley—No, some of them.

Senator HARRADINE—You read what you said. That is precisely the tack that is taken by IPPF in order to get more money and in order to require governments of Third World countries to implement abortion laws so that there is abortion on demand. That is what the IPPF is doing.

Senator Crowley, you finish off by making the statement—which was, I believe, a very strange statement—that there should be more money spent on sex education. You say that if more money were spent on sex education, there would not be so many abortions. Have a look at the countries that have most abortions per capita. They are the very countries, might I suggest, where there is widespread sex education. Just analyse it. Take the United States of America as one example of that.

Now let's hear from the people. As I said, since you have invited me, I will be very happy to deal with the International Planned Parenthood Federation. Had I had notice, I would have had the information and details here. But, since you have invited me, I will be happy to take the time of the Senate on another day on that matter.

Let me deal with this question of maternal mortality—something that is a tragic fact of life, unfortunately, in this world. I will not use my own words; I will use the words of

people who may not share my views on abortion and of some people who are well known international women's health activists. I will quote from a statement made by Sumati Nair, an international women's activist, referring to the International Planned Parenthood Federation, IPPF, and WHO. Might I just say that WHO is acting as the executing agency of the HRP, the human reproduction program, which is promoting RU486. That program is funded by World Bank, UNFPA, UNDP and certain other organisations. The quote reads as follows:

Sumati Nair says International Planned Parenthood Federation (IPPF) and WHO have approved and recommended drugs such as Norplant for use in family planning programs while admitting that not enough is known about their long-term effects. Nair says private population control agencies sponsor contraceptive research and select their own scientists, institutes and private agencies to do the studies, thus controlling the research and being able to suppress negative findings.

The appalling tragedy of maternal mortality is often cited by those who are seeking more funds for themselves, for example, the International Planned Parenthood Federation.

It goes on:

But Nair and her colleagues say that this argument is used to justify trials of inadequately researched hormonal contraceptives on third world women. "The major causes for the deaths of women are evidently not childbirth and related causes, but respiratory diseases and other parasitic infections . . . Poverty, malnourishment and poor health services that bring about high death rates are the very factors that give rise to high maternal mortality rates. It is the same women that are most likely to be the worst affected by the indiscriminate promotion of the new hormonal contraceptives . . .

This is other evidence for the case that it is not childbirth *per se* that is ending women's lives. A study titled: "Too far to walk: Maternal mortality in context, Part 3"—

and that study is by S. Thaddeus and D. Maine. The study is entitled *Women's global network for reproductive rights*, newsletter No. 37 of October-December 1991—

states: "Delays in the delivery of care are symptomatic of the inadequate care that results from shortages of staff, essential equipment, supplies, drugs and blood as well as inadequate management. Later or wrong diagnosis, and incorrect action by the staff are other factors [which] contribute to delays in the timely provision of needed care . . .

In addition to identifying the diagnoses in cases of maternal death, some hospital-based studies determine whether or not the deaths were avoidable. They generally find that while a small number of maternal deaths are unavoidable, the large majority are either entirely or probably preventable.

"For example, 98 per cent of institutional deaths studied in Tanzania, 94 per cent of maternal deaths studied in Cali, Colombia, 88 per cent of those studied in Vietnam and 80 per cent of those studied in Jamaica and in Lusaka, Zambia, were judged preventable by the respective investigators."

According to *Women's International Network News* (WINN), the highest maternal mortality figures in the world are in sub-Saharan Africa. WINN says the highest maternal mortality occurs in countries where female genital mutilation is widely practiced.

By the way, these quotes are from a book entitled *The New Imperialism: World Population and the Cairo Conference*. The book goes on to state:

Unvaccinated and anaemic women are also more at risk. These are the conditions which need to be rectified but are not, because of the emphasis on population control and family planning which—

including IPPF, which has its hands out for the scarce money—

are diverting money from health care and social services.

At the ministerial seminar on population and development in Canberra last November, Bangladeshi women's activist Farida Akhter of UBINIG which convened the Bangladesh symposium appealed to the then Prime Minister of Australia:

If you're giving any money at all, don't give it to the population controllers. We don't have money for health programs. Please, divert it to health programs.

I am rather pleased that Senator Crowley raised this matter because I believe that it is important that it be studied very carefully and that we do not take the views of persons who have self-interest, including IPPF, who have their hands out for the taxpayers' money. Taxpayers' money is thus being diverted from genuine health programs, particularly women's health and education programs required to overcome the major causes of maternal mortality in this world.

Senator LEES (South Australia—Deputy Leader of the Australian Democrats) (6.24

p.m.)—I wish to take the opportunity to speak on the third reading in this debate to put an alternative point of view to Senator Harradine who obviously has a very fixed position on this. He is opposed to women having access to abortifacients and his amendments are designed to achieve a ban on abortifacients here in Australia. I do not doubt that he will achieve that through the passing of those amendments with the support of Liberal and Labor parties.

For women in Australia, it will be back to a choice basically of surgical intervention or no intervention at all. To put the other side yet again and to say that I am not alone in my opposition to what he is doing here, I have faxes from a number of groups such as the National Council of Women, the Doctors Reform Society, the Australian Women's Health Network, as well as many from the Family Planning Association. I will just briefly read one letter from the National Association of Leading Women's Hospitals. It is written by Dr Gareth Goodier, president of Women Hospitals Australia and it says in part:

A number of our member hospitals are concerned that the amendments will continue to restrict access to RU 486, a drug that has been proven to be a cheaper and more effective treatment regime than surgery for women requiring termination of pregnancy. The issue of side effects of this drug has been one of focus, and one that is a furphy, particularly when considering the serious alternative of surgery.

We certainly appreciate that the Minister for Health ought to have some overriding power to veto this drug if in fact expert advice is that the drug is unsafe or if that is what the community has requested. However, the research is overwhelming in its support for the efficacy of this drug. In addition, there has been no such demand from a sizeable proportion of the community particularly women. The current provisions of the Bill mean that yet again women will be denied a choice in their health care.

And that is what all this has been about.

Question resolved in the affirmative.

Bill read a third time.

**CUSTOMS AND EXCISE
LEGISLATION AMENDMENT BILL
(No. 1) 1996**

Second Reading

Debate resumed from 6 May, on motion by **Senator Kemp**:

That this bill now read a second time.

Senator COOK (Western Australia) (6.27 p.m.)—As the Clerk has just informed the Senate, we are debating the Customs and Excise Legislation Amendment Bill (No. 1) 1996. This is an important bill, and I will go to the reasons in a moment. It is important apart from the reasons inherent in the bill because it is the first bill, I believe, in which the new government has presented a money bill to the Senate, a bill which will raise revenue for the government.

One would expect that in their first approach to this chamber with such a piece of legislation they would be careful to set the tone for their administration on these matters. In question time over the last sitting period we have heard government ministers in their answers to any questions which related to the economy refer to the so-called 'Beazley \$8 billion black hole'. We have heard that ad nauseam. Indeed, it seems to be an obligation on government ministers to repeat that phrase at least 50 times during every question time. What they are referring to is not, as they term it, the 'Beazley \$8 billion black hole', but rather the 'Costello con'. In technical terms they are referring to a forecast of what the budget deficit may be based on, parameters that the Treasury identified to the government after the election. Those parameters will change substantially between now and when the budget comes down. Any one of those parameters will dramatically affect the level of the deficit.

Nonetheless, this fallacious effort at agenda setting in the minds of the electorate has gone on and is the cornerstone upon which the government base all of their other strategies in telling almost all sectors in Australia that they should face cuts. They should do more with less. The razor has been wielded freely and widely across welfare, education, industry

support, health programs—and so goes the roll call.

The whole edifice of the government's approach to this budget is based on the fallacious assertion of the so-called \$8 billion black hole. It is avidly repeated as the justification for widespread cuts to programs which are ideologically inspired—ideological not in the sense that the government has any particular ideological conviction about balancing its budget, because the coalition's last performances in office do not demonstrate any such conviction whatsoever, but in the sense that it believes in small government and a smaller private sector. Under the cloak of this oft repeated phrase, it is about reducing the size of government services which impact most of all on those in needy positions in our society.

I have gone into that preamble because this is the first bill that the government has presented to this chamber in which it seeks to raise revenue. Had we continued in government, it is a bill that we would have, in every respect bar one, presented to this chamber. Indeed, when we were in government, we did present it to this chamber, but it lapsed on the parliamentary *Notice Paper* when parliament was prorogued for the election. As I have said, you would expect the tone for the new administration to be set in this bill.

The extraordinary thing about this bill, which is the one thing different in this legislation from what we had last presented, is that this bill gives money away. It gives money away to quarriers of limestone and part of the rural community. This is at a time when the government is bellowing from the rooftops that everyone should tighten their belts, that programs should be cut and that people should do more with less. It gives money away at a time when welfare is on the table for the scalpel and when, as we heard from the higher education people just this week, education programs are to be cut. At a time of budget stringency, the extraordinary thing about the first bill the government presents to this chamber is that it will give money away. The government estimates the amount it will give away to be in the order of \$600,000. It is more than that, but I just cannot turn up the actual reference.

Senator Parer—It is \$620,000.

Senator COOK—Thank you, Senator Parer. That must qualify as one of the all-time great rubbery figures. So when we expect the tone to be set, we see a rubbery figure bob up.

Senator Boswell—What's rubbery about \$620,000?

Senator COOK—Thank you for interjecting and asking that, Senator Boswell, because that is the point I was going to go on and explain. My recollection is that when we were in government and when we looked at the cost of this provision, the cost estimated to us was in the range between \$250,000 and \$2 million. It may well be that better calculations have been made to give more precision to the figure. Certainly, I intend to ask questions of that nature in the committee stage, or maybe Senator Parer, who on behalf of the government is shepherding this bill through this chamber, might care to give us, when he replies to the speeches in the second reading debate, some greater specificity as to how that figure is calculated. From my tenure as a minister in the previous government, I recollect that when this bill came through there was a range, and it was between \$250,000 and \$2 million.

But whether it was 1c or \$2 million, the principle is the same. The government identifies an area of the electorate which it is prepared to give money to while telling the rest of the electorate that they should shape up and gear themselves for budget cuts. I believe that what we have here in this example is gross and clear hypocrisy by the government.

It irks me to open my presentation on this bill with a negative threshold point, but the facts require that threshold point to be stated loudly and often. On every occasion that the government proceeds to strop its razor for yet another cut, this point should be made: when it suits the government, it will give a handout and a subsidy to its friends while telling the rest of the community to tighten their belts and do more with less.

The Customs and Excise Legislation Amendment Bill (No. 1) 1996 is familiar to

this chamber. As part of the budget process last year, the then government, the now opposition, recognised that revenue was haemorrhaging by virtue of the diesel fuel rebate scheme. We supported the scheme. We wanted to continue the scheme, but we wanted to focus the scheme on those who had the proper entitlement to it. It is a scheme that provides a substantial rebate, and for all those who are quite properly the beneficiaries of it there are many other players out there in the community looking to minimise their taxation, or looking to evade taxation, who have tried, by resorting to the law, to extend the definition of 'eligibility'. At the end of the day, funds were being paid to people that the government never intended them to be paid to. An amendment was needed to bring the act back into focus so that the intended beneficiaries were the beneficiaries, and the unintended free riders who had managed to change the law by judicial interpretation were eliminated.

We presented the bill to this chamber. It met a barrage of opposition. One could, if one were cynical, say there was obstruction in this chamber to delay its passage. This task was made easier by the fact that there were some 28 amendments from the government to its own bill and 32 amendments from the opposition and minor parties. The bill went out and came back when it was found that those amendments were not properly transcribed. The intent of the chamber was not passed into legislation. The bill needed to come back and be regularised. I think it came back in about August last year, but it lapsed when the parliament was prorogued because, given the weight of other business, we were not able to get to it on the *Notice Paper*.

Quite rightly, this part of the bill should pass in the body of the bill. We will not do as cynics might say the now government and former opposition did and try to block this bill. Good government requires this legislation to be carried. As a good opposition—soon to be a government again—we want to see it carried. We will support those parts of the bill that duplicate what we intended to do when in government. But I do not think there are grounds for supporting the bit that the govern-

ment has tacked on—which is a handout to their mates, a breaking of the principle of stringency, and an affront to the budget process they have set themselves. That is the approach they have taken with their first money raising bill.

The Greens have foreshadowed an amendment to the very clause that I have referred to relating to farmers using limestone to combat soil acidification. The Greens have been courteous enough to draw my attention to their amendment outside of the chamber and to explain to me its background and intent. I made appropriately sympathetic noises; however, on closer inspection, I find some difficulties in its drafting. I say that in a constructive voice to convey no lack of sympathy for the amendment's intent but to indicate the technical difficulty that could obstruct its execution.

The amendment, which we will debate at greater length in the committee stage, proposes adding provisions to the tax act rather than to this bill. The provisions would be inserted in that place in the tax act which we created when in government to deal with landcare. Landcare is, after all, the most significant environmental issue for this nation. Appropriately, when in government, we made provision in the tax act for deductions in the case of land-holders who were trying to recover their land.

As I said, I understand and am sympathetic to the amendment but it is poorly drafted and has some technical difficulties. Under the existing act, a taxpayer gets a rebate for landcare work. The Greens' amendment proposes that if a person is not a taxpayer—that is, they are not in a situation in which they have to pay tax—they can get a cash refund for this work. The technical difficulty that I refer to is that I am not at all sure that, constitutionally, such a provision could go into the tax act and provide for a payment to a person or entity who is not a taxpayer.

As this debate reels on I hope to get further and better particulars on that but it is that issue that causes me to think that, while I am sympathetic with the objective of the amendment, the constitutional provisions may not be there to give effect to it in the form in which

it is drafted. My second objection to the amendment is that it inserts into the act a quite lengthy preamble the terms of which, with the greatest of respect, I do not think appropriate to include in an act like the tax act.

As I said, this is a bill which, in all respects bar one, we would have presented to this chamber when we were in government. We will not engage in the sort of obstructive behaviour that the now government did when it was in opposition, attempting to embarrass us when we were in government and to fiddle with the revenue stream. We think it appropriate to support the bill and to be consistent on the principles of revenue and the narrowing and better definition of the intent of the diesel fuel rebate scheme.

It is the point with which I opened that causes me the most grief and concern. If the government were dinkum it would also be consistent on this point. It must be sorely embarrassing to the government that with this, its first bill, it is handing out money while telling everyone else in the country that they are for the chop in some element of payment. While the range of the figures we were advised of when we were in government are modest to say the least, I would appreciate it if Senator Parer, when he closes the second reading debate on behalf of the government, would explain how that figure of \$620,000 is calculated so that the efficacy of that amount can be tested. I support those parts of the bill that I referred to but oppose the last bit and I would appreciate some further explanation from the government.

Senator MARGETTS (Western Australia) (6.44 p.m.)—Nearly a year ago the Customs and Excise Legislation Bill was passed by this chamber. Problems with the wording of the amendments have cast doubt on claims for rebates under residential and mining components of the diesel rebate scheme. In the last session we had a bill to remedy these issues but it never reached the floor.

The Australian Democrats had prepared an amendment to that bill to allow a diesel rebate for the quarrying of limestone for the de-acidification of soil. We are assured that the bill we are debating, the Customs and

Excise Legislation Amendment Bill (No. 1) 1996, is essentially the same as that presented last year by the former government but with the addition of a rebate for quarrying limestone for agricultural use.

We acknowledge the importance of de-acidification, and the Greens (WA) certainly wish to support this important soil treatment. I do, however, have a few questions. Last year I made the point that soil treatment for de-acidification is already 100 per cent deductible under 75D(1B)(c) of the Income Tax Assessment Act. There were apparently some doubts, due to a poorly worded Department of Primary Industries and Energy pamphlet, but these doubts have been clarified, and I understand that the situation that caused them to arise has been clarified.

Applying limestone for de-acidification is 100 per cent deductible. My understanding is that deductions can also be carried forward under the income equity provisions that allowed businesses with good and bad years to spread costs and obligations. I also pointed out that although limestone has other agricultural uses, use for de-acidification generally involves periodic application on a cycle of between four and 10 years. This makes it somewhat easier for farmers to choose the timing of outlays to correspond with what looks like a good year.

I make that point because at issue is the perennial problem that for farmers landcare expenses involve up-front outlays of capital, where there is no assurance that income will be sufficient to make tax deductibility relevant. In other words, a tax deduction gives no benefit unless there is enough tax obligation for it to be fully used.

My understanding of the current government amendment is that the intention is to benefit farmers in the interest of landcare. It is not, in my understanding, mainly intended to benefit limestone quarries. The purpose is to reduce the sale cost of limestone to farmers using it for de-acidification. Since that is the case, I have real concerns that the government may be creating major problems for itself by setting up an unworkable distinction. The diesel used in limestone quarrying for soil de-acidification in agriculture is extreme-

ly difficult to differentiate from limestone quarried for other purpose. I think they will be placing a very large burden on inspectors and some significant compliance costs on quarries, which will presumably have to prove their claims against an Australian Tax Office audit. While it is clearly the intention that quarries should make the distinction, do the paperwork and pass on the benefits to farmers, there is no guarantee that this will happen. There is no stipulation that benefits should be passed on.

The government appears to be making the assumption that, because limestone use for cement is generally ground much more finely, it is therefore simple to distinguish non-agricultural uses. I remind them that limestone used for cement is less than half the limestone produced, and total agricultural use is about three per cent. Limestone for construction and aggregates is much more difficult to distinguish from agricultural use than cement, and agricultural use is not confined to the definition in the government amendment. Limestone is used for soil dressing for purposes other than de-acidification, and also used for on-farm roads and other purposes. I really do not think that it will be so easy to distinguish in an audit and, in any case, will require record keeping of evidence by the quarry.

I also note the quarries have indicated that they would like to expand this window of opportunity. In the committee last year, they talked about the cost of limestone for agriculture, including the cost of roadworks, clearing the overburden, and other costs extremely difficult to separate from general quarry costs, unless the agricultural limestone comes from a separate quarry—which is extremely unlikely and probably uneconomic, adding substantially to the cost.

I imagine that quarries may consider the whole thing too hard and not bother with the paperwork, and could charge farmers a standard rate for limestone. I imagine that even if they wished to give farmers some advantage, it would not be full advantage of the rebate, since the quarries have entailed real costs and to pass on all the advantage would make the rebate a negative benefit for the quarries. Either way, the benefit to farmers would be

substantially less than might be imagined from this legislation. The costs in terms of ATO auditing and monitoring will be imposed on government, and there is potential for revenue leakage to other areas of limestone quarrying, which is by far the major purpose of limestone quarrying. This amendment is meant to benefit farmers. I notice that I am short of time. I will endeavour to explain my amendments to Senator Cook, who has questions about them, when I complete my speech.

Debate interrupted.

DOCUMENTS

The ACTING DEPUTY PRESIDENT (Senator Childs)—Order! It being 6.50 p.m., we turn to the consideration of government documents tabled earlier this day.

Treaty—Bilateral Agreement with Indonesia on Maintaining Security

Senator MARGETTS (Western Australia) (6.51 p.m.)—I move:

That the Senate take note of the document.

I rise to speak on the Australia-Indonesia security agreement. This agreement, signed by Indonesian foreign minister Ali Alatas and former foreign minister Gareth Evans on 18 December in Jakarta, is another indictment of Australia's human rights approach. It smacks of the continuing superiority of Defence riding roughshod over foreign affairs and human rights policy. It is also a slap in the face for indigenous people fighting for self-determination and democratic rights in Indonesia.

The coalition government's response to this treaty in December was one of democratic process—hardly the central issue, although it was significant. The present Minister for Foreign Affairs (Mr Downer), who at the time was the shadow minister, responded aptly with comments that the definition of 'adverse challenges' in the treaty was too broad and should have been limited to 'external challenges'. The coalition has since been silent about the breadth of the treaty and has been busy working to upgrade it through annual security 'Polmin' talks between Indonesian and Australian foreign affairs and defence ministers.

Both approaches by the major parties have put security issues above human rights, and will put Australia in a difficult position in lining up with Indonesian security concerns with others in the region. Despite the coalition's noises before the election to further the issue of East Timor during their time in government, this treaty and its proposed strengthening may well set back the cause of East Timor many years.

The Australia-Indonesia security agreement is a slap in the face for East Timor and an injustice to the people fighting for self-determination in Indonesia. Article 2 of the treaty is the most serious component which binds Australia into complicity with helping to combat Indonesia's security threats. Article 2 of the treaty states:

The Parties undertake to consult each other in the case of adverse challenges to either party or to their common security interests and, if appropriate, consider measures which might be taken either individually or jointly and in accordance with the processes of each Party.

Indonesia, as we all know, does not face external threats but focuses its military strength on perceived internal security threats such as people fighting for self-determination, democratic rights, freedom of speech and the right to unionisation. Therefore, due to the broad wording which makes reference to any 'adverse challenges to either party', it is highly likely that Australia at some stage may be called upon to assist with civil conflict in areas such as East Timor, Aceh and West Papua. Both East Timor and West Papua have Australian economic interests such as oil investments and the 18 per cent owned Freeport goldmine which could be deemed to be within Australia's security interests to protect.

This treaty does not necessarily invoke an obligation for Australia to intervene in Indonesia's security problems but it does give a treaty basis for Australia to get involved if it wants to and allows Indonesians to ask us to get involved with Australia having to answer a public yes or no, making it difficult for us to object.

It is a sad and shocking situation where Australia cannot see the links between its role

in overseas development and security challenges to itself. Australian companies have been involved in developments such as the Ok Tedi mine in Papua New Guinea; Freeport mine in West Papua, which is 18 per cent Australian owned; and Australian subsidiary CRA in Bougainville. These mines have all led to environmental degradation and insecurity, social and economic inequality. These are the roots of conflict which have been violently suppressed by the national governments in Papua New Guinea and Indonesia and have resulted in countless cases of human rights abuse.

Australia then sees this visible conflict as a threat to itself and sees this as a justification for arming and training the oppressors. This goes on at the expense of the ordinary people fighting for democracy, political and civil rights and freedom of expression—things that Australia is meant to value and work towards as a decent international citizen.

This treaty then is about keeping and strengthening this amoral and unethical relationship with Indonesia. Instead of pressing this regime to change the way it treats its people, we help them to suppress them. We do this to protect our economic investments that were never viable if they were not environmentally sustainable. We also do this to placate a regime which can secure our investments for us through violence and repression. We do this out of some ridiculous notion that Indonesian internal threats, or pro self-determination and democracy movements, are somehow a threat to us.

The government should wake up and deal with the roots of conflict, bringing in codes of conduct for companies operating overseas, and it should monitor the human rights situation closely. There are projects proposed that could ignite such as Bougainville. West Papua and Lihir are often mentioned. Our aid programs could do more to harvest community development which makes the community self-sustaining. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**Australian Science and Technology
Council**

Senator COOK (Western Australia) (6.57 p.m.)—I move:

That the Senate take note of the document.

This document is from the Australian Science and Technology Council, a council comprised of eminent Australians most of whom are scientists but some of whom are social scientists—not scientists in the sense classically ascribed to physicists, chemists or engineers. They are all eminent and are all concerned to try to peer into the future to see what Australia's needs will be in the year 2010.

This is a report that rightly comes to the Senate under the hand of the current Minister for Science and Technology (Mr McGauran), and I acknowledge that. Nonetheless, and I might say this with some pride, it is a report that I was associated with in its infancy. The council approached me as the then science minister indicating their intention to carry out a foresight study in order to anticipate Australia's future needs so that we could better plan to meet those needs in a more intelligent way.

I have followed the processes engaged in by ASTEC as they have evolved this report. I have spent some time in direct session with them contributing in my small way—and I emphasise 'small way'—what I could as science minister the perspective of the then government about the challenges of the future.

Senator Kemp—You weren't that bad, Peter.

Senator COOK—Thank you, Senator. They have produced an outstanding report, which I commend to honourable senators and to the wider community, which is the first in a series of reports. ASTEC intends to update their findings and get a better definition on those findings as the months and years roll by so that we in Australia can engage what is unique for us but not uncommon elsewhere in the world—that is, a concerted effort to try to intelligently forecast the future or at the very least identify major challenges for the country in the future.

The executive summary sets out the key forces for change identified by ASTEC that

will influence Australia by 2010. They are, firstly, the global integration process; secondly, the application of information and communications technology, which they identify as one of the most revolutionary changes that can affect modern society; thirdly, the move by popular demand to environmental sustainability to obtain a more sustainable environment for the world; and, fourthly, the advances in biological technologies. They see those as the four key forces for change.

It is not for me to go on and try to paraphrase what is an excellent and full report. To do so would be to do an injustice to it because I would miss elements and nuances that are quite important. What I do want to say is that this report comes down very much on the side of encouraging an innovation culture in Australia: a culture of being able to adapt existing modes of doing things to new stimuli or new needs in society by keeping a flexible and open mind; of being able to take the best of what is around and use it in a way that meets the social, economic, community and political needs of our society.

It is against that background that I find it absolutely unbelievable that the coalition should have forecast just before the election—without sufficient notice for industry to deal with it—and now, in government, seems hell-bent on pursuing the entire abolition of the programs enunciated by us in government in the innovation statement. Australians have got too used to seeing inventions in this country commercialised by foreigners, to the greater reward of those foreign corporations.

The innovation statement was about setting a national innovation agenda in place so that the creativity of Australian scientists could be brought to the market as goods or services by Australian firms to win a greater place for Australian companies, and greater and more intelligent employment by Australians, in the world market place. The government has announced all of that is to go by the board. (*Time expired*)

Question resolved in the affirmative.

Senate adjourned at 7.02 p.m.

DOCUMENTS**Tabling**

The following government documents were tabled pursuant to the order of the Senate of 18 August 1993:

Australian Science and Technology Council Act—Australian Science and Technology Council—Report—Developing long-term strategies for science and technology in Australia—Outcomes of the study: matching science and technology to future needs 2010, May 1996.

Christmas Island—Audit of the account of receipts and payments and statement of the position in the winding up of Phosphate Mining Corporation of Christmas Island—Report by Coopers and Lybrand, 12 January 1996.

Employment, Education and Training Act—National Board of Employment, Education and Training—Australian Research Council—

Collaborative activities of the Institute of Advanced Studies, the Australian National University—Report for 1994.

Evaluation program—Reviews of grants outcomes—

Astronomy and astrophysics 1988-1992 (No. 20).

Experimental physics 1988-1992 (No. 19).

National Road Transport Commission Act—National Road Transport Commission—Report for 1994-95.

Treaties—

Text together with national interest analysis—

Bilateral—

1. Treaty with South Africa on Extradition, done at Brisbane on 13 December 1995. The Treaty will enter into force 30 days after an exchange of Notes, pursuant to Article 16.1.

2. Treaty with Hungary on Extradition, done at Budapest on 25 October 1995. The Treaty will enter into force 30 days after an exchange of Notes, pursuant to Article 16.1.

3. Agreement with Romania on Trade and Economic Cooperation, done at Bucharest on 8 November 1995. The Agreement will enter into force when Notes are exchanged, pursuant to Article 12.

4. Agreement with New Zealand Establishing a System for the Development of Joint Food Standards, done at Wellington on 5 December 1995. The Agreement will enter into force on an exchange of Notes, or date therein agreed, pursuant to Article 13.

5. Treaty with Hungary on Mutual Assistance in Criminal Matters, done at Budapest on 25 October 1995. The Treaty will enter into force 30 days after an exchange of Notes, pursuant to Article 22.1.

6. Treaty with Indonesia on Mutual Assistance in Criminal Matters, done at Jakarta on 27 October 1995. The Treaty will enter into force 30 days after Notes are exchanged, pursuant to Article 22.1.

Multilateral—

7. Agreement Establishing the International Institute for Democracy and Electoral Assistance (International IDEA), done at Stockholm on 27 February 1995. Signed for Australia 10 November 1995. The Agreement, which entered into force generally on 27 February 1995, will enter into force for Australia 30 days after notification that the formalities required by national legislation have been completed, pursuant to Article XVII.3.

8. Convention for the Pacific Settlement of International Disputes [Hague I], done at the Hague on 18 October 1907. The Agreement will enter into force for Australia sixty days after notification of ratification or adhesion has been notified to the Netherlands Government pursuant to the provisions of Article 95.

9. Second Protocol to the General Agreement on Trade in Services, done at Geneva on 6 October 1995. The Government is considering acceptance of this Protocol.

10. Third Protocol to the General Agreement on Trade in Services, done at Geneva on 6 October 1995. The Government is considering acceptance of this Protocol.

National interest analysis for treaties previously tabled—

Bilateral—

11. Treaty with Brazil on Extradition, done at Canberra on 22 August 1994. The Treaty will enter into force 30 days after an exchange of Notes, pursuant to Article 21.1. [*Text of treaty previously tabled in the Senate on 30 November 1994.*]

12. Treaty with Ecuador on Mutual Assistance in Criminal Matters, done at Quito on 16 December 1993. The Treaty will enter into force 30 days after Notes are exchanged, pursuant to Article 22.1. [*Text of treaty previously tabled in the Senate on 23 August 1994.*]

Multilateral—

13. Agreement Establishing the Association of Tin Producing Countries (ATPC), done at London on 29 March 1983. Withdrawal of

Australia's membership of the ATPC is under consideration. [*Text of Agreement previously tabled in the Senate on 12 November 1985*].

Text, together with explanatory note—

Bilateral—

14. Exchange of Notes constituting an Agreement with Hong Kong, done at Hong Kong on 4 December 1995, to further extend the Agreement concerning the Investigation of Drug Trafficking and the Confiscation of the Proceeds of Drug Trafficking of 22 April 1991. The Head Agreement entered into force on 3 June 1991 and was extended for a further year until 3 June 1997 by an exchange of Notes on 4 December 1995, which entered into force on that date, in accordance with the provisions of the Notes.

15. Exchange of Notes constituting an Agreement with Papua New Guinea, done at Kavieng on 9 December 1995, pursuant to Articles 3 to 5 of the Treaty on Development Cooperation of 24 May 1989. The Agreement entered into force on 9 December 1995, the date of the Note in reply.

16. Exchange of Notes constituting an Agreement with New Zealand, done at Canberra and Wellington on 25 and 29 January 1996, to extend the Agreement between the Government of Australia and the Government of New Zealand concerning Royal New Zealand Air Force Skyhawk Aircraft involvement in Australian Defence Force Air Defence Support Flying of 13 July 1990. The Agreement entered into force on 1 March 1996, the date specified in the Notes.

17. Exchange of Notes constituting an Agreement between the Government of Australia and the Government of the United States of America concerning certain Mutual Defence

Commitments, done at Sydney and Canberra on 1 December 1995. The Agreement entered into force on 1 December 1995, the date of the Note in reply.

18. Exchange of Notes constituting an Agreement with the Korean Peninsula Energy Development Organization (KEDO) regarding an Australian Financial Contribution to KEDO, done at Canberra and New York on 8 and 19 December 1995. The Agreement entered into force on 19 December 1995, the date of the Note in reply.

19. Agreement with Indonesia on Maintaining Security, done at Jakarta on 18 December 1995. The Australian Note, pursuant to Article 4, was deposited on 18 December 1995.

Explanatory note for treaty previously tabled—

Withdrawal—

20. International Agreement on Jute and Jute Products, done at Geneva on 3 November 1989. Instrument of withdrawal deposited for Australia on 26 January 1996. The withdrawal entered into effect on 25 April 1996, ninety days after the deposit of the instrument pursuant to Article 43.2. [*Text of the 1989 Agreement was tabled in the Senate on 26 November 1991*].

The following documents were tabled by the Clerk:

Corporations Act—Regulations—Statutory Rules 1996 No. 51.

Fishing Levy Act and Fisheries Management Act—Regulations—Statutory Rules 1996 Nos 52 and 53.

National Health Act—Regulations—Statutory Rules 1996 No. 46.

Public Service Act—Determination—

1996/25, 1996/68 and 1996/69.

LES 1996/9-LES 1996/11.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Labour Market Programs: Women

(Question No. 5)

Senator Woodley asked the Minister for Employment, Education, Training and Youth Affairs, upon notice, on 28 March 1996:

(1) Are there labour market programs specifically designed for: (a) women who are widowed; (b) women over 50 years of age; (c) men over 50 years of age; or (d) those who may have been out of the work force for a considerable period, for example, while raising a family; if so, please provide details of those courses.

(2) How many women: (a) over 40 years of age; and (b) over 50 years of age, undertook training courses as part of the Job Search requirements in the most recent 12 months for which figures are available, and of those women how many were in: (a) full-time employment: (i) 3 months, (ii) 6 months, or (iii) 12 months; after completing that course; and (b) how many were in part-time employment.

Senator Vanstone—The answer to the honourable senator's question is as follows:

(1) It is recognised that jobseekers in these groups are at high risk of becoming long term unemployed and they are therefore immediately eligible for most Labour Market Programs (LMPs) upon registration as unemployed with the Commonwealth Employment Service. There is a wide range of assistance within which the needs of such groups can be addressed.

Women who are receiving a widow allowance or widow pension from the Department of Social Security can receive assistance under the Jobs, Education and Training strategy which provides information, advice, training, job search and employment placement assistance specific to their individual needs.

Jobseekers with substantial time out of the work force (defined as little or no work experience over a period of three years or more) are immediately eligible for most LMPs and case management.

(2) During the 12 month period 1 April 1995 to 31 March 1996:

(a) 66,003 LMP places were taken up by women over the age of 40 years; and

(b) 19,764 of these were taken up by women over 50 years of age.

The latest available outcomes information is for clients who left program assistance in the year to end September 1995. A total of 38,839 women aged over 40 years, including 10,793 aged over 50 years, left assistance in that period. Post Program Monitoring survey data show that:

(a)(i) 13 percent of these women were in full-time unsubsidised jobs 3 months after the end of their program participation; and

(ii) and (iii) additional survey data gathered in 1995 indicate that these employment outcome levels would be sustained both 6 and 12 months after the end of program participation.

(b) A further 24 percent were in part-time unsubsidised jobs.

Taxation

(Question No. 17)

Senator Woodley asked the Minister representing the Treasurer, upon notice, on 16 April 1996:

(1) Is the Minister concerned about the tax minimisation arrangements which have occurred by the Queensland Professional Credit Union (QPCU) allowing its General Manager to convert accrued long service leave and annual leave as a direct deposit to his superannuation.

(2) How widespread is the practice of companies directing before-tax employee payments into superannuation funds.

(3) Will the Government introduce legislation to outlaw the practice of using salary sacrifices as a means of minimising tax.

(4) What is the amount of revenue lost to the Australian Taxation Office (ATO) that these practices represent.

(5) Will the Government encourage the ATO to pursue the amount of lost revenue.

(6) Will the members of the QPCU have to 'foot the bill' for taxation reimbursement, legal fees, payroll tax and penalties incurred because of the arrangement described in (1).

(7) Will the Federal Treasurer draw the attention of the Queensland Treasurer to these matters to

ensure that the integrity of the Australian Financial Institutions Code is reinstated so that the workers of Queensland can have confidence in their credit unions.

Senator Short—The answer to the honourable senator's question is as follows:

(1) The secrecy provisions of the income tax laws prevent the Commissioner of Taxation from advising me about a specific arrangement entered into by QPCU.

In general terms however, there is no cause for concern as these types of arrangements do not involve any tax minimisation.

Salary sacrifice arrangements occur where an employer and an employee negotiate the mix of cash and non cash remuneration to be received for services rendered. To be effective, the employee must enter into the agreement and contractually forgo the right to the amount of salary that is to be sacrificed before the point at which any relevant employment services have occurred.

Where the entitlement to remuneration has already accrued, there can be no salary sacrifice arrangements. For example, in a situation where an entitlement to receive long service leave and annual leave has already been established, any attempt to subsequently salary sacrifice those amounts will not be effective for income tax purposes. Rather the gross payment (ie. accrued long service leave and annual leave) made to a superannuation fund as contributions for an employee would, pursuant to sections 19 and 25 of the Income Tax Assessment Act 1936 (ITAA), be income derived by the employee and would, by virtue of section 221A of the ITAA, be salary or wages.

Accordingly, such an amount should be taxed to the employee at his/her marginal tax rate and the sum transferred to the superannuation fund would be net of tax.

(2) Indeterminable. Salary sacrifice, as described in (1) above, is an accepted form of salary packaging arrangements. It is also relevant to note that the fringe benefits tax laws apply to non cash remuneration of employees, although superannuation contributions made by an employer on behalf of an employee are not subject to the fringe benefits tax.

(3) No amendments to the ITAA are necessary (see (2) above).

(4) There is no loss of revenue from the arrangements described in (1). The ATO has an ongoing compliance program to ensure that any salary sacrifice arrangements are entered into correctly.

(5) There is no amount of lost revenue from the arrangements as described.

(6) The Commissioner of Taxation is unable to comment on this point.

(7) A copy of Senator Woodley's question and this response will be forwarded to the Queensland Treasurer for information.

Primary Industries and Energy: Staff

(Question No. 20)

Senator Bob Collins asked the Minister representing the Minister for Primary Industries and Energy, upon notice, on 18 April 1996—as at 3 March 1996:

(1) How many staff were employed in the department, and where were they located, in the following categories: (a) senior executives; (b) senior officers; (c) professional staff; (d) inspection staff; (e) administrative staff; (f) general services officers; and (g) trainees.

(2) How many males and females, by employment category and location, were employed by the department.

Senator Parer—The Minister for Primary Industries and Energy has provided the following answer to the honourable senator's question:

(1) and (2) The total number of staff employed in the Department as at 3 March 1996, broken down by employment category, location and gender of staff, is detailed in the table at Attachment A.

Attachment A
Staffing Overview—DPIE—as at 3/3/96

Classifications	Central Office		NSW		NT		Queensland		SA		TAS		VIC		WA		Total
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	
Senior Executives	97	14	1	0	0	0	0	0	1	0	0	0	0	0	0	0	113
Senior Officers	569	187	7	1	0	0	6	0	0	2	0	0	4	2	3	0	781
Professional Staff	550	213	36	5	0	0	51	0	15	5	2	0	29	4	15	3	928
Inspection Staff	2	0	362	5	9	0	271	6	120	2	19	0	178	2	59	0	1035
Administrative Staff	318	556	139	56	1	0	103	39	46	10	0	0	79	38	12	17	1414
General Service Officers	17	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20
Trainees	9	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14
Grant Total	1562	978	545	67	10	0	431	46	183	17	21	0	290	46	89	20	4305

Note: Staff located in overseas offices are included in Central Office figures.