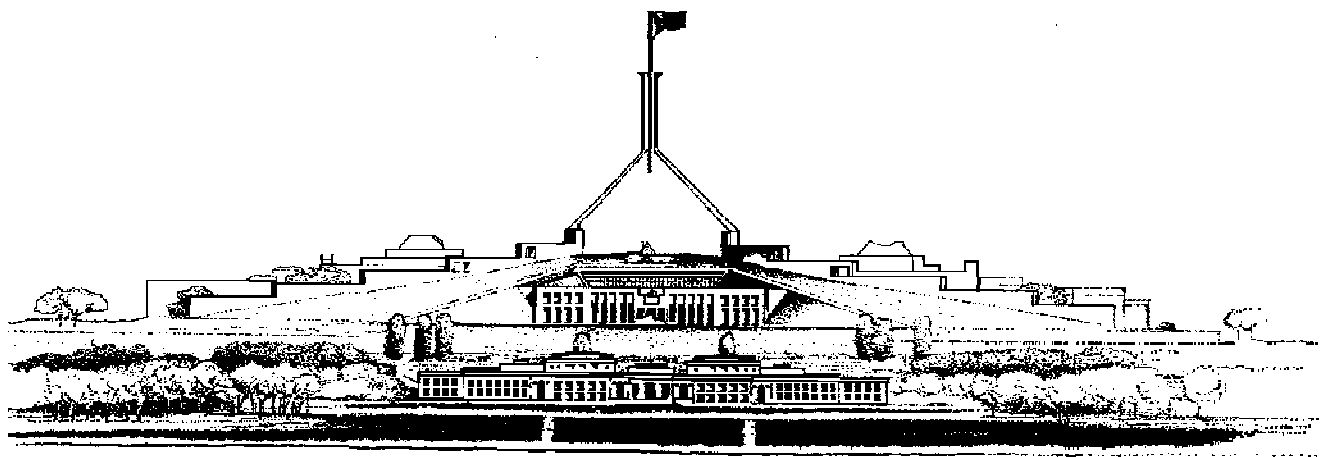




COMMONWEALTH OF AUSTRALIA
PARLIAMENTARY DEBATES



SENATE

Official Hansard

THURSDAY, 12 NOVEMBER 1998

THIRTY-NINTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

BY AUTHORITY OF THE SENATE
CANBERRA

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Thursday, 12 November 1998

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

PETITIONS

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

Uranium

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

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

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

by **Senator Bartlett** (from 60 citizens).

Timed Local Calls

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

The petition of certain citizens of Australia draws to the attention of the Senate the regressive decision by the Howard Government to allow small businesses to be charged for timed local calls on data services such as electronic mail, facsimile, the internet and other on-line services. This measure, if implemented, will have an adverse effect on the profitability, development and growth of small businesses across Australia.

Your petitioners therefore pray that the Senate recognise that timed local calls on data services is an untenable proposition for small business. We call on the Howard Government to live up to its election promise to guarantee untimed local calls for small business in both voice and data services.

by **Senator Murphy** (from 60 citizens).

Child Care

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

The Petition of the undersigned shows that:

The Federal Government's childcare policies are reducing the quality of care and making it unaffordable.

Fees have risen by up to \$25 at some services and families are being put under pressure trying to meet the extra costs.

The Government's cuts and changes to child care are forcing parents, often mothers, to reduce the hours they work or quite work altogether reducing family income and making it harder for families to meet weekly costs.

The Government's changes are forcing some parents to choose unlicensed backyard care which could put our children at risk.

Your Petitioners ask that the Parliament:

make the necessary changes to ensure child care is affordable, quality care that is meeting the needs of Australian families.

by **Senator Murphy** (from 11 citizens).

Australia Post: Proposed Deregulation

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

The Petition of the undersigned shows that we are opposed to the National Competition Council Report proposals to deregulate Australia's postal service as they will drastically reduce the revenue of Australia Post resulting in adverse impacts for most Australians including increased postal charges, reduced frequency of services, a reduction in counter and other services currently provided and a loss of thousands of jobs.

Your petitioners request that the Senate reject the NCC Report proposals and support the retention of Australia Post's current reserved service and the uniform postage rate, the existing cross-subsidy funding arrangement for the uniform standard letter service and require a government assurance that no post office (corporate or licensed) will close due to these proposals.

Further we call on the Senate to support the expansion of the existing community service obligation of Australia Post to encompass a minimum level of service with respect to financial and bill paying services, delivery frequency, parcels services and access to counter services, whether through corporate or licensed post offices.

by **Senator Murphy** (from 12 citizens).

Women

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

The petition of certain citizens draws the attention of the Senate to the negative effects the Government's jobs, education and health policies are having on Australian women. Failure to create jobs and sustain decent wages together with the rising costs of education, health and childcare which have resulted from deep Budget cuts have reduced both the incomes and the opportunities of Australian women.

Your petitioners therefore ask the Senate to implement policies which advance the position of

Australian women and which reverse much of the damage that has already been done to women as a result of two Federal Budgets.

by **Senator Murphy** (from 18 citizens).

Petitions received.

NOTICES OF MOTION

Wool International Amendment Bill 1998

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

That the provisions of the *Wool International Amendment Bill 1998* be referred to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 25 November 1998.

Fitzroy Dam

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

That the Senate—

(a) notes that:

- (i) the Fitzroy Dam proposal in northern Western Australia has been put on hold,
 - (ii) the use of the waters of the Fitzroy River to irrigate large areas of arid and fragile land for growing cotton and other crops would have been ecologically and culturally devastating, and
 - (iii) the Australian Democrats expressed their opposition to this dam proposal in the Senate two and a half years ago;
- (b) congratulates the traditional owners of the region and conservation groups who have fought this ill-conceived proposal; and
- (c) urges the Commonwealth Government to call on the Western Australian State Government to remove all references to the dam and cotton growing proposal from its memorandum of understanding with Western Agricultural Industries, to safeguard the area from the alternative of irrigation from ground water.

Centrelink: Staffing Levels

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

(a) notes, with grave concern:

- (i) the decision of the Government to cut 5 000 jobs from Centrelink,
- (ii) that this figure represents nearly one quarter of current staffing levels for the agency,
- (iii) that this decision has been taken despite the findings of the Commonwealth Ombudsman's annual report which revealed that more than 10 000 complaints have been made about the standard of service delivery by that agency, more than any other government agency,
- (iv) that this decision will severely hamper the delivery of vital services to families, the unemployed, young people, disabled people and pensioners,
- (v) that this decision will cause a significant increase in unemployment in the Australian Capital Territory, with 800 of the 5 000 redundancies being in that territory, and
- (vi) that it is anticipated by the agency that a disproportionate number of staff to be made redundant will be women; and

(b) calls for:

- (i) this decision to be reversed, and
- (ii) the Government to ensure that Centrelink receives adequate funding to deliver services to the 8 million Australians dependent on them.

Greenhouse Gases

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

That the Senate—

(a) notes that:

- (i) the Government committed Australia to stabilising its greenhouse gas emissions at 1990 levels by the year 2000 by signing the convention for climate change,
- (ii) the Coalition Government's subsequent negotiation at Kyoto meant Australia would be able to increase its emissions by 8 per cent,
- (iii) the latest greenhouse gas inventory shows that Australia has, 2 years before the deadline, already increased its emissions by 9 per cent,
- (iv) federal and state governments are proceeding with new power generation from fossil fuel sources, cutting the diesel fuel excise and providing subsidies of hundreds of millions of dollars to shale oil

- mines, all of which will dramatically increase greenhouse gas emissions, and
- (v) the outcome of increased emissions includes more untimely deaths from the greater spread of diseases, floods, more unpredictable and devastating weather events, deforestation and sea level rises; and
- (b) condemns the decision made by governments which will increase Australia's contributions and worsen the world's position with regard to climate change.

LEAVE OF ABSENCE

Motion (by **Senator O'Brien**)—by leave—agreed to:

That leave of absence be granted to Senator Schacht for the period 10 November to 12 November 1998, on account of parliamentary business overseas.

BUSINESS

Community Education and Information Program

Goods and Services Tax: Production of Documents

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

That business of the Senate notice of motion No. 4 (relating to the reference of matters to the Finance and Public Administration References Committee) and general business notice of motion No. 2 (proposing an order for the production of documents by the Minister representing the Treasurer (Senator Kemp)) standing in his name for today be postponed till the next day of sitting.

Legal and Constitutional Legislation Committee

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

That business of the Senate notice of motion No. 5 standing in her name for today, relating to the reference of a matter to the Legal and Constitutional Legislation Committee, be postponed till the next day of sitting.

Restoration of Legislation to Notice Paper

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

That general business notice of motion No. 7 standing in her name for today, relating to the restoration of certain bills to the *Notice Paper*, be postponed till the next day of sitting.

People with Disabilities

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

That general business notice of motion No. 11 standing in her name for today, relating to

people with disabilities in institutions, be postponed till the next day of sitting.

Government Business

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

That the following government business orders of the day be considered from 12.45 p.m. till not later than 2 p.m. today:

No. 2—Education Services for Overseas Students (Registration of Providers and Financial Regulation) Amendment Bill 1998, second reading.

No. 3—Governor-General's Opening Speech—Address-in-reply.

General Business

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

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

- (1) general business notice of motion No. 8 standing in the name of Senator Bishop relating to the proposed further sale of Telstra; and
- (2) consideration of government documents.

First Speech

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

That consideration of the business before the Senate today be interrupted at approximately 5.30 p.m., but not so as to interrupt a senator speaking, to enable Senator Hutchins to make his first speech for a period not exceeding 20 minutes, without any question before the chair.

EAST TIMOR

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

That the Senate—

- (a) notes that 12 November 1998 is the 7th anniversary of the Santa Cruz massacre in East Timor, where 271 East Timorese were killed or disappeared after participating in a commemorative procession to the Santa Cruz cemetery;
- (b) expresses its concern that, despite the release of some political prisoners by President Habib, over 170 people are still being held as prisoners of conscience in Indonesia, these include five men accused of organising the march to the Santa Cruz cemetery, namely, Gregorio da Cunha Saldanha, Saturnino da Costa Belo, Francisco Miranda Branco, Joao Freitas da Camara, and Jacinto das Neves Raimundo Alves;
- (c) joins the United Nations (UN) Secretary General Kofi Annan in calling on the Indonesian Government to release unconditionally

- all East Timorese political prisoners, including Xanana Gusmao and the Santa Cruz five, and asks the Australian Government to raise the issue at the forthcoming Asian Pacific Economic Cooperation (APEC) meeting and at the UN Human Rights Commission meeting in March 1999; and
- (d) calls on the Indonesian Government to revoke the repressive anti-subversion law and 'hate sowing' articles of the criminal code (KUHAP).

JABILUKA URANIUM MINE

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

That there be laid on the table by the Leader of the Government in the Senate (Senator Hill), no later than 5 pm on 23 November 1998, all documents relating to the approvals process for the Jabiluka mine and the Jabiluka Mill Alternative including, but not limited to, the following:

- (a) the report of Environment Australia responding to the Public Environment Report for the Jabiluka Mill Alternative;
- (b) all correspondence and appendices thereto between the Prime Minister, other relevant ministers and parliamentary secretaries, and departments, agencies or representatives;
- (c) all correspondence and appendices thereto between the parties mentioned in (b) and the Mirrar people or the Gundjehmi Aboriginal Corporation;
- (d) all correspondence and appendices thereto between the parties mentioned in (b) and the Northern Land Council, or its representatives;
- (e) all correspondence and appendices thereto between the parties mentioned in (b) and the Office of the Supervising Scientist, or its representatives;
- (f) all correspondence and appendices thereto between the parties mentioned in (b) and Energy Resources Australia, or its representatives;
- (g) copies of any minutes, records of conversations or briefing papers relevant to the approval process and/or any of the parties referred to in (b) to (e);
- (h) all correspondence and appendices thereto between any of the parties mentioned in (b) to (e) and competent interested parties including agencies of the United Nations Organisation;
- (i) written advice provided by their departments and agencies to the ministers mentioned in (b);
- (j) any correspondence or appendices thereto between the parties mentioned in (b) and the Attorney-General's Department, the Solicitor-General or other competent authority;
- (k) advice from Environment Australia to the Minister for the Environment (Senator Hill) dated 25 August 1998 recommending approval for the Jabiluka Mill Alternative on the basis of 100 per cent of tailings being returned underground.

Question put.

The Senate divided. [9.43 a.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	34
Noes	34
Majority	0

AYES

Allison, L.	Bartlett, A. J. J.
Bishop, T. M.	Bolkus, N.
Bourne, V.	Brown, B.
Campbell, G.	Carr, K.
Conroy, S.	Cook, P. F. S.
Cooney, B.	Crossin, P. M.
Crowley, R. A.	Denman, K. J.
Evans, C. V.	Faulkner, J. P.
Forshaw, M. G.	Gibbs, B.
Harradine, B.	Hogg, J.
Hutchins, S.	Lees, M. H.
Lundy, K.	Mackay, S.
Margetts, D.	Murphy, S. M.
Murray, A.	O'Brien, K. W. K. *
Ray, R. F.	Reynolds, M.
Sherry, N.	Stott Despoja, N.
West, S. M.	Woodley, J.

NOES

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

PAIRS

Collins, J. M. A.	Boswell, R. L. D.
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PAIRS

McKiernan, J. P. O'Chee, W. G.
 Quirke, J. A. Macdonald, I.
 Schacht, C. C. Hill, R. M.

* denotes teller

Question so resolved in the negative.

**ENVIRONMENT PROTECTION AND
 BIODIVERSITY CONSERVATION
 BILL 1998 (No. 2)**

First Reading

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

That the following bill be introduced: a bill for an act relating to the protection of the environment and the conservation of biodiversity, 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—Assistant Treasurer) (9.47 a.m.)—I table the explanatory memorandum and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The Environment Protection and Biodiversity Conservation Bill 1998 is perhaps the most important proposed legislation dealing with environmental issues that will have been presented to the Commonwealth Parliament.

The bill represents the only comprehensive attempt in the history of our Federation to define the environmental responsibilities of the Commonwealth. It proposes the most fundamental reform of Commonwealth environmental law since the first environment statutes were enacted by this Parliament in the early 1970's.

Reform is necessary because the existing suite of Commonwealth law does not ensure high environmental standards in the areas of Commonwealth responsibility. Just as importantly, the existing legislation does not provide the community with certainty as to the Commonwealth's role, nor does it provide an efficient and timely assessment and approval process.

Over the last two years, the Federal Coalition Government has worked co-operatively with the State Governments to identify the reforms needed

to produce a more effective and efficient national approach to environmental management. The result was an agreement, given in-principle endorsement by the Council of Australian Governments in 1997, which defines the Commonwealth's role by reference to certain matters of national environmental significance. The COAG Agreement also seeks to ensure the seamless integration of Commonwealth and State laws through a transparent mechanism for Commonwealth accreditation of State processes.

The Environment Protection and Biodiversity Conservation Bill 1998 implements the COAG Agreement. In doing so, it provides the framework for a more effective national approach to environmental management, ensuring resources are focussed on delivering better environmental outcomes at all levels of government. The Commonwealth's role in this national approach will, for the first time, be clearly and logically defined.

The bill will replace five existing Commonwealth Acts—the Environment Protection (Impact of Proposals) Act 1974, the Endangered Species Protection Act 1992, the National Parks and Wildlife Conservation Act 1975, the Whale Protection Act 1980 and the World Heritage Properties Conservation Act 1983.

As a result of the previous Labor government's neglect, the Commonwealth's environmental law regime has not evolved to keep pace with the rapid advances in environmental management. Accordingly, while existing acts may have represented best practice in the 1970's, they now require comprehensive reform.

The bill will establish a new legislative framework to overcome the deficiencies of the existing regime and to allow Australia to meet the environmental challenges of the 21st century with renewed confidence. The bill will promote, not impede, ecologically sustainable development and will conserve biodiversity. The bill will ensure the Commonwealth is equipped to deal with current and emerging environmental issues in accordance with contemporary approaches to environmental management.

National Environmental Significance

A major deficiency in the existing regime is that Commonwealth involvement in environmental matters is determined by ad hoc and indirect triggers such as foreign investment approval and Commonwealth funding decisions.

Reliance on such triggers has undoubtedly limited the effectiveness of the Commonwealth's contribution to environmental protection. It has also created significant and unnecessary delay, uncertainty and duplication for industry.

More fundamentally, the use of indirect triggers means the Commonwealth becomes involved in the

assessment of projects which raise environmental issues of only local or state significance. This should not occur. Conversely, under the existing law, the Commonwealth is sometimes locked out of contributing to an issue of genuine national significance because of the absence of an indirect trigger.

In accordance with the COAG Agreement, the bill therefore abandons the reliance on ad hoc and indirect triggers in favour of appropriate environmental criteria.

The bill introduces a new and more efficient assessment and approval process that applies to actions which are likely to have a significant impact on:

- . the Commonwealth marine area;
- . world heritage properties;
- . Ramsar wetlands of international importance;
- . nationally threatened species and ecological communities; and
- . internationally protected migratory species.

The bill also applies to environmentally significant nuclear actions, actions on Commonwealth land and actions by the Commonwealth and Commonwealth agencies.

An activity which does not have a significant impact on one of the matters of national significance will no longer trigger Commonwealth involvement in the assessment and approval process—even if it requires a Commonwealth decision or approval such as foreign investment approval.

In accordance with the COAG Agreement, the bill provides a framework for recognising any additional matters of national environmental significance after consultation with the States and the proper consideration of State views.

Accreditation

Another deficiency in the existing regime is that it does not enable early, transparent and effective accreditation of State processes and systems.

For projects of national environmental significance that trigger Commonwealth involvement, the bill substantially increases the capacity for the Commonwealth to 'accredit' State processes and decisions.

The Commonwealth will seek to rely on State processes which meet appropriate criteria by entering into bilateral agreements with States which detail accreditation arrangements. In summary, the Commonwealth will be able to 'delegate' to the States the responsibility for conducting assessments under the bill where State processes meet appropriate criteria.

The capacity for accreditation of State processes in the bill is significantly greater than under existing legislation. For the first time, legislation will allow the Commonwealth to provide:

- . 'up-front' accreditation of State processes;
- . broader accreditation of State processes and systems (avoiding the need to provide accreditation on a case-by-case basis for all projects); and
- . accreditation of state decisions (eg, for agreed management plans).

The bill provides a framework for identifying appropriate criteria for use in the accreditation process.

An efficient environmental assessment and approval process

The bill implements a modern environmental assessment and approval process that will transform the Commonwealth process from its archaic, 1970's structure.

Reliance on direct environmental triggers will substantially increase the certainty and efficiency of the assessment and approval process. Accordingly, the new process delivers significant benefits for proponents, without compromising on environmental standards:

- . the proponent may trigger the process, avoiding the current delays associated with designation under the Environment Protection (Impact of Proposals) Act 1974;
- . by relying on specific environmental criteria as the trigger (and not the existing indirect triggers), the proponent and the community know up-front whether the Commonwealth is involved—there is not the existing capacity for late intervention;
- . tight statutory timeframes are now included at all stages in the process to ensure timely decision-making;
- . Commonwealth assessment is confined to impacts on the matters of national environmental significance (the Commonwealth will not assess matters which are more appropriately the responsibility of the States); and
- . there are appropriate linkages to State processes at all stages, ensuring an integrated assessment process that minimises delay and duplication.

The decision whether to grant approval is made after considering social and economic factors as well as the matters of national environmental significance.

Other features of the new process include express recognition of the precautionary principle and the other principles of ecologically sustainable development, the adoption of a strategic assessment process to promote cumulative and regional assessments, and the establishment of a framework for State

accreditation of Commonwealth assessments (eg, for projects affecting more than one jurisdiction).

Biodiversity Conservation

The loss of biodiversity represents the greatest environmental challenge facing Australia. The Howard government has demonstrated its commitment to addressing this challenge by establishing the largest environmental program in Australia's history—the Natural Heritage Trust.

The bill now provides a substantially improved legal framework for the conservation and sustainable use of Australia's biodiversity to complement the Natural Heritage Trust.

Some of the features of the bill which will improve Australia's capacity to protect its biodiversity include:

- . providing for voluntary conservation agreements with landholders for the conservation of biodiversity;
- . enhancing protection for threatened species through improvements to the listing process, providing for the recognition of vulnerable ecological communities and conservation dependent species and the application of specialised criteria to assess the conservation status of marine biota;
- . providing that regulations may be made for the control of access to biological resources in Commonwealth areas;
- . providing for the improved management of Commonwealth reserves, including through application of the IUCN Protected Areas Management Guidelines;
- . removing an existing impediment to the creation of marine reserves;
- . improving protection for world heritage properties;
 - for the first time, providing legislative protection for Ramsar wetlands of international importance and migratory species;
- . recognising and promoting improved management for Biosphere reserves;
- . promoting bioregional planning; and
- . providing for increased recognition of the importance of identification and monitoring of components of biodiversity.

The bill also provides for the formal establishment of the Australian Whale Sanctuary. The establishment of this Sanctuary complements Australia's efforts at the international level to secure, through the establishment of a truly global sanctuary, a permanent international ban on commercial whaling.

The reforms presented in the Environment Protection and Biodiversity Conservation Bill 1998

represent the product of a long period of negotiation with the States. The reforms have also been developed after taking into account nearly 300 public submissions made in response to a public consultation paper released in February 1998. Prior to the recent election I referred the provisions of the bill to the Senate Environment, Recreation, Communications, and the Arts Legislation Committee. I look forward to the Committee completing its inquiry, and to considering any advice which will further improve the operation of the bill. Furthermore, if the Legislative Instruments Bill 1996 comes into force, appropriate adjustments will be made to the bill.

Ultimately, of course, we need more than just the best possible environmental law regime to protect Australia's environment and promote ecologically sustainable development. Accordingly, not all of the matters of national environmental significance recognised in the COAG Agreement are being addressed in this bill. The Howard Government is dealing with issues such as land degradation and the retention of remnant bushland through the Natural Heritage Trust, air pollution issues are being addressed through the National Environmental Protection Council, and reducing the growth in greenhouse gas emissions is being achieved through a \$180 million policy announced last year.

The COAG Agreement also identifies heritage places of national significance as a matter of national environmental significance. However, in this instance the Consultation Paper on the Reform of Commonwealth Environmental Legislation indicated that development of a National Heritage Places Strategy by the Commonwealth and the States should be concluded before legislation to give effect to a new national framework for heritage protection is progressed. The outcomes of the National Strategy will, as necessary, be translated into future legislative reforms. At the Commonwealth level, these reforms can be accommodated within the framework of the Environment Protection and Biodiversity Conservation Bill 1998.

The COAG Agreement also deals with Commonwealth compliance with State law. Another stage in the reform of Commonwealth law will involve making any necessary amendments to ensure those aspects of the COAG Agreement dealing with Commonwealth compliance with State law are implemented.

In conclusion, the bill enables the Commonwealth to join with the States in providing a truly national scheme of environmental protection and biodiversity conservation recognising our responsibility to not only this, but also future generations. It does so by respecting and building upon the strengths of our Federation and the primary responsibility of the States for delivering on-ground natural resource management. It does so also in a

way that is 'user friendly' with predictable, transparent and timely assessment processes. By accepting Commonwealth leadership, respecting the role of the States and providing best process for users, the bill provides a framework within which to build public confidence and support for its vitally important objectives.

Ordered that further consideration of the second reading speech of this bill be adjourned till 14 days after today, in accordance with standing order 111.

NUCLEAR WEAPONS

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

That the Senate—

(a) notes:

- (i) that a resolution numbered L48 and titled 'Towards a nuclear-weapon-free world: the need for a new agenda', will be voted on in the United Nations General Assembly in the week beginning 8 November 1998,
- (ii) that the resolution recalls the unanimous conclusion of the International Court of Justice in its 1996 advisory opinion that there exists an obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict and effective international control,
- (iii) that the resolution calls on the nuclear weapons states to demonstrate an unequivocal commitment to the speedy and total elimination of their respective nuclear weapons and without delay to pursue in good faith and bring to a conclusion negotiations leading to the elimination of these weapons, thereby fulfilling their obligations under Article VI of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT),
- (iv) that the resolution also calls on the three states that are nuclear weapons capable and that have not yet acceded to the NPT to clearly and urgently reverse the pursuit of all nuclear weapons development or deployment and to refrain from any actions which could undermine regional and international peace and security and the efforts of the international community towards nuclear disarmament and the prevention of nuclear weapons proliferation,
- (v) that the resolution contains a large number of other measures designed to bring about the goal of nuclear disarmament, including a call for the Russian Feder-

ation and the United States of America to bring START-II into force without further delay and immediately proceed thereafter with negotiations on START-III with a view to its early conclusion,

- (vi) that the resolution incorporates a call for an international conference on nuclear disarmament and nuclear non-proliferation, which would effectively complement efforts being undertaken in other settings and which could facilitate the consolidation of a new agenda for a nuclear-weapon-free world,
- (vii) that the resolution is sponsored by Benin, Botswana, Brazil, Cameroon, Chile, Colombia, Costa Rica, Ecuador, Egypt, El Salvador, Guatemala, Ireland, Lesotho, Liberia, Malaysia, Mali, Mexico, New Zealand, Nigeria, Peru, Samoa, Slovenia, Solomon Islands, South Africa, Swaziland, Sweden, Thailand, Togo, Uruguay and Venezuela,
- (viii) that the resolution is broadly consistent with the recommendations of the Canberra Commission on the Elimination of Nuclear Weapons, and
 - (ix) with concern that there are indications that Australia may not vote in favour of resolution L48; and
- (b) urges the Australian Government to support this resolution at the United Nations General Assembly.

BUSINESS INCOME TAXATION REVIEW

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

That there be laid on the table by the Minister representing the Treasurer (Senator Kemp), no later than the last sitting day in May 1999, an interim report by the Business Income Tax Review which is due to present a final report to the Treasurer by 30 June 1999.

Question put.

The Senate divided. [9.53 a.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes	34
Noes	34
Majority	0

AYES

- | | |
|---------------|--------------------|
| Allison, L. | Bartlett, A. J. J. |
| Bishop, T. M. | Bolkus, N. |
| Bourne, V. | Brown, B. |

AYES

Campbell, G.	Carr, K.
Conroy, S.	Cook, P. F. S.
Cooney, B.	Crossin, P. M.
Crowley, R. A.	Denman, K. J.
Evans, C. V.	Faulkner, J. P.
Forshaw, M. G.	Gibbs, B.
Harradine, B.	Hogg, J.
Hutchins, S.	Lees, M. H.
Lundy, K.	Mackay, S.
Margetts, D.	Murphy, S. M.
Murray, A.	O'Brien, K. W. K. *
Ray, R. F.	Reynolds, M.
Sherry, N.	Stott Despoja, N.
West, S. M.	Woodley, J.

NOES

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

PAIRS

Collins, J. M. A.	Boswell, R. L. D.
McKiernan, J. P.	O'Chee, W. G.
Quirke, J. A.	Macdonald, I.
Schacht, C. C.	Hill, R. M.

* denotes teller

Question so resolved in the negative.

**MIGRATION LEGISLATION
AMENDMENT BILL (No. 1) 1998**

First Reading

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

That the following bill be introduced: a bill for an act to amend the migration act 1958, 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—Assistant Treasurer) (9.57 a.m.)—I table the explanatory memorandum and move:

That this bill be 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 implements a number of the Government's important policy initiatives within the Immigration and Multicultural Affairs portfolio, particularly in relation to merits review.

The measures contained within the bill are consistent with the Government's commitments to improve the immigration decision-making system and continue the process of restoring community credibility in the management of immigration matters.

On 20 March 1997, the Minister for Immigration and Multicultural Affairs announced a range of significant changes the Government would make to refugee and immigration decision-making and review systems. These changes will improve the efficiency, credibility and accountability of immigration decision-making.

The bill is largely the same as one which was before the Senate in the last Parliament.

The Government has however made three changes from that bill. The first change will allow the Migration Review Tribunal to commence operation at a time to be set by proclamation. This will allow time for administrative arrangements to be put in place. Nonetheless the new Tribunal will be operational within 6 months of this bill receiving the Royal Assent.

The second change provides that the Migration and the Refugee Review Tribunals are to formally hand down decisions in cases where there has not been an oral decision and the applicant is not in immigration detention. The third change provides for certainty in relation to despatch of documents from the Tribunals.

The main thrust of the bill is the streamlining of the current two tier review process of non-refugee visa decisions into a single review by an independent review agency. The bill gives effect to this by merging existing internal review undertaken by the Migration Internal Review Office of the Department Immigration and Multicultural Affairs with the external merits review carried out by the Immigration Review Tribunal.

Under the changes introduced by this bill, the single tier review will be conducted by a new external review body, the Migration Review Tribunal.

The Migration Review Tribunal will be required to conduct fair, impartial and expeditious review of migration decisions, at lower cost to the Australian taxpayer. This will be achieved through the introduction of more streamlined and flexible review decision-making processes.

The Tribunal's Principal Member will have clear authority to apply efficient processing practices. This may include the introduction of a case management system where much of the preliminary research and investigative work would be undertaken by administrative staff of the Tribunal. Tribunal members would be responsible for directing that any further investigation be undertaken, and for the final decision.

Migration Review Tribunal members will be independent decision-makers, able to reach their own conclusions on a decision under review, in accordance with the law. However, this independence does not amount to non-accountability.

Members will be accountable, on matters of procedure, to the Parliament through the Principal Member for ensuring that they conduct reviews, fairly and expeditiously. The bill will give the Migration Review Tribunal's Principal Member power to make directions on the efficient conduct of reviews. These directions only relate to review procedures. The Principal Member can not make directions on policy issues related to the merits of a case.

For the purposes of ensuring efficient conduct of reviews, the Principal Member will be able to reconstitute the Tribunal provided specific preconditions are satisfied. Reconstitution may only occur where, following consultation with the member constituting the Tribunal and a Senior Member of the Tribunal, either:

the Principal Member is satisfied that there is insufficient material before the Tribunal for it to decide the review; or

the prescribed time has elapsed since the case was constituted to that member.

These preconditions emphasise that reconstitution is solely for ensuring efficient and timely reviews and safeguard against misuse of the power.

These changes will set the framework for significant reductions in both the time and costs of review of general migration visa decisions. However, I should stress that the bill will not alter the entitlements of persons to seek review of decisions by the Department refusing or cancelling visas. Those persons who are currently able to seek review of particular decisions by the Migration Internal Review Office or the Immigration Review Tribunal will be able to seek independent review of those decisions by the Migration Review Tribunal.

The Principal Member of the Refugee Review Tribunal will be provided with the same authority to apply efficient processing practices as those of the Principal Member of the Migration Review Tribunal. This includes clear authority to give directions on the operation of the Refugee Review Tribunal and the efficient conduct of reviews.

The provisions allowing the Minister to appoint persons to act in a senior office of the Refugee Review Tribunal for periods of up to 12 months will be brought into line with the equivalent provision which currently exists for the Immigration Review Tribunal and that proposed for the Migration Review Tribunal. This will allow the Minister to appoint members to act as Senior members.

The bill also includes certain safeguards for applicants by introducing a code of procedure for both the Migration Review Tribunal and the Refugee Review Tribunal which is similar to that already applying to decisions made by the Department. This code includes such matters as the giving of a prescribed notice of the timing for a hearing, and a requirement that applicants be given access, and time to comment, on adverse material relevant to them.

In addition, the bill contains a number of measures to allow for more flexible processes in both Tribunals. These include:

enabling the Tribunals to use telephone or other media to conduct personal hearings or to require other witnesses to appear before them; and

allowing Tribunals to proceed to a decision without delay, if an applicant does not respond to a notice to attend a hearing or provide comment.

Taken together, these changes mean that people with bona fide review applications will be given a decision more quickly and a better decision if the initial decision is wrong. Those persons intent on fraud, deception or delay will not have the benefits of a delayed decision.

These changes are consistent with foreshadowed Government moves to introduce further reform of merits review tribunals across all portfolios by consolidating all tribunals into one, new Tribunal.

The bill includes a number of other changes. These relate to measures to enhance the visa cancellation powers, including:

the power to ensure that there is more effective cancellation of visas which were granted on the basis of incorrect information, for example, where a previous visa was granted on the basis of incorrect information; and

the tightening of certain notice provisions which are integral to the visa cancellation process.

One further measure which is consistent with other proposals in this bill to improve flexibility in migration processes, is the introduction of a waiver of the condition which is placed on certain visas to prevent the visa holder from being granted a further visa.

Finally, the bill rectifies an anomaly in the penalty provisions in the Australian Citizenship Act 1948. The proposed changes will ensure that those provisions are in line with the Commonwealth's criminal law policy.

The similar bill which was before the Senate prior to the election was the subject of an inquiry by the Senate Legal and Constitutional Legislation Committee. The majority report recommended that the bill be passed without amendment.

However the minority report recommended a number of changes; the most significant of which would have been the loss of the powers of the Principal Members of the MRT and RRT.

This bill clarifies the authority of the Principal Member for the RRT and aligns the Principal Member's powers with those of the Principal Member of the MRT. This bill will provide each Principal Member with the power to run their respective tribunals efficiently while ensuring reviews are conducted fairly and expeditiously.

In conclusion, this bill is part of a continuing process adopted by this Government to ensure that the integrity of the migration program is not undermined. It complements other moves to strengthen the Government's ability to control who may be granted and who may continue to hold Australian visas.

I commend the bill to the Senate.

Ordered that further consideration of the second reading speech of this bill be adjourned till 14 days after today, in accordance with standing order 111.

SPACE ACTIVITIES BILL 1998

First Reading

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

That the following bill be introduced: a bill for an act about space activities, 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—Assistant Treasurer) (9.58 a.m.)—I move:

That this bill be 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 represents the first time an Australian Government has sought to set out the legislative framework necessary to facilitate commercial space launches from Australia.

Since the mid 1980's a range of commercial space launch projects have been proposed for Australia. A clear legislative and regulatory framework is essential for any of these projects to proceed.

Potential investors in such projects need to know what government requirements commercial space launch projects in Australia would need to meet.

With the start of work on the Kistler spaceport project in South Australia, Australia's entry into the commercial space launch market is no longer hypothetical. The need to legislate for a regulatory regime is pressing.

In the absence of a legislative regime, the Government has entered into an Agreement with Kistler detailing the regulatory requirements the project will need to address.

This Agreement will be preserved under the proposed legislation. While the terms of that Agreement are confidential, we have sought, in this bill, to achieve a regulatory regime largely consistent with that applied to Kistler.

In addition, key aspects of the legislation, ie those applying to penalty provisions, accident investigation and appeal rights, will also apply to Kistler. This is another reason why passage of the legislation is pressing.

The bill will also give effect to our obligations under a range of international treaties.

International space law is governed by five treaties to which Australia is a signatory. [These are set out in the schedules to the bill.]

These require Australia to monitor and regulate space activities on its territory or under its control, and to register with the United Nations any space objects for which Australia is a launching state.

They also place responsibility on Australia for any loss or damage caused outside of Australia by objects launched from Australian territory. Australia can also be liable in instances where Australians 'procure' a launch from territory outside of Australia.

This liability is shouldered by the Commonwealth of Australia, regardless of who has actually launched a space object and the liability for damage on earth or in the air is strict, ie fault does not have to be shown.

This bill sets out processes for managing our responsibilities under these treaties and a regime to protect the Commonwealth's interests in the area of liability.

Under the bill a space license is required to operate a specified launch vehicle from a specified launch facility. In addition each launch must be covered by a launch permit.

The legislation is designed to operate in tandem with other relevant Commonwealth legislation such as that requiring environmental approval for relevant projects.

Importantly from an industry standpoint, the bill specifies the third party insurance requirements and limits that will apply.

It requires space launch operators to take out third party insurance cover based on an estimate of maximum probable loss as a result of any launch failure.

This protects the interests of the Commonwealth and the public and ensures that the key financial risks associated with such activities are carried by the launch operators.

The bill also requires that Australians procuring the launch of a space object [most commonly a satellite] from overseas obtain an overseas launch certificate. This gives the Government the ability to manage any financial risk to the Commonwealth that may arise from such launches.

While such certificates will be mandatory to authorise an overseas launch the Minister would point out that the Minister does have the power under Clause 35 to waive insurance requirements where that may be appropriate.

The bill provides for the establishment of a Register of space objects, in line with our international registration responsibilities. It also sets out the powers and functions of a launch safety officer, who would be required for each launch facility.

The legislative framework will be implemented by a Space Licensing and Safety Office (SLASO). The 1998-99 Budget provided for an outlay of \$1.3 million for the establishment of the SLASO.

Once it is operational the ongoing cost of the Office is intended to be met by space license and launch permit fees, ie it is intended to be operated on a cost recovery basis.

In many ways this is new and groundbreaking legislation. It has been formulated after careful examination of overseas models, particularly the framework operating in the United States. It represents, however, a unique model adapted to Australia's needs and circumstances.

It has been put together on the basis of consultation with industry and I would thank the Australian

Space Industry Chamber of Commerce for the constructive role it has played in this process.

I commend the bill to the Senate.

Ordered that further consideration of the second reading speech of this bill be adjourned till 14 days after today, in accordance with standing order 111.

BUSINESS

Consideration of Legislation

Motion (by **Senator Kemp**, at the request of **Senator Tambling**) agreed to:

That the provision of standing order 111(6) which prevents the continuation or resumption of second reading debate on a bill within 14 days of its first introduction in either House not apply to the following bills:

Australian Radiation Protection and Nuclear Safety Bill 1998

Australian Radiation Protection and Nuclear Safety (Licence Charges) Bill 1998

Australian Radiation Protection and Nuclear Safety (Consequential Amendments) Bill 1998

Child Support Legislation Amendment Bill 1998

Higher Education Funding Amendment Bill (No. 1) 1998

States Grants (General Purposes) Amendment Bill 1998

States Grants (Primary and Secondary School Education Assistance) Amendment Bill 1998.

DELEGATION REPORTS

Inter-parliamentary Conference, Moscow

Senator KNOWLES (Western Australia) (9.59 a.m.)—by leave—I present the report of the Australian Parliamentary Delegation to the 100th Inter-Parliamentary Conference held in Moscow from 6 to 12 September 1998. I am pleased to table the report of the delegation to the 100th IPU conference held in Moscow and, in so doing, there are several matters that I wish to draw to the attention of the Senate.

Firstly, as honourable senators will be aware, the IPU is the international parliament of parliaments, providing a forum for delegates from 138 sovereign states to debate current economic, social and political issues and to advance democracy and human rights. For several years, Australia has been strongly committed to the aims and objectives of the IPU. In keeping with this commitment, Aus-

tralian delegations have taken a leading role in the work of the IPU and have been elected to positions of responsibility within the union. In this regard, the report I have tabled recognises this contribution and, in particular, the contribution of retiring members of parliament, including the Rt Hon. Ian Sinclair, the Hon. Bob Halverson OBE and the Hon. Clyde Holding, all of whom contributed outstandingly to the IPU. I must admit that all of them were greatly missed at this last conference in terms of the friendships and the contributions that they have clearly made over so long.

Secondly, the report records how usually the delegation comprises both senators and members but that because of the calling of the election and under IPU rules Australia was represented by senators only. I had the honour to be appointed leader of the delegation. I take this opportunity to pay tribute to the contribution of my colleagues Senator Gibbs and Senator Chapman.

Thirdly, although reduced in numbers, we were mindful of the significant contribution that previous delegations have made to the IPU. We were determined that this contribution be maintained as much as possible. Accordingly, we met on a number of occasions to plan and coordinate our various commitments to ensure that this goal was achieved. As indicated in the report, the highlights of our contribution are as follows. The Australian delegation submitted a memorandum and draft resolutions on strong action by national parliaments in the year of the 50th anniversary of the Universal Declaration of Human Rights to ensure the promotion and protection of all human rights in the 21st century. Senator Gibbs participated in the debate on human rights. The Australian delegation submitted a memorandum and draft resolutions on water and the means required to preserve, manage and make the best use of this essential resource for sustainable development.

Senator Chapman, coming from South Australia, participated exceedingly well in that debate. He also chaired with distinction the drafting committee on water. I was a member of the drafting committee on a supplementary item on the agenda, which concerned action

to combat the consumption and illicit trafficking of drugs and organised crime. Senator Gibbs also participated outstandingly in the meeting of women parliamentarians. Senator Gibbs made a wonderful contribution. I was a delegate to that forum but, because of our reduced numbers, Senator Gibbs took my position there. Like Senator Chapman, she certainly made an outstanding contribution. I addressed the plenary session during its general debate.

I also commend to the parliament the nomination of the Speaker of the House of Representatives to participate in the work of the preparatory committee of the IPU to formulate proposals for a conference of presiding officers at the UN in the year 2000, including a solemn act for reforming the IPU for the new millennium. I consider that this nomination is consistent with the commitment and contribution that Australian delegations make to the IPU. The point does need to be made that only a very few countries are included in it. To have Australia as one of them certainly reflects the outstanding contribution that Australian delegations have made for so long.

Fourthly, the delegation report refers in detail to the proceedings of the conference, the council and the executive committee. I commend these to the Senate. The report also includes the final text of resolutions adopted by the IPU on human rights, water, drug trafficking and the human rights of parliamentarians. I also commend these to the Senate. Fifthly, the Presiding Officers have recently referred to women parliamentarians the IPU survey on women in politics. I encourage my colleagues in both houses to participate in this worthwhile research.

Finally, as honourable senators will be aware, there is always a number of people who assist us with our work. The report rightly records the appreciation of these people by the delegation. However, on behalf of the delegation, I extend our appreciation to His Excellency Geoffrey Bentley, the Australian ambassador in Moscow, and his staff, including Mrs Marion Pydde and Ms Julie Heckscher, for the excellent assistance they provided to us. They were absolutely first

class in their support of the delegation in every way.

A report such as this would not be complete without acknowledging the contribution of the delegation secretary, Neil Bessell. Mr Bessell's contribution, as all of us who work with him in the Senate know, is always outstanding. On this occasion, with a small delegation having so much work to be done, the superb standard for which he is well known was certainly upheld. Our foreign affairs adviser, Mr Hugh Borrowman, was his usual highly professional and knowledgeable self. He was always prepared to contribute with every piece of advice ever needed. I certainly extend a very grateful thanks to both Neil and Hugh. I commend the report to the Senate and move:

That the Senate take note of the document.

Senator CHAPMAN (South Australia) (10.07 a.m.)—In supporting the remarks of Senator Knowles, I firstly congratulate her on the leadership she provided in what turned out to be a small delegation at this year's IPU conference.

Senator Carr—What about the election campaign?

Senator CHAPMAN—It was indeed a very happy delegation. Senator Carr raises the issue of the election campaign. Even though I was able to devote only three weeks instead of four to that campaign because of my responsibilities as a member of this delegation, it was still enough to thrash your mob in South Australia, in which we won nine out of the 12 seats and all three of the Senate seats we currently hold.

The PRESIDENT—Order! Senator Chapman, I invite you to address your remarks to the report.

Senator CHAPMAN—Thank you, Madam President. I am sorry that I allowed myself to be provoked by Senator Carr. I had to set the record straight. As I was saying, Senator Knowles did an extremely good job as leader of our delegation. She referred to the issue of water, which was one of the major issues debated and discussed in policy terms at the conference. As she mentioned, I did have the privilege of chairing the drafting committee

on the issue of water, and developing a policy statement in relation to water as a sustainable resource.

The point that I want to make is that Australia did submit a memorandum and also a draft resolution for that policy discussion. We were among a number of countries that submitted draft resolutions. In its wisdom, the drafting committee selected the German draft as the basis from which to work to finalise an appropriate policy position on this issue. However, I am very pleased to report that, although we were working from the German draft as a base, virtually all of the items contained within the draft resolution put forward by Australia were incorporated into the final resolution. They were either directly lifted from our draft resolution in terms of the words or with some slight variation on the words but retaining the same essential policy matters and policy propositions.

That, I believe, reflects very favourably on the respect in which Australia is held and the regard in which our knowledge of the issue of water is held because of the nature of our country and the experiences we have had in water development and water conservation. That was a highlight of the conference. The regard in which Australia is held with regard to its expertise in water stands us in good stead in terms of dealing with this issue, not only domestically but also contributing to international deliberations and, indeed, to the growing international technology on water conservation and water development.

So I wanted to reinforce the very welcome remarks of Senator Knowles in relation to the overall matters that were of importance at the IPU conference, but particularly to reinforce the regard in which Australia is held as far as water issues are concerned.

Question resolved in the affirmative.

COMMITTEES

Economics References Committee

References

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (10.10 a.m.)—I move:

- (1) That the following matters be referred to the Economics References Committee for inquiry and report on or before the last sitting day in May 1999 and that in undertaking this inquiry the Committee consult widely, holding hearings in all states and territories:
- (a) the measures announced in the document *Tax Reform: not a new tax, a new tax system* and the provisions of any bills implementing the measures;
 - (b) the assumptions, calculations, estimates, projections and modelling concerning the various proposals either separately or jointly including, but not limited to:
 - (i) the distribution of wealth in the Australian community, including the distributional impact on differing household types,
 - (ii) the adequacy of the so-called compensation measures proposed and the possible erosion or withdrawal of compensation,
 - (iii) the impact on services provided by non-government organisations such as charities,
 - (iv) the effects on low and middle income families of taxing the necessities of life,
 - (v) the effect of the proposed goods and services tax (GST) and other items of the Coalition tax package on wage costs, and
 - (vi) the estimated levels of revenue to be generated or foregone due to the proposed changes, including the estimated level of revenue to be generated by imposing a GST on food and books;
 - (c) the effect that the proposals would, if implemented, have on the Australian economy, including but not limited to the effects on:
 - (i) employment,
 - (ii) inflation,
 - (iii) interest rates,
 - (iv) economic growth,
 - (v) exports, imports, trade and foreign debt,
 - (vi) investment,
 - (vii) specific regions, including remote communities,
 - (viii) particular industries, including key service industries and small business, and
 - (ix) the cash economy;
 - (d) the adequacy of measures designed to ensure that the GST will never rise above 10 per cent;
 - (e) the adequacy of measures to ensure that consumers fully benefit from the abolition of existing taxes;
 - (f) the detail of items under consideration to be listed as "GST free", including medical items, education and exports (including service exports such as tourism);
 - (g) the findings of the Tax Consultative Committee chaired by Mr David Vos;
 - (h) the implications for the delivery of Commonwealth Government services, including employment services, welfare and other social and cultural services;
 - (i) the implications for the various State and Territory governments of the proposals, including federal-state financial relations and the potential impact on the provision of services by those governments;
 - (j) the implications for local government;
 - (k) the effect that the proposals would, if implemented, have on the environment;
 - (l) the implications of not requiring that the GST component of goods and services be itemised on receipts;
 - (m) alternative taxation measures available to the Government, including options for reducing tax avoidance and evasion; and
 - (n) all matters relevant or incidental to consideration of the above issues.
- (2) That, in the event that matters related to these terms of reference are referred to other References Committees, the Economics References Committee shall take into account the reports of any such committees in completing its own report on this reference.

Let me give some background to the proposal for a Senate inquiry that stands in my name on behalf of the opposition before the chamber today. Mr Howard as Prime Minister has been an abject failure when it comes to being frank and up-front about his intentions with the tax system. It is worth remembering in the context of this debate that in December 1995 Mr Howard said on Newcastle radio, in reference to the goods and services tax:

No, it's not on the agenda—full stop, just not there, vamoose, kaput.

They were Mr Howard's words. A year and a half later, in mid-1997, Mr Howard, who had become a born again tax visionary, was on the *AM* radio program, but with a very changed tune. He said:

I want to share this great adventure with the Australian people. I want to share with the Australian people the task and the challenge.

'The great tax adventure', to use his words, which he wanted to 'share' with the Australian people, then became even more exciting, even more all encompassing. In March of this year, in a breathless speech he made to the Liberal convention in Brisbane, he said:

It will be historic and significant beyond the experience of any other economic reform that has been undertaken in the time I have been in politics.

Look at the status. It went from 'kaput' and 'vamoose' to the most 'historic' and 'significant' economic reform since Mr Howard's first participation in politics. That is quite a substantial shift in rhetoric. I think everyone would have to acknowledge that that is a significant change. That is why the Australian people, this parliament and the Senate should never take Mr Howard's statements about tax reform at face value. It is why whatever Mr Howard and the government say about tax should be taken with a huge grain of salt. It is why this parliament, but particularly the Senate, should look behind the intentions of what the government is up to. You cannot take Mr Howard at his word.

There is a need for a high level, thorough and comprehensive Senate inquiry into the government's tax proposals. The Australian people would expect the opposition, they would expect the Labor Party, to propose a thorough inquiry into all aspects of the most significant economic shift since the mid-1960s—the complete rewriting of the tax system.

Mr Howard released his tax package with great fanfare and enormous expenditure of taxpayers' money, public money. But immediately that was done, he attracted a great deal of criticism regarding the unfairness of the rebates and the inadequacy of the compensation measures. Australians were bombarded with scales of tax rebates. We had visions of smiling families—who can forget them?—through the government advertising campaign. But the government's level of debate when asked serious questions was found wanting.

I want to remind the Senate of what the Deputy Prime Minister of this country said on the *Face to Face* program on 17 August this year. Mr Fischer was asked the following

question by Glenn Milne—and I would ask senators to concentrate on this:

How can a package that gives a single income person on seventy-five thousand dollars a year an eighty-six dollars a week tax cut, and someone on twenty thousand dollars a year a ten dollar a week tax cut, be described as fair?

That is the question; quite a reasonable one from Mr Milne. You know what Mr Fischer's reply was—his usual judicious, informed and thoughtful reply? This was what Mr Fischer said:

Well, I don't believe in communism.

That was his response. This is the standard of the public debate that Mr Howard talks about. We have from Mr Fischer, 'Well, I don't believe in communism.' There is a bit of a gap here in Mr Howard's credibility. He had a \$17 million tax advertising promotion campaign, probably the most significant, extensive and historic rort in Australian political history, certainly in federal politics. That campaign played down the goods and services tax. It promoted reform to the tax system—a fairer tax system, et cetera—but played down the GST. The GST was hidden in a publicly funded soft sell about tax rebates for Australian families. It was so one sided in its political message that it fell over. Do not forget that was an unprecedented expenditure of public money—

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Order! There is far too much audible noise and there are too many meetings taking place in the chamber. Could senators please give their attention to Senator Faulkner.

Senator FAULKNER—Thank you for that deliberate and very partisan intervention, Mr Acting Deputy President. We had a five-week election campaign. The Prime Minister talks about a seven-week election campaign, because in those two weeks prior to the formal five weeks of the campaign over \$17 million of public money was spent on advertising. Election campaigns are probably not the most conducive times for the most rigorous analysis of a most historic and significant reform. At times in election campaigns even rhetoric tends to get in the way of fact. So the government's claim that this was where the

nuts and the bolts of their tax package was thrashed out is laughable. To suggest that it was thrashed out as part of the public debate the government knows is an absurd claim.

There is no doubt that this tax package is deeply flawed. It is deeply unfair. It is not an adventure at all for ordinary Australians; it is a nightmare. For the poor, the sick, the disadvantaged, the people struggling to get educated, those looking for jobs, the normal small business people with moderate earnings, the families who earn less than \$50,000 a year, the pensioners and the self-funded retirees, this tax proposal is a nightmare. These are the very people Mr Howard and his government have no care and concern for whatsoever. That is why we say there is a necessity for a Senate inquiry, and that inquiry has to be thorough. It has to expose the unfairness of the government's proposals, and we need to take the responsibility here, which Mr Howard will not take, to protect Australians who are less well off.

The motion that I moved today on behalf of the opposition will ensure a thorough going and wide ranging inquiry into the government's proposals. It will cover such matters as the government's modelling and assumptions. It will cover the effects on low and middle income families. It will cover the impact on employment, inflation, interest rates and investments, and the adequacy of measures to prevent the GST from rising above 10 per cent. It will also cover the issue of ensuring that consumers benefit fully from the abolition of existing taxes.

It is well known that the Labor Party's preference was for a Senate select committee. That was our initial preference. We believed and we still believe that this would be the most practical and the most effective way to conduct this particular inquiry. A select committee facilitates appropriate representation of all parties. Under our proposal we asked only that the opposition have a third of the representation. It would enable all minor parties, Independents and major parties in the Senate to be represented. It would have explicit powers to call and examine witnesses and documents. It would be appropriately resourced, and it would have the capacity to

hold hearings outside Canberra if and when required.

In the opposition's proposal we wanted to be flexible about timing. We said the committee should report before the end of June, and in discussions we have had with minor parties and Independent senators we have indicated quite clearly that we were flexible about that issue. A select committee has the capacity to draw together the traditional functions and responsibilities of legislation committees and references committees. It has that advantage.

Let me stress that our overriding objective here is and always has been to achieve a thorough parliamentary scrutiny, and that has been what this government has been trying to avoid from day one. Let us not lose sight of the fact that this, again, according to the Prime Minister, is such a historic and significant reform. What would it say for the role of parliament in our system of government if parliament were to have no role in scrutinising such—in the words of the Prime Minister—a significant reform? What would it say for the role of the Senate in the federal system of government if the Senate were to have no role in reviewing such a reform? What would it say for the impact and the effects on so many people in our society in this country if parliament did not take seriously its responsibility for a thorough and high level inquiry?

This proposal will have far-reaching consequences on all segments of our society, on everyone in this country, and the government does not want to afford anyone the opportunity of having a real say—but we will insist they get that opportunity. We will ensure, or try to ensure, that people do have the possibility of seeing this chamber of the federal parliament seriously address these issues. We are determined to try to use the processes of the parliament, and in particular the processes of this chamber, to that end.

We have never been wedded to a particular approach, a particular blueprint for achieving what we think is the necessary scrutiny of the proposals which the government has before the parliament. As I have said, we maintain that a select committee is the most sensible and manageable way to go. But we have had

discussions with other parties in the Senate, and I have to say that we have come to accept that our proposal for a single select committee does not have the necessary level of support.

So we have modified our original proposal in the terms that are now before the chamber. That has been done in the spirit of trying to ensure that we maximise the prospects of consensus among non-government senators in this chamber. Instead of a select committee, we are now proposing to refer the government's new tax system to the Economic References Committee. We accept the view that that particular committee does have the advantage of having been already constituted, obviously, and it is also resourced by the Senate for this type of inquiry. In addition, we have taken on board in our proposed terms of reference many of the areas of concern which have been highlighted by the Democrats and Greens—areas such as impacts on the environment, remote communities and small business, implications for the delivery of Commonwealth services and local government, and alternative taxation measures available to government.

We acknowledge, as I have said, that our preferred reporting date of on or before 30 June might have been construed by some as being beyond the time frame desired by a majority of senators. Accordingly, again in the interests of encouraging a consensus among non-government senators, we have nominated a reporting date of the last sitting day in May.

We also acknowledge that the Democrats and Senator Harradine want to make more use, a fuller use, of the existing committee system, as I have said. But we do not believe that the Democrat proposal is manageable. We do not believe it would produce as coherent and comprehensive an inquiry as the one that the opposition proposes. Our final clause in the motion before you states:

That, in the event that matters related to these terms of reference are referred to other References Committees, the Economics References Committee shall take into account the reports of any such committees in completing its own report on this reference.

We believe that does cover other interests. Engaged on this task, you now have the government already proposing two, albeit limited, references committee hearings and the Democrats proposing at least seven references committees.

We say there is a need for a single body, whatever that body may be, to encompass, bring together all the various pieces of the government's mosaic. It does not make sense to us to have individual committees beavering away at individual pieces of the mosaic in isolation from other committees. So, in our view, this is a job for one committee. I have no idea why the government does not see fit to support this proposal, why an appropriately constituted, appropriately staffed and resourced single committee cannot do this job effectively in the best interests of the parliament and the public.

We also believe there is a chance that the Democrats's proposal really will turn into a logistical nightmare. How will seven separate references committees cope with running simultaneous inquiries into references which are inextricably interrelated? It is not possible to separate neatly all the various impacts and implications of the government's proposals.

There are many professional organisations, community groups and individual citizens who will be wanting to put their views to a number of committees who may well be sitting simultaneously in different parts of the country. Will the government put under this proposal eight different submissions to the eight different proposals? I do not think the government has thought any of this through. And what will happen to the other inquiries that references committees are undertaking? We do not think it proper that those simply be shoved to the back of the queue to accommodate the government's—what was once a never-ever, but now pressingly urgent—GST proposal.

I have to say that there are also implications for the resources of the legislation committees which, as senators know, share secretariat resources with the references committee. We are concerned that this has the potential to bog down the whole Senate committee system, with committees travelling everywhere

and hugely drawing on the Senate committee budget.

For those reasons, we do not support the Democrats's proposal. We think there are substantive reasons, but we have talked about these differences at length with Senator Lees and Senator Murray and others on behalf of the Democrats. But, as for the government's proposals, they are entirely half-baked, as senators know. They are really a belated attempt to define a lowest common denominator here. They are confined to impacts on just food, health and education; they ignore a huge range of other impacts and issues of concern to millions of Australians. And they are shoehorned, just like the Vos committee, into an impossibly tight and unrealistic time frame.

I have never been really able to understand why Mr Costello does not understand what I believe is the bottom line politics of this. Mr Costello should understand: no parliamentary inquiry—no GST. Of course, all these propositions might go down because the government has taken a new approach to the tainted vote of Senator Colston, but we believe a comprehensive multifaceted reference to the Economics References Committee is the way to go. That will best ensure that the Senate's, the parliament's, and the public's wishes are adhered to.

Senator LEES (South Australia—Leader of the Australian Democrats) (10.30 a.m.)—I wish to begin by speaking about process. As we have seen over the last few days, three different terms of reference were put on the table—one by the opposition, one by the Democrats and one by the government. I think everybody in this place except the government rejected the government's terms of reference as completely inadequate and little better than what the Vos committee is doing already. Indeed, their use of the Senate legislation committee is an automatic process that we cannot stop if they still want to go ahead with it later.

Obviously, there are a few facts in this place that we have to acknowledge. We felt that we should try to get some consensus. The first thing we have to acknowledge is that nobody has the numbers—something that the House of Representatives members do not

quite seem to have grasped as yet. The government can move its motions all day, every day and it will not get support if they are just supported by the government—as can we, and as can the Labor Party, the Greens or Senator Harradine. We need to get consensus to get anything through this place.

Secondly, once this committee process starts, we will be looking, I hope—if we actually get some agreement on this starting today—at February, March and April as pretty intensive working periods for these committees. People actually have to get on together. Senators have to spend time together. If we are dragging one party kicking and screaming to the table—they do not want to be there; they do not want to cooperate; they feel hard done by—then it does not lead us to a situation where we actually have good working relationships which will have to last under that much pressure for that period of time.

So, yes, I did ask yesterday if we could have another day. But, unfortunately, that was interpreted by the Treasurer last night as us caving in to the government, about to agree to what they put on the table, so our phones run hot today with all those people out there—particularly our members—concerned that we have collapsed and are just going to agree to whatever the Treasurer wants. I just want to assure you at the beginning of the debate today that is not the position. The position was that quietly, behind the scenes, we were sitting down, with various people talking to different senators. People such as Senator Brown were writing us letters, we were talking to Senator Harradine, and having discussions with the opposition and with the government on three particular issues: firstly, the content of the material if there was to be an inquiry—what were actually going to be the issues; secondly, the structure—which committees, how many committees; and, thirdly, the timing.

As far as the content is concerned, the ALP had some specific issues. It was not going to go beyond its bottom line. The government had a long way to go, but I am very pleased to say they last night agreed to the position we had reached with content, which we were able to roll into the amendments I am about

to move—which I will now call ‘the omnibus amendments’. All parties are basically happy with the contents of these amendments, although I note another circulated amendment by which the opposition actually wants to take out and rephrase a couple of clauses, which we have agreed to.

We worked very hard with Senator Harradine, who had quite a bit of content to put in, and I congratulate him on that. They are things we probably should have thought about ourselves. They broaden some of the references to the necessities of life, rather than just looking at food, and some other specific examples of treatment of charities, et cetera. Senator Harradine has had some input there, and I thank him for that.

Overnight, we amended our original amendment to take into account Senator Harradine’s and Senator Brown’s concerns. I just want to acknowledge the letter from Senator Brown and just refer him back now to the amendment that I am about to move to the Labor Party’s motion, to assure him that we had all the matters that he has raised. In particular, he has asked that we go beyond food and books and look at items such as health and non-profit organisations. That was already in the community affairs reference. Other environmental concerns that he and Senator Margetts had can be covered in the environment committee under option (o).

As far as content is concerned, we seem to have agreement; certainly as of last night I thought we had agreement. But when we come to the structure, I realise we still have many people who are not particularly happy. But, again, we have got to the point where I think the ALP are going to reluctantly accept this amendment. I know they are still not happy with that. I acknowledge their concerns about the use of Senate time. I acknowledge that they have a range of other issues they wish to refer to committee. But, looking at the breadth of the changes that this government has within its package—remember, we are not looking at a new tax; we are looking at a new tax system—and considering this is the first real look we have had at our tax system since before World War II—before many of us, or indeed most of us, who are in this chamber at

the moment were actually born—I think it justifies a thorough committee hearing.

My colleagues last night at about 7 o’clock agreed to reduce our seven references committees back to four, and I understand the ALP has agreed reluctantly to accept an increase from one references committee up to four. The government last night also indicated, again reluctantly—I think we are still talking at a few cross-purposes here—that four committees was workable, even though it was not their best option. But, again, we had reasonable agreement.

I will just run through this amendment and explain how we will be using the committees. The ALP wants an overarching committee, and that will be the Senate Economics References Committee. That committee will have the other three references committees—the Community Affairs References Committee, the Employment, Workplace Relations, Small Business and Education References Committee, and the Environment, Communications, Information Technology and the Arts References Committee—reporting to it.

Can I just pause briefly on the environment committee. It is absolutely essential that we look at parts of the package other than just the GST. I remind people again of the government’s words: it is a tax system. Changes to diesel fuel treatment and the actual cost that is going to mean for diesel fuel will have major impacts on the health of Australians, particularly many low income families in the capital cities who are often living around some of the major freeways and expressways. That is not an issue we can simply push to one side and hope we can roll into an economics committee. The environment committee is where the expertise is, and that is where we want to send it.

We are still having some difficulties with timing. After the Treasurer’s comments last night, I do not feel that we can agree to any further adjournment. I think that will again be seen as the Senate caving in. We are not caving in; we are actually trying to work for some consensus. The ALP has come some two months back and one month back on their original request for the end of this process—for the final report. The overarching

committee will now report a month earlier at the end of May. The other three committees which will feed into the economics committee—the environment committee, the community affairs committee and the education committee—will finish a month earlier, at the end of April. We have also agreed to that change—bringing it back to April—which will hopefully assist the government.

However, I am well aware of the fact that the government is still working on the timing. I am not sure where we are going to get to with that today but, as far as the Democrats are concerned—from what we have heard so far in discussions—it is particularly unfortunate that the government believes we can all expect the community to give up Christmas and work through what is a holiday season in this country. The economic rationalists might like us to work seven days a week, 52 weeks of the year, but I think we have all agreed that what may be a perfect economic world is certainly not a perfect social world. I think it is unrealistic when many of those presenting submissions are going to be charities and not-for-profit organisations—the Surf Lifesaving Association, the Royal Lifesaving Association, the tourism industry and many other organisations and businesses—whose busiest time of the year is actually through Christmas.

They may, hopefully, be able to start work in December, which is why we wanted to get this committee process going now. Many of the bigger organisations have the bones—the outline—already prepared, hoping we could get the Senate references up. But many organisations are saying to us, 'If you get it up this week, then we will start our modelling. We will then go back to many of our smaller organisations—our smaller branches or our smaller clubs—and ask them for their figures and look at how the GST, in particular, will affect them and look at how the fringe benefits tax changes will affect them.' I think it is unrealistic of the government to suggest we report in January—that basically all the community reports be in by January. If you are looking at a reasonable period of time, you are going to need at least four weeks of activity in December and a couple of weeks next year for them to finish those

submissions. I am sorry I am not quite up to date as to where the government's negotiations are this morning from thereon.

Senator Ian Campbell—Yes you are. You are right up to date.

Senator LEES—But as far as which weeks, I do not remember the single sheet of paper you sent around to us. Is that still in operation?

Senator Ian Campbell—Yes. You have four weeks.

Senator LEES—So you are looking at four weeks of hearings in February? I will leave you to explain later on in terms of the timing. We put it to our party room this morning and it was roundly rejected, and I am not able to support you on the floor today. I go back to the timing that other senators have brought their references back to: the end of April and the end of May. I would be happy to listen to your arguments as to how many weeks you believe you need to negotiate and discuss because, hopefully, we can get back to negotiating and, hopefully, that will be done as much as possible at a Senate level.

As far as what we hope to achieve out of this, I think one of the most important things—as well as, obviously, content—is to actually give the community the opportunity to participate, to actually give the community their chance to be heard. It was not just a quick reference to a few letters yesterday, Senator Kemp, when I asked you the question about how the government is actually getting its message across and where the detail is. There are lots of examples in my mail of letters to ministers not having been answered in three, four or five weeks. We are expected to know the answers, yet the detail in many instances—the treatment of charities, the treatment of pensioners who get their pensions from Britain, and the list goes on and on—is simply not in your documents. I also have copies of letters that you have sent back to constituents advising them to go and spend \$11 or \$25 and buy themselves a copy of your tax package, and I think that is particularly unreasonable for pensioners.

So one of the aims of this committee process is to actually give the community the

time to participate, which they did not get with Vos, and to feel that they have actually been heard. If you try to drive through this place a tax system that the community does not accept, it will not be to the benefit of all Australians. It will not be in any of our interests to see people stop spending, to pull back into themselves and their family units and wait for the dust to settle. We need an open process that the community can see working, that they believe in and where they have an opportunity to have their questions answered.

That is not to put to one side the genuine concerns of many industry groups, the genuine concerns particularly of the charities and the genuine concerns of many in the health area—the pharmacists and those who are involved with the sale of a range of products under the Therapeutic Goods Act. I will not go through all the details here, but where the lines are drawn on health and education is particularly important to many businesses. Some of the details on the treatment of aged care and child care will be revealed when Vos reports tomorrow, but there is a long way to go before we have a community understanding that this is an open process and that they have the opportunity to participate.

So I hope if the government is determined today to somehow push a very short time frame through this Senate, that it remembers that Australians out there are concerned about a new tax system, they are not happy about a new tax system and they need more than just a few weeks over Christmas to get submissions in.

I will close by saying that I hope the amendment I will move to Senator Faulkner's general business motion No. 1 will be successful. We do not know whether it will because negotiations effectively came to a halt this morning. But hopefully my amendment will be successful and we will actually get going on this committee process. I move:

Omit all words after "That", substitute:

"the economic theories, assumptions, calculations, projections, estimates and modelling which underpinned the Government's proposals for taxation reform, contained in *Tax Reform: not a new tax, a new tax system*, be referred to the Economics References Committee for inquiry

and report by the last sitting day in February 1999.

- (2) That, in conducting its inquiry, the Committee examine the following matters:
- (a) the estimated levels of revenue to be generated or foregone due to the proposed changes, including the estimated level of revenue to be generated by imposing a GST on the basic necessities of life (such as food, clothing, shelter and essential services) and books;
 - (b) the effects of the proposed changes on:
 - (i) national Gross Domestic Product
 - (ii) national export performance and national debt
 - (iii) the national Consumer Price Index
 - (iv) the distribution of wealth in the Australian community
 - (c) the effects of the package on future federal budget revenues, expenditures and surpluses, including a critical assessment of the economic assumptions underpinning the Treasury's projections in this regard;
 - (d) the effects of the taxation and compensation package on disposable income and household spending power for a range of 'cameo profiles', including but not limited to those presented in the proposals, under the following scenarios:
 - (i) a GST extended to the necessities of life (such as food, clothing, shelters and essential services); and
 - (ii) a GST not extended to the necessities of life (such as food, clothing, shelters and essential services);

with the aim of identifying families and groups who may be disadvantaged by the Government's proposals, focusing on lower and fixed income individuals, families with dependent children or adult members, groups and organisations, and those with special needs, such as people with disabilities;
 - (e) the assumptions made as to consumption and saving patterns and the cost of living for the various "cameo profiles";
 - (f) whether the stated objectives of the package can be met by using an alternative and fairer approach; and
 - (g) such other matters as the committee considers fall within the scope of this inquiry.
- (3) That the following matters be referred to references committees in accordance with the schedule below, and that in undertaking these inquiries the committees have regard to the

report of the Economics References Committee referred to in paragraph (1) and consult widely, holding hearings in all states and territories. The committees will report by the last Thursday of April 1999, with the exception of the Economics References Committee, which will report by the last Thursday of May

1999, and which will have regard to the reports of the other references committees, and will integrate the findings of all committees wherever relevant in its final report. The Economics References Committee may also issue other interim reports on completion of its investigations of discrete areas of its reference:

Committee	Matters for Inquiry
Economics	<p>The broad economic effects of the Governments' taxation reform legislation proposals with regard to the fairness of the tax system, the living standards of Australian households (especially those on low incomes), the efficiency of the economy, and future public revenues, including:</p> <ul style="list-style-type: none"> (a) the effects on equity, efficiency and compliance costs of including, or not including, food or other necessities of life in the GST, together with any related adjustments to the package if food or other necessities of life were GST zero-rated; (b) the effectiveness of the package in easing the poverty traps facing people on low incomes, and reforming and streamlining tax and income support for families with children, taking into account the static and life-cycle impacts on families with children; (c) options for amending the income tax schedule to make it more equitable; (d) the findings of the Tax Consultative Committee chaired by David Vos; (e) options for improving the effectiveness and fairness of the tax system and reducing inequitable or unreasonable tax avoidance and minimisation, including consideration of the following areas: <ul style="list-style-type: none"> (i) taxation of foreign companies operating in Australia, including the relative merits of resource rent taxes, royalties or land taxes as compared to company tax in securing a fair compensation to Australia for use of its resources; (ii) the use of trusts; (iii) negative gearing; (iv) the use of private company structures by individuals to minimise personal income tax on labour or investment income; (v) artificial income splitting and whether spouses should be able to elect for partnership taxation; (vi) work related income tax deductions; and (vii) reducing the concessional treatment under the Fringe Benefits Tax on company cars; (f) the potential for tax avoidance and evasion, including an examination of the effects on the cash economy, and the potential impact of electronic commerce on the future viability of a GST; (g) the effects on compliance costs; (h) the potential for reducing payroll tax, including by providing incentives to create long-term employment and by replacing payroll tax with a carbon tax; (i) restoration of the 150 per cent tax concession for research and development; (j) whether there are other means available for rebating or reducing the indirect taxes or excessive user charges embedded in exporters costs;

Committee	Matters for Inquiry
	<ul style="list-style-type: none"> (k) Capital Gains Tax, including the implications of the suggested 30 per cent cap on the CGT rate; (l) excises, including those on fuel, tobacco and alcohol—identifying the industries which benefit, and to what extent, from the proposed changes to taxes on fuels; (m) the effects on interest rates; (n) the effects on investment, in both physical and human capital formation; (o) the effects on small business; (p) the effects on the non-profit sector, including the total amounts of money contributed by the sector, administrative costs, impacts on the viability of the organisations, and the consequent effects on the wellbeing of the community; (q) the effects of the GST on particular industries, including: <ul style="list-style-type: none"> (i) key service industries such as tourism; (ii) the Australian automobile and related industries, having particular regard to the effects of changes to fuel excises; (iii) other 'invisible' export industries, such as education and financial services; and (iv) the international competitiveness generally of Australian industries; (r) the implications of not requiring that the GST component of goods and services be itemised on receipts; (s) the effects of the taxation reform legislation proposals on rural and regional stakeholders, including: <ul style="list-style-type: none"> (i) the effects on particular regions; (ii) the effects of rural and regional communities of different tax regimes on fuel – especially the cost of transport of goods to rural communities; (iii) the effects on primary industry of replacing the current sales tax exemption on agricultural machinery with a GST; (iv) the effects of imposing a GST on food and other necessities of life on remote communities, including Aboriginal and Islander communities; (t) the effects of the Governments' taxation reform legislation proposals on state and local government administration, including: <ul style="list-style-type: none"> (i) the effects of the package on future federal-state financial relations and the capacities of state and local governments to adequately finance their respective responsibilities in both the short-term and the long-term, including the effects of the proposed transfer of responsibility for local government financial assistance to the states, and whether it discriminates between states; (ii) the implications for specific purpose programs; (iii) mechanisms required to lock in commitments made by federal and state governments with regard to the new arrangements; (iv) the implications for future federal-state financial relations of not extending the GST to the necessities of life (such as food, clothing, shelter and essential services) and books, and any adjustments to the proposed arrangements which would be required to federal-state financial relations;

Committee	Matters for Inquiry
Community Affairs	<p>(v) the implications of the package for the quality and affordability of public utility services and for the public utility concessions for social security recipients;</p> <p>(vi) the effect of application of the GST to local government activities, particularly commercial activities;</p> <p>(vii) the implications for the delivery of Commonwealth Government services, including employment services, welfare and other social and cultural services;</p> <p>(viii) the extent to which the proposed compensation arrangements are secure from change to below adequate levels</p> <p>(ix) adequacy of measures to ensure that consumers fully benefit from the abolition of existing taxes; and</p> <p>(u) The effects of the taxation reform legislation proposals on legal and constitutional matters, including:</p> <p>(i) the constitutionality of the proposed mechanism for future changes to the GST, including whether such changes would present a significant hurdle to future increases, or reductions if deemed necessary to stimulate the economy;</p> <p>(ii) the constitutionality of the proposed reorganisation of federal-state tax arrangements and whether the powers and functions of states and territories are materially affected by this reorganisation;</p> <p>(iii) the effects of the proposals on the cost of access to justice; and</p> <p>(v) options for amending the proposed legislation to improve its fairness or efficiency.</p> <p>The impacts of the Government's taxation reform legislation proposals on the living standards of Australian households (especially those on low incomes), including:</p> <p>(a) the scope and effectiveness of the proposed arrangements on charities, child care services, aged care services, welfare services, local government human services and all not-for-profit organisations in maintaining the quality and affordability of essential community services, including the implications for the public funding of these services and the implications for the commercial activities of these organisations, and whether unconditional GST-free status should apply to <i>bona fide</i> charities;</p> <p>(b) a detailed examination of the zero-rating of health services, including an examination of which services should be zero-rated;</p> <p>(c) the effects on community sector organisations and local government of changes to their tax exempt status, and compliance costs of the proposed tax arrangements;</p> <p>(d) the effects of the proposed private health insurance rebate;</p> <p>(e) the effects on people with disabilities;</p> <p>(f) the effects on public and community housing, including the levels of public rents; and</p> <p>(g) options for amendments to improve the fairness or efficiency of the proposed legislation.</p>

Committee	Matters for Inquiry
Employment, Workplace Relations, Small Business and Education	<p>The employment incentive and education impacts of the Governments' taxation reform legislation proposals, including:</p> <ul style="list-style-type: none"> (a) the scope and effectiveness of the proposed zero-rating arrangements for education in maintaining its quality, accessibility and affordability; (b) the effects on employment; (c) the effects of the proposed GST treatment on the quality, accessibility and affordability of employment services; (d) the effects on education of imposing a GST on, or zero-rating or exempting books and associated education resources; (e) the effects on education of imposing a GST on ancillary resources, services and commercial activities, including the effects on overseas students; (f) the effects of the proposed changes to the tax system on employment; (g) the effects on wage costs, particularly if the basic necessities of life are taxed; (h) the scope and effectiveness of changing the unemployment benefits, pensions and Newstart Allowance 'tapers'; (i) the effects of the proposed changes to the tax system on training and adult education; and (j) options for amendments to improve the fairness or efficiency of the proposed legislation.
Environment, Communications and the Arts	<p>The broad environmental effects of the Governments' taxation reform legislation proposals, including:</p> <ul style="list-style-type: none"> (a) the environmental effects, and likely impacts of changes to fuel excises, particularly but not only diesel, and the replacement of WST with GST on vehicles and other transport services including: <ul style="list-style-type: none"> (i) possible increases in greenhouse gas emissions; (ii) increases by amount and type of air pollution; (iii) the effect on public and rail transport; (iv) the effect on alternative energy use in transport including, but not limited to, compressed natural gas; (v) the effects on native forest logging or woodchipping; and (vi) the effects on mining in environmentally sensitive areas; (b) the environmental effects of the replacement of Wholesale Sales Tax by the GST and associated changes in fuel excises on electricity and natural gas; (c) the environmental effects of the replacement of Wholesale Sales Tax by the GST and associated changes in fuel excise on the services provided by local government; (d) the impacts of the proposed tax changes on the prices and existing and potential use of renewable energy particularly but not only solar energy technology and energy efficiency equipment; (e) the environmental effects of any changes to taxes on exports; (f) the consistency or otherwise of the proposed changes in taxation and excise arrangements with Australia's international treaty obligations, including its obligations under the Framework Convention on Climate Change;

Committee	Matters for Inquiry
	<ul style="list-style-type: none"> (g) options for a tax system which better achieve environmental objectives, including incentives for fuel efficiency and alternative energy sources, such as measures which promote both environmental protection and employment generation; (h) the extent to which environmental impacts such as these were considered in the drafting and final copy of the Government's tax package; (i) the scope of any consultation on environmental matters with experts in Environment Australia or any other Government departments other than the Treasury and Finance departments; (j) the impact of a GST on ticket sales for the performing arts; (k) the effect of a GST on the transfer of grant monies for arts projects; (l) the effects of the tax proposals on sponsorship provided by the private sector to individual artists and arts organisations; (m) the extent to which the package will block consideration and introduction of 'ecotaxes'; (n) the effect of a GST on not-for-profit conservation and arts organisations; and (o) options for improving the environmental effects of the package.

- (4) That consideration of any legislation implementing the Government's proposals for taxation reform be postponed until after presentation of all reports required by this resolution, and until after presentation of the Government's responses to these reports.

Senator KEMP (Victoria—Assistant Treasurer) (10.45 a.m.)—I rise to speak on the motion moved by Senator Faulkner. Let me say from the outset that the government will not be supporting that motion. We went to an election on a tax reform. It was the central election issue. The Labor Party could not stop talking about our tax reform. They did not want to talk about theirs too much as it fell in a heap fairly early on.

Tax reform was the major election issue. That is what voters went into the polling booths on, and the government won the election. Therefore, we believe, and I think the Australian community expects, that the government will deliver on its promise. There are elements in this Senate concentrated on the Labor Party's side who are determined to try to force the government to break that promise. Let me make it quite clear that we are determined to proceed to ensure that we can deliver to the Australian people what we went to the election on and what we achieved a mandate on.

The government's position on an inquiry is clear. We have been returned to office with a mandate. However, we understand and we recognise that there is a disposition in the Senate for an inquiry. You do not have to be a genius to count the numbers in this chamber. We made it clear in a press release that was issued by the Treasurer that it is unlikely that we will achieve our goal of passing the legislation by 1 July 1999 unless the government agrees to an inquiry being held. So we have recognised that there will be an inquiry in the Senate.

What is fair and reasonable for that inquiry? What are the key principles on which one would want to have a fair and reasonable inquiry? The first one is to give people time to put submissions to that inquiry. That is the first one. The second one I put to the Senate is that there must be time for those submissions to be considered. The third element I put to the Senate is, having met those two criteria, there must also be time for the government to have the legislation debated properly and passed in the Senate to meet the government's deadline of 1 July 1999—a promise that we gave the Australian people, a commitment that we gave the Australian people. That is the dilemma that is before this chamber.

Where does the Labor Party stand? Essentially, the Labor Party is opposed to the tax reform measures that we have brought forward. It will do anything in its power to attempt to defeat those tax reform proposals. The Labor Party refuses to recognise the election result. So, as Mr Beazley said in a startling statement of frankness, it will work any parliamentary manoeuvre that is available in order to defeat the government's election promise. This is essentially what the Labor Party motion is about. No-one in the Labor Party is going to change their mind as a result of the inquiry. They are really not the slightest bit interested in an inquiry.

The Labor Party is interested in delaying and attempting to cause confusion. That is what the Labor Party is interested in. The Labor Party has dealt itself out of serious debate with its attitude and its shameless refusal to accept the result of the election. So the views of the Labor Party are quite clear. The Labor Party wants an inquiry only in order to delay consideration by the Senate of these bills. It does not come to this issue with clean hands.

I listened very carefully to the comments made by Senator Lees and the Democrats. I listened carefully to the views that she put, some of which I agree with and some of which I do not agree with. I agree with the fact that there have been productive negotiations in recent days. I hope those negotiations have been useful in helping the Democrats to understand the government's position. Equally, the Democrats have put their views to us.

We listened carefully when Senator Lees said that she was also prepared to negotiate further. I personally welcome that comment of Senator Lees and, as soon as both of us have a time to leave this chamber, I will certainly make myself available to see whether we can move this matter forward. I am not confident that we can move this matter forward in the chamber at the moment, only time and the votes will tell whether that is the case. I am not confident but, nonetheless, I welcome the comment that she is prepared to discuss this further with the government to see whether a consensus can be reached.

At the start of my remarks, I indicated that there were perhaps three broad issues that had to be considered. Is there time for submissions to be called? The truth of the matter is, if this inquiry is set up by the Senate today, submissions could effectively be advertised tomorrow or on the weekend. Depending on the timetable set by the committees, this would certainly give many weeks—four, five or six weeks—for groups to put submissions to the Senate committees. After Christmas, the committees will have a chance to consider these submissions.

Again, the government has put down a position in its motions. We understand that the Democrats are not happy with that. We will look at further proposals there. But the government's bottom line is that we believe it is possible to set up an inquiry which on the one hand provides extensive time for people to put submissions in, and Senate committees typically make allowances for those groups who find it hard to meet deadlines. I do not think that would be any problem for the particular Senate committees which will be calling for submissions.

Equally, the government has indicated that we will work with the Senate to make sure that there is extensive time available for the hearings of the committees. I think Senator Ian Campbell has indicated that we would look at the parliamentary sitting times to make sure that space is provided for very extensive hearings by the Senate committees. We have also put down that the government needs time to make sure that these bills can be properly considered in this chamber and, hopefully from our position, passed by this chamber.

We believe that, if people come to the table with goodwill, we can meet all those three criteria. If people do not come with goodwill, if people have other agendas, then that is a different matter. But if the issue is to give people a fair time to put in submissions, if the issue is to give the Senate committees enough time to properly consider the issues which are before them and if the issue is to ensure that the government has sufficient time in its program to have the legislation considered by

the Senate, we believe that this Senate can achieve those three criteria.

We will, as I have indicated, be quite happy to speak to the Democrats, Senator Harradine, Senator Colston and even the Labor Party and the Greens if they wish to see how we can achieve those goals. I have no doubt they can be achieved, but it requires people to recognise we have to look where the centre of gravity is in this place. The government is very keen to get its bills passed. Senators wish to have proper and extensive consideration of these bills before Senate committees. Although the government does not see a need for that, it recognises there is a disposition in the Senate to do that and the government will cooperate so that the Senate can achieve that goal. The final thing is to make sure that people can put submissions to the committees. I say to Senator Lees and other senators that I have no doubt that we can achieve that. It will require a lot of work.

The one thing I was inclined to agree with Senator Faulkner on was that this is going to tie up the Senate committee structure for a considerable period of time. If you look at the time Senate committees have had for consideration of important bills that have come to this chamber—and I did some quick research last night—the most extensive inquiry done by a Senate committee on a bill was 16 weeks on the euthanasia bill. We have proposed three committees and the Democrats have proposed four committees—they have come down from seven. The time available for committees to consider the bills would be three or four times more what has ever been done before in this chamber. So if people want an extensive inquiry, that can be easily achieved.

As I said, the government will try to ensure, within reason and within the constraints of its own program, that the Senate and those committees have time to properly consider the matters before them. So very extensive time can be provided for these committee hearings, vastly in excess of anything which has ever been done before in this Senate that I am aware of. We can do that and still meet the criteria that the government has put down on

the need to provide plenty of time in this chamber for these bills to be considered.

I think the basis is there. If people come to the table with goodwill, it would surprise me if we could not reach agreement that would meet the demands of all parties in this Senate chamber. Certainly I hope in the next few hours, maybe days, that I and my colleagues will work to see whether that can be achieved.

I understand the Democrats went to the election and said they were not opposed to a GST. The Democrats had some queries about a GST in relation to food, but they were not opposed to the broader principle that the government was putting forward. The Democrats come with a position that we do not agree with, but it is a position that certainly was put by them to the people. We are happy to have those issues fully explored by the Senate if they feel it is necessary because we believe the results of such an inquiry will vindicate the government's position.

The government arrived at its policy position after a year of intensive discussion and negotiation with many groups. I can remember the extensive work of the Gibson committee in drawing in a very wide range of submissions from all groups in the community.

Senator Lees—That went into a black hole somewhere.

Senator KEMP—No, it was done in good faith, Senator Lees, and as a result we were able to go to the election with the most comprehensive tax reform package which has ever been put before the Australian people and we won that election on the basis of that tax reform package. We are determined to proceed with the mandate, but if what you want is an extensive inquiry, I believe that can be accommodated. If what you want is reasonable time for people to put in submissions, that can be accommodated. If what you want is plenty of time for the Senate committees to hear the evidence, that can be accommodated. We can achieve all that and at the same time provide plenty of time for the Senate to consider the legislation that goes before the public.

I think you will find, Senator Lees, that with reasonable notice—and, as I said, we could put the notice out almost immediately—the vast proportion of groups will be able to meet any reasonable deadline for the submission of their views. Of course, as I said earlier in my remarks, Senate committees have procedures which can deal effectively with those who cannot.

We can provide plenty of time, but the Senate does not want to get itself in a position where it is not prepared to work. Senators are not prepared to work over this period. Senator Lees, it is now 12 November. There is plenty of time before Christmas for work to be done, for notices to be issued and even for hearings to be established early, if that is the wish of the committee. Equally, there is time, given a reasonable break over the new year, if people wish that, for the Senate committees to resume as well. This is very important. You are correct in that there will be lots of people who wish to put views to this committee. I do not think the Senate should say, 'Well, we think tax reform is very important. We've got to have the biggest inquiry ever, but we really can't get moving until perhaps late in January or early in February.' I think that would put senators in a very odd position.

We believe that we can achieve a consensus, we can achieve a position at which the reasonable demands of all groups in the Senate can be achieved. We are not too far from it, to be quite frank, Senator Lees. The next few hours will determine whether that is the case or not. As I say, we are happy to discuss with all parties in the Senate to see whether we can reach an appropriate consensus which allows people time to put their submissions in, which allows the Senate committees plenty of time to conduct hearings and which provides the government with plenty of time to ensure that the bills can be properly debated in this chamber and passed by the 1 July deadline. We believe all that can be achieved. It is not achieved at the moment with the motion that has been put down by Senator Faulkner and it is not achieved by the amendment Senator Lees has put down.

In relation to Senator Lees's amendment, just to illustrate one of the dilemmas we have, clause (4) says that not only are we to have the final committee reporting by 30 May but also the consideration of any legislation implementing the government's proposals for this taxation reform be postponed. So not only do we get the 30 May deadline, you then say 'until after presentation of all reports required by this resolution, and until after presentation of the Government's responses to these reports'.

The truth of the matter is that the government gets four or seven reports by 30 May. The government has then to consider in detail all these reports, and the legislation cannot even be debated then, Senator Lees. Typically, what happens is that committees put their reports down and these reports are considered in the debate. But, in this arrangement, you have not even given the government that usual precedent which is followed in this chamber.

Senator Lees, Senator Harradine, Senator Brown, Senator Margetts and the Labor Party, I think further discussion is required. We are happy to have those discussions. As I said, I believe we can achieve a consensus if all parties come to the table with goodwill.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (11.03 a.m.)—Before the chamber is a motion moved by the Leader of the Opposition in the Senate, Senator Faulkner, and an amendment moved to that motion by the Leader of the Australian Democrats, Senator Lees. I wish now to move an amendment to Senator Lees's amendment to Senator Faulkner's motion. I will do that at the conclusion of my remarks. My amendment to Senator Lees's amendment to Senator Faulkner's motion is circulated in the chamber. I do need to say one or two words about the structure of this amendment.

The amendment by the Australian Democrats is a quite comprehensive and extensive amendment. With respect, we think there are ways of making it even more comprehensive without losing any of the point or merit of some of the elements of that amendment. If those changes were accepted, it may well be

that the opposition would be in a position to support the final amendment amended in this way.

My amendment goes to paragraph (e) in paragraph (3) of the reference to the Economics References Committee and proposes to delete the introduction to (e) and replace it with a new introduction which would read:

- (e) options for improving the effectiveness and fairness of the tax system and reducing inequitable or unreasonable tax avoidance and minimisation, including consideration of alternative areas for tax generation, either where there are current tax concessions or where Australia's taxation system does not address major tax potential.

My amendment would replace an introduction which introduces a series of points set down in (i) to (vii) which itemises types of alternative areas of tax generation or types of current tax concessions or efforts to address major tax potential. The reason I think this is a more satisfactory amendment is that, in my understanding of the narrow interpretation of the Democrats proposal, if you introduce a concept and then set dot points, you in fact tend to limit the meaning of that concept to the dot points that you have introduced. By removing the dot points and explaining more widely and more effectively the idea of the wide range of this inquiry, you encompass all of the dot points that have been mentioned and any others that might arise as well or some that were not thought of in the heat of drafting. Therefore, you open the potential for a wider canvass of views and a wider examination than the amendment may have allowed by virtue of itemising a series of issues.

If that is not gobbledegook and is understood, and I trust it is—I see beaming smiles from some of my Democrat colleagues which suggest that at least the point is understood—then they can see that no merit is lost by these changes—in fact merit is enhanced by them—and that the changes might be acceptable. The further part of my amendment seeks to remove paragraphs (i) and (k) on page 3. Paragraph (i) deals with the restoration of the 150 per cent tax concession for R&D and paragraph (k) deals with capital gains tax,

including the implications of the suggested 30 per cent cap on the CGT rate.

Those changes are consistent with the explanation I have just given. The changes suggested by my amendment enable those things and more to be encompassed. Again, nothing is lost. I think more is added, and the text is improved. For those reasons, I recommend the changes to the chamber and trust that there might be, in an act of shaking hands across the chamber, consensus and agreement that they might constitute reasonable terms of reference for a Senate inquiry into the GST. I commend the amendment to the chamber in the expectation that that is so.

On the general subject of this inquiry, the issue has been canvassed substantially, and I believe persuasively, by speakers in this debate bar the government, which has defended its position and, while indicating to the chamber support for a Senate inquiry, rejected essentially the approach taken by the opposition and the Democrats. In terms of the government proposal for a shortened reporting time for the inquiry, Senator Kemp said, 'The vast majority of groups'—meaning community groups and potential organisations or entities that would submit to an inquiry—'can meet our deadline,' which is a shortened deadline for February. I do not believe that that is true.

If you look at the Vos committee, which is a committee the government has set up to look at elements of the GST, and the time frame in which that committee has to operate, you can see a window on government thinking about what reasonable time looks like. The Vos committee will be in existence for 17 days. According to the ABC radio yesterday, it has attracted some 250 submissions. The committee has 17 days to deal with 250 submissions. There are 408 hours in 17 days. If the committee sat 24 hours a day, it would have 1 hour and 38 minutes for each submission of the 250 submissions made. In that 1 hour and 38 minutes, the committee members would have to read the submission, understand the submission, analyse its contents, come to a conclusion about it, extract from it any main points, balance them against other submissions that they had read or intend to

read, reserve time at the end for a conclusion, and then reserve further time to write their conclusion.

If you put it in that context, perhaps it is physically achievable and perhaps Mr Vos has powers that transcend those of normal human senators in the ability to do this at such a rapid clip. I do not necessarily pretend that he cannot do it, but I do think it is unreasonable and fantastic to argue that that can lead to a balanced consideration in the national interest of matters of this weight and importance so fundamental to the taxation structure of Australia and the wellbeing of ordinary Australians. I mention that because that is the best example I have to hand of what the government thinks is a reasonable deadline for a committee that it has set up to deal with the momentous matters contained in this debate.

If you go back to the actual circumstances of how we came to have an election on the GST, you will remember that the Prime Minister announced the great tax adventure in May 1997, and in August 1997 the committee to review the taxation structure of Australia was set up. It was a committee set up in Treasury. It was a secret committee. It had a chairman, which we later adduced by inquiries through the estimates process. It never kept minutes. It never kept records. Its membership was indefinite. We know that the senator representing the Treasurer in this place, Senator Kemp, was not a member of it and not privy to it, at least not initially. It sat for 460 days before it brought down its report.

Government consideration of these matters—a process internal to government and hidden from public view—took 460 days before the committee produced its report. When the report was produced to the accompaniment of a \$17 million advertising campaign paid for by the taxpayer, Australians had two weeks to absorb the detail before they were in the midst of an election campaign. Election campaigns are a bit like war in the sense that often the first casualty in an election campaign is truth. Certainly, a casualty in an election campaign is space for objective calm analysis because parties are con-

tending for the ultimate prize and there tends to be often—and this as an observation—a degree of exaggeration in the way in which parties put their arguments in an election context. While in this election campaign that may not have been true of the Labor Party, it certainly was true of the government.

After 460 days to incubate and prepare the ideas and a \$17 million campaign over two weeks to present them, the government now tells us that it has a mandate to introduce legislation along these lines. That does spark a debate—and we have had one over the last couple of days in this chamber—about the meaning of the word ‘mandate’.

Senator Kemp talks about a deadline, as he did a moment ago in this debate. Apparently, according to Senator Kemp, the deadline is 1 July 1999. I do not recall a deadline actually being voted on in those terms. The deadline is one invented by the government and imposed on itself to encourage the public to believe there is urgency here and that they have to get the legislation through by that time for whatever reason.

The allegation of a deadline is attended to by intimations that tax cuts may not be made and other benefits that the government alleges are contained within its package will be withheld, disturbed or degraded to some extent if this deadline is not met.

I am always sceptical of self-imposed deadlines for negotiating purposes. There is often no such case and I do not believe there is one on this occasion. If the issue of a deadline is put alongside the issue of a mandate, a reasonable question for the citizens of this nation to pose to a government is, ‘If you claim a mandate, why don’t you wait until the Senate that was elected at this election is able to take its seat and exercise the mandate that we, the people, gave both houses of parliament, and not just take the view that, simply because the government is formed in the lower house, that is the sole chamber in which these matters must be determined?’

This is a classic debate for the Senate—the role of the Senate versus the House of Representatives. I am unable to read the position of individual senators on this matter and I make no allegations or observations about it, but

what is different in the debate about this legislation is that government believes that it has—and it is a belief in the mind of the government—a far better chance to rush this legislation through before 1 July than it might have after 1 July. Its deadline is convenient for that type of caper, and this is all about that; it is not about proper examination of the basis for major tax change.

Let me add one observation on the question of mandate. Nearly 52 per cent of Australians, in voting in the House of Representatives on a two-party preferred basis, voted against the party that was proposing a GST. Sure, the government was elected, but that is because the vote went their way in a number of borderline constituencies.

If the election was a referendum on the GST rather than an election, the referendum would have been lost. There were only two states in Australia in which the government had a majority on a two-party preferred basis, that is, South Australia and Queensland. In every other state, and in the two territories as well, if this was a referendum on a two-party preferred basis, in New South Wales, Victoria, Tasmania and Western Australia the referendum would have been defeated. And, for the record, in the ACT and the Northern Territory it would have been defeated as well.

If this last poll had been a referendum on a GST, we would not be debating the matter; it would have been disposed of by the people by expressing their will in the terms which I have described. It would not have commanded a majority of the total vote and it would not have commanded a majority of the vote in a majority of the states, and both conditions are necessary to carry a referendum.

A number of matters have been put to the public in the argument about a goods and services tax and its economic impact. They have been presented almost as slogans or mantras in the belief that, if you repeat a concept often enough, people will come to believe that it has a certain truth or permanence to it, whether it is true or not. There is no doubt that that was done on the government's side in this election campaign—no doubt whatsoever. Some of those are imminently challengeable and many of them

are nothing like what was said in the sloganeering way in which it was put.

For example, an area that I am familiar with and which falls within the bounds of my own shadow portfolio is trade. It was argued that there would be a massive boost to Australia's trade prospects if a GST was introduced and if charges were taken from the backs of exporters and export was zero rated. It was argued, therefore—and on the face of it, it seems true—that Australia would have a competitive advantage in that the costs of goods in foreign markets would be lower. Presumably, as a consequence of that, we would be able to win more market, sell more goods and create more jobs. That was the image presented.

That is good enough so far, but of course it goes a lot further. When you travel the whole distance and look at the ongoing economic impact, nothing like that conclusion is reasonable in a debate in which reason is the centrepiece rather than political opportunity.

Let me explain why. First of all, that debate does not account at all for fluctuations in the exchange rate. We know that the Australian dollar is valued by the international market to reflect the market's view of the competitiveness of the Australian economy. As every economist I have consulted on this point says, of course, if our goods become a bit cheaper, then the dollar will go up to compensate. The international market equates the price of our goods to the competitiveness of the economy and increases the dollar to offset that competitive advantage. So there might be an immediate short-term advantage, which will be washed out of the system reasonably quickly by changes in the exchange rate.

That is not my view, although it is a view I hold, but it is a view held by many eminent economists. It is a view attested to by the deputy chairman of the government's own task force and a former staffer of the Treasurer when he wrote a paper on the exchange rate impact of a goods and services tax in Australia and concluded that there was essentially no real value in making the change—a gentleman by the name of Mr Matthew Ryan.

It is also the view attested to by the International Monetary Fund when they did a world survey of goods and services taxes to assess what the competitive advantage to nations introducing GSTs will be. We never heard very much about any of that in the election campaign. The IMF concluded that there is no essential value of such a tax in trade terms. What we heard in the election campaign was that there would be a massive windfall.

One of the advantages that this inquiry can bring is to get to the bottom of this argument, to present impartially and clearly the argument, so that the real economic impact—if there is one—can at least be understood. That is one element that I think an inquiry would be justified on. It is one advantage that this process can bring to enlighten public debate and understanding on this measure. I conclude my remarks on that point. I have foreshadowed an amendment. I now formally move it. It was not my intention to ask you to take it in separate parts. I ask you to put it as one. Therefore, I move:

- (1) Omit paragraph (e) of the reference to the Economics Reference Committee in paragraph (3), substitute:
 - (e) options for improving the effectiveness and fairness of the tax system and reducing inequitable or unreasonable tax avoidance and minimisation, including consideration of alternative areas for tax generation, either where there are current tax concessions or where Australia's taxation system does not address major tax potential.
- (2) Omit paragraphs (i) to (k) of the reference to the Economics Reference Committee in paragraph (3).

Senator BROWN (Tasmania) (11.24 a.m.)—I want to commend Senator Cook first for that contribution. It made a lot of sense. If that is evidence of the debate that is going to follow in the Senate further down the line, then we can look forward to a lot of enlightenment on the impact of the GST on the Australian community as a whole. Just following up on what Senator Cook had to say, it is true that, in politics, timing is crucial.

There are three alternatives as to when this debate on the GST and the inquiry could take place. The first and best time for it was

before the election. We knew—all of us—12 months ago that the government was moving to a GST-oriented election. Seeing that, the Greens called in a consultant to see if there could be a green GST, meaning a GST which is socially just and environmentally sound. The consultant, Dr Louise Crossley, went to look at world experience—the best way to answer that question—and the resounding answer was that a GST in Australia at this time can neither be socially just, no matter how it is fiddled with, nor can it be environmentally enhancing.

On the basis of that, we went to the election with our homework done, rejecting the GST, but moreover putting forward the better alternative now being adopted in European countries and being moved towards by the Blair government in Great Britain of European-style eco taxes. I am glad to see that the parameters of the proposed inquiry from the Democrats have been widened, amongst many other things, to allow a very clear look at that as an alternative. That was the best time—before the election—for this inquiry to have taken place, for the community to be involved and for the community to be aware of the ramifications of a GST. However, that did not happen—except with us Greens doing that consultancy—as far as I can see, and the electorate was asked to vote on the matter.

The next best time, as Senator Cook pointed out, for this inquiry to take place therefore is when the representatives of this place elected by the electorate on the issue of the GST are also in place; that is, after 1 July 1999. It is extraordinary that the government—and Senator Kemp in his submission—has said there is a deadline of 1 July 1999. That ought to be the starting point. That is when the people's elected representatives will be here in full.

The third alternative is to hold the inquiry between the election when the people have voted—and, as Senator Cook has pointed out, the majority indicated a position against the GST—and 1 July. And here we are with the worst of the three alternatives. The timing is wrong, wrong, wrong. However, I am not going to be able to alter that timing.

Having made it clear that the Australian Greens are totally opposed to the GST package, we are left in the position then of saying, 'We have done our homework but it appears that other entities of the Senate have not and certainly the people have not been given that opportunity to be consulted, so we move to an inquiry.' There seems to be a consensus or there seems to be a majority feeling that that inquiry should take place before 1 July.

Our job therefore is, in seeing that, to help to make this inquiry as productive as possible. It was on the basis of that that I made it clear to the Democrats who are moving for the inquiry that there was no point in doing so with a closed mind, that they and indeed all of us should be open to the outcome of that inquiry and the input from the Australian people. We need to go beyond Senator Lees's concern that the community must feel it has been heard and to actually implement and ensure measures that protect the community interests. She and I will be in agreement here that that means in particular the interests of those who have it hardest in the Australian community. That is why I stood out for a condition being that the Democrat position of supporting a GST, provided food and other items were exempted, be open to change.

If this inquiry is going to have meaning and the Australian community is really going to believe there will be a dinkum outcome, the option of both supporting the GST but, more importantly, rejecting it in toto has to be there. I am pleased to have heard that the Democrats have agreed to that. Indeed, in the note I sent Senator Lees two days ago, I asked her to confirm it in writing. The transcript of some comments made in the media would be adequate for fulfilling that desire I have.

Senator Lees—I have not agreed to that.

Senator BROWN—Senator Lees now says that she has not agreed to that.

Senator Lees—Not your interpretation of that.

Senator BROWN—That creates some concern with me. I want the matter cleared up before I vote on it. That is why I want it from Senator Lees in writing. I ask Senator Lees to

listen to it. I want in writing what she does mean by that. I do not want to misinterpret what Senator Lees has said. It is up to her to clear up that matter. I will make my decision based upon the written version she gives me.

I believe that the government would not have won this election except for the blunting of the threat of the GST by the Democrats' position. When the Democrats said, 'We stand for a gentler, kinder, more compassionate, food exempting GST,' the tide turned against the election campaign. Until that point, there was a much greater concern in the Australian community about the impact of a GST. The government got home because the Democrats said, 'We'll look after this GST and make sure it's socially just.'

Having done that, there is an enormous responsibility on the Democrats to ensure that it is socially just. I say again that, in the Greens' assessment of world practice, it cannot be socially just. My conclusion is that a proper, thoroughgoing inquiry will lead to the Democrats changing their point of view to reject this GST package.

I am also pleased that there has been an increasing emphasis put on the ability of the inquiries to look into the environmental impacts. It is not just the GST, although that has environmental detriment built into itself, which I speak of here. The package, which ought to have taken into account the environment and made sure that there were incentives built into it for those who do the right thing by the Australian environment, does quite the reverse. It gives incentives to polluters. The Australia Institute, in an independent assessment, has found that the rebate—the incentive given to those who use petrol and diesel fuels—of \$3½ billion plus per annum will lead, on a national basis, to an extra five million tonnes of greenhouse gases being produced in this country. On top of that, some 2,000 plus tonnes of carcinogens will be put into the environment as a result of the increased use of diesel fuels.

This is no light matter. The *New Scientist* reported some time ago that in Britain alone some 10,000 Britons a year die of cancer due to the carcinogens coming out of diesel exhaust pipes. You can translate that to the

approximate thousands of Australians who die because diesel is a major polluter of urban environments. This package is an incentive to increase that toll. It is a very important consideration. An inquiry which does not address it is an inquiry that will not look after the interests of the unsuspecting populace in terms of the detriment to the environment, their health and their longevity.

I could speculate that, at the end of the day, after all the inquiries have been held and after all the energy has been put into this by the Australian community, the outcome may simply well be another deal between Senator Harradine and the government. It is a good thing Senator Harradine spoke with the disabled people the other day outside this place, because they are concerned about the impact of the GST. But I have very worried recollections of what happened to the rights of the indigenous people after an interaction between Senator Harradine and indigenous people outside this parliament earlier this year, where they lost so much of their interests in a compromise between Senator Harradine and the government on that occasion.

The political reality—I do not aver from this—is that Senator Harradine and Senator Colston will strike a deal with the government some time in June, as things stand. My only appeal to the Independent senators is that, in the process of enjoining this inquiry, they make it dinkum. They need to listen to what people have to say in the inquiry. They need to act, as we all must if we are genuine representatives of the people, in the interests of everybody who will be affected by the GST. In particular, that means those on low incomes, the most powerless and those who have the most to lose by this remarkably important change in which the community is not only taxed but wealthy entities in the community get multibillion dollar breaks out of the government's tax package.

I will watch the rest of this debate with great interest. I will do what I can on behalf of the Australian Greens to continue to see that this is a dinkum inquiry—that it doesn't just make everybody feel good, but brings a result which will soften the impact of a very

threatening GST package on the wider Australian community.

Senator HARRADINE (Tasmania) (11.38 a.m.)—Poor Senator Brown. He can't help himself. He is constantly reflecting on the bona fides of parliamentary colleagues. He did it to the Leader of the Democrats, Senator Lees, and he has again done it to me. If he wants his colleagues to have any regard whatsoever to what he says or, indeed, to his credibility, the least that he can do is acknowledge the goodwill and good faith of colleagues and not presume the worst. It behoves the Senate to deal with these matters on their merits and not bring to them the sorts of prejudices we have heard from Senator Brown.

In respect of the native title legislation, Senator Brown's contribution to that debate showed that he knew very little about the whole issue of native title. Have a look at it. Read through what he said during that debate. I must admit that there were not too many people who knew the ramifications of the native title legislation, let alone the common law rights of indigenous Australians. The outcome of that debate was an honourable, fair, just and workable outcome. What Senator Brown clearly wanted was a stalemate, where indigenous Australians were not able to access their rights—let 'em go. Don't get a workable solution.

Are you suggesting that the Queensland government's proposal that was passed last night—I don't suppose you knew that it was passed last night, but I am continuously updating myself on what is happening as a result of the legislation—is not going to mean a better, more rapid, more just application of principles so that the indigenous people can get their rights quicker than they would have otherwise? Is that what you are saying?

Senator Margetts—Yep. Rights.

Senator HARRADINE—Oh, really? I don't know how many other people would say it. That is not what the Labor Party is saying.

Senator Margetts—I know.

Senator HARRADINE—Oh, you know. Did you know that it passed last night

through the Legislative Assembly of Queensland?

Senator Brown—Of course we did. Where is the goodwill you are talking about, Brian?

Senator HARRADINE—Well, if you did know you wouldn't have said what you said.

Senator Margetts—I also know what they are doing in Western Australia.

Senator HARRADINE—Yes, and I know what they are doing in Western Australia, too. I am sure that that matter, which is currently being debated in the Legislative Council, will show the Court government that they couldn't get away with what they were proposing to get away with. Even if they tried to get away with what they were trying to get away with it wouldn't have been accepted in this chamber. The Northern Territory proposition is absolutely laughable. I should imagine that the relevant minister in the government would certainly not tick what the Northern Territory has tried to do.

Bear in mind that these procedures were put in place by the Senate and the parliament in general. Let me just say this in respect of statements that have been made about what the government might or might not hope for if this measure is debated by 30 June. The government has no reason to believe that it would be better off having this legislation voted upon in the Senate before 30 June as against after 30 June. I have said nothing publicly or privately to the government which would indicate that to it. In fact, everybody knows that I have had a view about the GST for many years that such a proposal would be regressive. Even before this election I have indicated that I oppose a GST on the basic necessities of life where that discriminates against those least able to pay. That is pretty clear.

Then I heard what Senator Brown said: 'Why not leave this until after 1 July when the senators who were elected at the last election take their place?' He is falling into the same trap of the argument on mandate. Are you saying that that is the mandate? They are saying that is a mandate. You are saying it is a mandate. Do not bring it in until after 1 July because we do not have a mandate for

it. You are falling into the government's trap. We are not saying that the government has a mandate for this. What we are doing is proposing to exercise our rights and our duties to form the functions which we as a Senate should perform. Those functions are particularly functions of review of legislation that the government brings before us.

But surely it is the executive government's right to bring legislation before us. Whether or not they think they have a mandate for it, they have a right to bring legislation before the parliament. They have a right to do so whenever they choose. But we also have a right—indeed, a duty—to examine that legislation or the policies behind that legislation and to do so in a thorough manner. The amendment moved by the Leader of the Democrats, Senator Lees, is one which I believe would provide the Senate with an opportunity of thoroughly examining the issues relating to the tax reform package, including the GST. I am pleased that the Democrats took on board some suggestions that I made, and I referred to a couple of them. I think it is important to deal not only with the issue of food but also with the basic necessities of life, such as food, clothing, shelter and essential services. I think it is important to examine the effect of taxing those basic necessities of life.

For some considerable time I have been seeking papers from Treasury, as have Senator Lees and Senator Margetts. We were given the no treatment by Treasury mainly. I have been seeking that information for some considerable time. Besides the assumptions, calculations, predictions, estimates and modelling which underpin the government proposals for taxation reform, I am pleased to see that Senator Lees has included the economic theories that may well be behind those matters. Because they would be very revealing I am sure.

I am a bit disappointed that the amendment differs somewhat from the proposal by Senator Lees which is in the *Notice Paper*—namely, that it is reducing the number of committees from seven to four. I would like to make a comment on the effect that the GST and the whole of the package are going

to have on the states and their finances. This is a very important matter. The state premiers are very concerned about the issue, and they are meeting this afternoon and tomorrow here in Canberra. The original proposal states:

The effects of the Government's taxation reform legislation proposals on state and local government administration, including:

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- (d) the implications for future federal-state financial relations of not extending the GST to the necessities of life . . . and any adjustments to the proposed arrangements which would be required to federal-state financial relations . . .

I am particularly interested in whether the proposal really discriminated against or between the states. I am glad it is there, but the problem with reducing the inquiry to four committees is that the Finance and Public Administration References Committee will not get a guernsey to look at these particular areas for which it has expertise. Again, at some stage I hope that the Finance and Public Administration References Committee will be the committee that will deal with the matters that were proposed originally by Senator Lees in the notice of motion that appears in yesterday's *Notice Paper*.

Also, I believe it would be quite desirable for the rural and regional affairs committee to deal with that particular area because of its expertise; there are a number of terms of reference that would be better dealt with there. I also think it is very, very important for the legal and constitutional affairs committee to look at the matters which were originally in the document put forward by Senator Lees—and I quote:

The effects of the taxation reform legislation proposals on legal and constitutional matters, including:

- (a) the constitutionality of the proposed mechanism for future changes to the GST, including whether such changes would present a significant hurdle to future increases, or reductions if deemed necessary to stimulate the economy . . .

That is relevant because of what is happening in Japan at the present moment.

I do express a bit of disappointment that the full resources of the Senate committee system,

that all of the Senate committees, are not going to be brought to bear to focus on this matter so as to provide the Senate with reports and to consider the submissions from the public. Nevertheless, in order to not waste time, I propose to support the amendment that has been moved by Senator Lees.

Senator CONROY (Victoria) (11.54 a.m.)—This debate is about the unfairness of the GST. The government wants to pretend that this is a fair package. This is about whether or not the government will continue to run and hide from that fundamental fact. This is about whether or not the government will agree to genuine scrutiny of the GST package—genuine scrutiny.

What we saw before the election was a tax package described as 'the biggest change in Australian taxation history' dropped on the community. Then, two to three weeks later, we saw an election called. At that time those opposite ran from scrutiny. They have no runs on the board when it comes to whether or not the Australian community, the parliament, people in this chamber get a chance to actually test their bona fides. What we have seen for the last two or three weeks is a position consistent with the one those opposite had before the election: they do not want anybody to have a good hard look at the facts.

All sorts of lies and untruths have been told about this package. Those opposite claim that the GST package, this tax reform, will lead to more jobs—well, it will not. They say that it will lead to the end of the black economy—well, it will not. They say that it will improve our national savings rate—well, it will not.

The part of this debate I find the most offensive is the misleading of the unemployed people in this country. Those opposite want to pretend that the GST can create jobs. There is no country in the world—not one—where the introduction of the GST has led to a reduction in the rate of unemployment. But that is the big lie that this government keeps trying to tell those poor struggling Australians who are out there battling to find a job.

We have seen the employment figures today: 7.9 per cent—the rate has barely moved; three more years, and the rate has

barely moved. That is what this mob are promising us again—no change.

Senator Stott Despoja—Tell us about full-time jobs, Senator Connroy.

Senator CONROY—That is exactly right, Senator Stott Despoja: there are no full-time jobs being created in this country. But those opposite want to keep pretending that is what is happening.

Then they want to tell you about the national savings rate—something that this country needs to address; very important for a better balance of payments; very important for foreign debt; very important for whether or not this country can sustain its living standards. They say that the GST will increase the national savings rate.

But even their own Treasury department, when questioned, had to admit that there is not, again, one country in the world where, when a GST has been introduced, there has been an increase in the savings rate—again, not one. But you will still see them out there peddling this lie to ordinary Australians, making them believe, giving them false hope that this package is about making a difference on those issues.

The strongest argument those opposite claim they have had, apart from jobs, is that it will make those bludgers who are not paying tax pay tax. It will fix up the black economy. I am telling you: the GST ain't going to make Kerry Packer pay tax.

But what happened overseas in Canada when they introduced the GST? There were actually a couple of extra jobs created—I have to correct myself—when they introduced the GST in Canada. But where were they all? In the tax office. What has happened with the Canadian experience and all over Europe is that there has been a massive increase in the black economy—not a decrease, a massive increase in the black economy. It only makes sense. If you increase the amount of goods on which is paid an indirect tax, if you increase the total on indirect tax, there is a greater incentive to avoid it. It is perfectly rational behaviour to have an increase in the black economy when you introduce a GST.

Those opposite try to pretend that the GST will stop all those bludgers out there, but the only place you will see more jobs from a GST will be in the tax office. We have seen some heroic assumptions in their package. They did not want the opposition, the Democrats, the Greens or any of the eminent economists around the country to have a good look at this because, when you stand it up, even if you give them the best case scenario and pretend all their other assumptions are true, the famous 1.9 per cent—which today we have seen was a lie—has been shown by their own studies to be a fabrication.

If you believed that the 1.9 per cent was true, you had to believe in the Easter Bunny. You did not need secret Treasury documents that were held back until after the election to see that pensioners were going to be worse off, to know that the story they were trying to tell on the unemployed and single parents and people in those positions at the lower end of the spectrum were going to be worse off; you did not need the Treasury documents. It stands out: how on earth can 1.9 per cent be right?

But they pretended for the entire election campaign. They spent \$15 million of your money to pretend that 1.9 per cent—remember the advertising campaign?—was the real figure. They knew it was not. They misled the Australian community, and Senator Kemp has been part of that. You are walking out of the chamber now, Senator Kemp, because again you do not want to face the scrutiny of this chamber. Senator Kemp, 1.9 per cent is a fraudulent figure. You know it, and you have been exposed.

We saw the WST lampooned during the election, but who ended up looking like the buffoon? There was the Treasurer and his teddy bear. Where is the teddy bear, Senator Alston—the one that Mr Costello was going to carry around with him every day of the campaign, the one that was coming down in price? Why did he suddenly lose his teddy bear? He lost his teddy bear because it became apparent very quickly that in actual fact the claim about the WST and the fall in the price of that teddy bear after the introduction of the GST was not true for the very simple

reason that WST is levied before the mark-up, before the profit margin is put on. So, when this became apparent, when people in the industry said, 'We had better let Costello know that that teddy is actually not going to go down in price,' he had to lose the teddy bear. The hunt is on to find the teddy bear; this government now wants to hide that teddy bear because it is an embarrassment.

We have seen all sorts of allegations from this government about its modelling. This debate is about this parliament, the Australian community and those economic experts around this country who have stood up before and after the election and said, 'Some of their assumptions are heroic, some of them are disgraceful and cannot be sustained with any intellectual rigour whatsoever.' The government withheld these papers. Even if you give them the benefit of the doubt about the 1.9 per cent and say, if you average it out, 1.9 per cent works, you have got serious economic forecasters, economic modellers, in this country saying they have used false assumptions, they have not put fair dinkum assumptions in there.

You have even had in today's paper the head of the government's retirement income modelling unit, Phil Gallagher, defending the documents released yesterday, saying they are a credible way to estimate the impact on low income earners. They are a very credible way. Surprisingly enough, in 1991, when this lot put up Fightback, guess which figures they used? The HES figures, the household expenditure survey figures. In 1985, when this country had a genuine debate about tax reform, when we had a summit, when we had debate right across the community for many months and full disclosure of Treasury documents, what figures were used? The HES figures, not some concoction by the government on a few bodgie bits of advice to Treasury—'Come on, find a decent figure that is not going to make it look as bad for us.' You have got the government's own people saying, 'Just a minute, no, we do not think it is wrong.'

They have given the Vos committee 17 days. It was a joke. The Vos committee said it was a joke. They have been dragged kick-

ing and screaming to this point today. They have said, 'We do not want an inquiry.' Two weeks is all the Australian community got to have a good hard look at the assumptions in the Treasury modelling, two weeks before the government called the election. They have spent all that money—over the top—in the lead-up to the election in a couple of weeks. There has not been any fair dinkum scrutiny.

What we have seen is a tax package, as George Megalogenis says today in the *Australian*, that promotes, at best, if you give them the benefit of the doubt, a one per cent increase for pensioners—if you want to give them the benefit of the doubt, and I do not—yet will give a 10 per cent increase to people who earn more than \$50,000. Is that fair? Is that equitable? Absolutely not. This chamber has every right to expose that through the committee process being proposed today. It is absolutely right to demand scrutiny. Why should 52 per cent of the tax cuts that this government is giving—over half—go to people who earn what I do? Why should I be part of the group that will get half of the total tax cuts when the pensioners in this country are going to get almost nothing—and that is if you are being generous.

I pose this question to people in the gallery and to members of this chamber: do you really believe that when the WST is taken off, the 22 per cent and the 32 per cent is removed, all those shops out there are going to drop their price from 22 per cent to 10 per cent, from 32 per cent to 10 per cent? Do you really believe that? If you do, you believe in Santa Claus. I certainly do not.

What does the government say to us? They say, 'We have got Alan Fels and the ACCC. They are going to make sure there is no unfair profiteering.' Alan Fels would have to be in every single supermarket every single day to make sure that we do not get ripped off. I am not prepared to believe that Alan Fels could possibly do it—even if he had a doubling of his budget, even if he had nothing else to do in this country but to look at supermarket prices to stop profiteering. With the best faith in the world, he could not possibly do it. But this government wants you to believe, just because Alan Fels has been

put in charge of the issue, that the profiteering that will take place can be stopped. The chamber should vote for Senator Faulkner's motion and Senator Cook's amendment, because the Australian community deserves the right—

Senator Calvert interjecting—

Senator CONROY—Don't you start, Senator Calvert. The Australian community deserve the right to have look at this package—the biggest ever tax reform in the history of Australia, according to the government—but they are only allowed two weeks. I urge the Senate to support Senator Cook's amendment and Senator Faulkner's motion, and I urge the Australian community: when you get the chance, put in a submission to these hearings. Do not be shy, come forward and put in submissions.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (12.07 p.m.)—The starting point in this debate has to be the fact that we are not entering into a discussion on the GST cold. The GST was certainly the centrepiece of the 1993 election campaign; so there has been a long history in this country of opportunity for people to scrutinise the implications of the proposal.

Senator Conroy, of course, lets the cat out of the bag in a comprehensive fashion—I suppose revealing his relative inexperience in this jurisdiction. To concede as he did that this is about an unfair tax package is simply confirming what we all know, and that is that Labor does not have the slightest interest in any sort of sensible examination of a proposal. What Labor is interested in is exposing what it sees as the reasons not to support a GST. In other words, it wants to have a re-run of the election campaign.

Mr Howard did also, of course, announce more than 12 months before the election that the GST would be something we would take to the last election. It was, from then on, the centrepiece of the campaign and it remained so. What that means is that there are many organisations in the community who have had every opportunity to look at the implications. Certainly, since 3 October it has not been a matter of 'whether'; it has been a matter of

'how'. Again, they have had every opportunity since 3 October to be putting together submissions, examining, engaging consultants and doing what that silly Senator Brown told us he did some time back, and that was to get the Democratic candidate in the last federal election, Crossley, to go around the world—

Senator Margetts—A Green candidate.

Senator ALSTON—A Green candidate. Sorry, you are absolutely right. It was someone called Crossley, who I think claims to have a PhD, so presumably she charged them for the exercise. She went around the world. So why would there be a need, in those circumstances, for any further work to be done by Green groups? They have crawled all over this exhaustively. Of course, Senator Brown—and once again it is cat out of the bag stuff—started off by congratulating Senator Cook, who is basically adding on an amendment to examine alternative tax systems and alternative revenue raising proposals.

If you could ever imagine a better way of having an endless, ongoing, post-millennium discussion about tax reform, that is probably the best way of doing it; so Senator Brown's congratulations make it clear where he stands. He then went on to criticise the Democrats for not having an open mind—having told us that, as far as he is concerned, the Greens are totally opposed to a GST. It is ludicrous, absolutely ludicrous; and Senator Harradine was perfectly correct in objecting not only to the flawed logic but to the systematic way in which Senator Brown tries to verbal people on a regular basis. It is just appalling, and I can well understand Senator Lees's howls of anguish on that front.

The important thing to remember is this: having gone to the election, having had 12 months notice and having this matter subjected to exhaustive examination, one of the things we are entitled to—just putting aside mandate theory for a moment—as Senator Harradine did say, is the right to bring legislation before the parliament. Senator Harradine is partially correct: we also have a right to have legislation considered and voted upon by the parliament within a reasonable period of time. The time that elapses from 3 October to 30 June, for example, is pretty close to nine

months. If a government duly elected in the face of trenchant opposition, with a high risk strategy and a very controversial tax proposal as the centrepiece of its campaign, cannot have that proposal voted on within a period of nine months, then there is something seriously wrong with the democratic process in this country.

What we say is that the starting point is that you should absolutely commit to ensuring that, one way or another, we do not run out of time—in other words, that we are able to be absolutely certain before we embark on any committee process that, at the end of the day, there will be a vote. I accept entirely that Senator Harradine has given the government no reason to believe that his vote before 30 June would make us any better off, but he has said that we have no reason to believe that the government would be better off having its legislation voted on before 30 June. I am as much concerned about our right to have it voted on—good or bad, yes or no—as simply about outcome, because even if we lose we have got a right to bring it back to a subsequent parliament, post 30 June. But our right surely is not to have the thing filibustered to a point where, 12 months down the track, after it being the centrepiece of our campaign, and all that flows from that, it cannot get through the parliament. Then you are making the process unworkable.

If you look at what we think is a much more critical element than simply which matters ought to be under consideration by the committees, Senator Harradine says that it has been cut back from seven committees to four and that he would rather have more. I am not averse to that, much and all as we would argue that you really only need one committee, a legislation committee that can do the job that the Senate charged legislation committees with—and that is considering legislation—and it could go over every aspect of these bills. But, accepting Senator Harradine's point that he wants particular emphasis in a range of important areas, every time you increase the number of committees, you are spreading the burden and therefore reducing the total time that the Senate itself needs before it reports back. It seems to me

there is a trade-off there. If you have more committees, you need less time in a chronological sense than you would otherwise. Of course, what is being proposed—

Senator Margetts—That is very strange mathematics—very strange.

Senator ALSTON—I know that simple logic is normally beyond you, so I am not expecting you to agree with me; but I just want this to be understood. There are four major pieces of legislation that are very useful precedents in terms of the duration of committees. With the Telstra (No. 1) legislation, the committee was in existence for just under 15 weeks; with Telstra (No. 2), it was just under eight weeks; with workplace relations in 1996, it was 12 weeks; with the euthanasia debate, it was 16 weeks.

If you were to establish the committee today, then you would have something in the order of 16 weeks, if you went through until early March. So you would be pretty much breaking the record just by having that as a report date. If you accept the fact that you have got four committees meeting simultaneously in tandem, then you can effectively say you have got four times that. So you have got 16 months worth of committee process running.

Even if we accept that the GST is more significant than those other pieces of legislation—and that is in the eye of the beholder—it just seems to me to be totally out of proportion to suggest that somehow we should go on and on. Labor wants it to go on and on to the point where we never get to a vote.

What concerns us about the Democrats' time frame is that you get to the end of May and then you have to get an assessment of the separate references committees and then you have to get a government response. It is not difficult to envisage a situation in which some would claim that the government response was not adequate, that it did not amount to a response, and that, therefore, we still should not commence the debate. Time is running out, and it is almost inevitable in those circumstances that you simply would not get to a vote on this legislation. Just in passing, let me remind the Senate that we also have the budget legislation, Telstra and a range of

other matters that are certainly entitled to consideration during that same period of time.

You would be left with maybe a couple of weeks in June to consider, debate and vote on what you regard as the most important legislation. I will give two examples of how easy it is to ensure that the debate could go on and on in this chamber. The Workplace Relations and Other Legislation Amendment Bill 1996 was debated in this chamber for nine weeks. The Telstra (Dilution of Public Ownership) Bill 1996 was debated in this chamber for 11 weeks.

I can well recall in the debate on the Telstra bill Senator Schacht, who was handling it for the opposition, being told time and again by his own colleagues to cut it short, and by his standards he probably did. He has a constitutional incapacity to say anything in a reasonable length of time. He is always wanting to add more and more but, by his standards perhaps, he was reasonably restrained.

Senator Margetts—You should talk.

Senator ALSTON—I responded. I did not seek to extend the debate. All I am saying is that it is so easy to have these things go on and on. With the best will in the world, if Senator Harradine, the Greens and the Democrats all signed a pact under seal that they would not ask a single question during the committee process, there would be nothing to stop this mob doing it endlessly. If you can take 11 weeks on the Telstra legislation without really trying, just imagine how long it would take if you set your mind to it. In other words, your approach gives them carte blanche to ensure that this package of bills could not possibly be voted on before 30 June next year.

That is a travesty of justice. It is an outrage and an offence to the whole parliamentary process to think that the centrepiece of a government's election campaign—on which it had given formal notice 12 months before and which was, in some respects, a re-run of an exercise conducted five years ago, on which every interested group has had every opportunity over many months to look at the implications and to raise them during the campaign—should nonetheless mean that we are not entitled to have a vote within nine

months of that seminal election event. That is the nub of this whole debate.

Our starting point is that we do not see a need for more than one legislation committee. We accept the reality that there are enough people around here who take the view that there ought to be a committee process, and that is pretty commonplace in the Senate, so it is then a matter of how many and how long, and that is where we are at. If it is a question of a choice between those two, there is no doubt about what is of paramount importance to us. The ultimate critical event is that there is time available—not just, 'We think that four weeks is good enough or eight weeks is good enough.'

It is crystal clear, if you look at those two precedents of workplace relations and Telstra, that even three months would be a risk, unless you nailed it down, unless you were able to give an absolute commitment that you would ensure that a vote occurred, not just at the 11th hour of the 11th day and not after the Senate had sat night and day for three months straight. You ought to allow a sufficient period of time.

If we took the end of February, which is sort of a mid point between what we formally have on the record and what we have had some discussion about, we would have four months. As I have pointed out, that would allow a committee process of about 15½ to 16 weeks, which is pretty close to the record period of time. You are multiplying that by four. You could extend that a bit if you liked but, at the end of the day, you must acknowledge that you need something like three months at least in order to ensure that not only this legislation but also budget legislation and other critical bills are given a fair chance. This legislation, in particular, should be given a guaranteed chance of being voted on otherwise the whole game is a charade.

If that is really what it is all about, that you effectively want to have the legislation delayed forever and a day, in the old days that would have been a failure to pass—and I think you would be getting perilously close to that situation. Labor make no bones about it. That is their position. Whether the Governor-General would take the same view of other

parties in the Senate would be a matter of judgment. But, given what I have said, I would be confident that, if you were to allow anything like only a month or two, it would be perfectly clear what the ultimate objective was if you did not have it surrounded by guarantees and if by one mechanism or another you did not commit to ensuring that a vote could occur—and there is absolutely no confidence that that could be the case based on the motions that have been put down to date.

Even a delay in establishing the committees today will effectively mean waiting another 10 days. There is no reason why that needs to occur. If we got the committees up and running today, we could call for submissions at the weekend. There are any number of people who would be ready to put in their submissions. In fact, Senator Cook pointed out that the Vos committee had 17 days and managed to attract 250 submissions. They did not have any difficulty in putting those submissions together in a very short space of time. All those submissions could be considered by the committees. We could have hearings in December, which is a month or more away in terms of an appropriate committee date, and we could start to make some real progress on hearings.

Of course you do not need to hear from every submittee. We all know that there will be many individual submissions. There will be an orchestrated campaign run by the trade union movement with its usual unlimited resources to run political campaigns on these matters. There will be hundreds of submissions about the inequities and the perfidiousness of the proposal in terms of its impact on the trade union movement. I think you would need deal with that only in a very short form because it will be utterly repetitious. So a lot of the submissions can be boiled down to critical areas. By allocating them out to various committees, you are able to make very significant progress.

You could have five or six weeks of hearings set aside, even to the point of forgoing debate in the Senate. In other words, the Senate would not sit for the periods for which we had otherwise scheduled sittings in Feb-

ruary to enable the committees to have top priority. So we are bending over backwards. I make the point again that all these dates that have been put down have been irrespective of the sitting pattern; in other words, they have been ambit claims effectively because they have not looked at what time might be available. Once we take a decision to forgo some weeks of sittings, we make it that much easier for the committees to get on with their work. There is goodwill on our side. We are prepared to be reasonable, but it has to be on the basis that at the end of the day there is more than adequate time available to ensure proper debate and consideration and a vote on this legislation without prejudice to budget legislation and other critical bills.

There is no doubt that there would be a high-powered secretariat established. There would probably need to be a number of them so the whole committee process will be brought to bear on this exercise. I would have thought that even most of the non-profit organisations and other charities to which Senator Lees refers would have organised their arguments well before this point in time, certainly since 3 October. Clearly you will need to look at particular elements of the legislation as we always do, but at the end of the day most of this discussion is not about the fine print, the detail. As far as Labor is concerned, as Senator Conroy obligingly told us, it is about an unfair tax proposal. So we know the extent to which detail will be considered by the Labor Party and no doubt the Greens, who are implacably opposed to the package.

So there will be ample opportunity. I think it is reasonable to expect people to be working on these matters in December; after all, this parliament has sat until as late as 23 December in years gone by. We have just had a month or more off after the election. The public does expect us to be prepared to work during January. To set a closing date for submissions that is so far out that it just happens to coincidentally ensure that everyone is able to have a good six, eight, nine weeks holiday just after you have had a month off and been back in the parliament for two days

I think will be very poorly received by the community at large.

So if we are all fair dinkum, there are ways in which you can ensure that justice is met and that every opportunity is available, but at the end of the day there is a sufficient period of time in order to enable this legislation to be voted on. That is our bottom line. We are not prepared to countenance what is essentially a charade of saying, 'The last week in May and then further consideration by the committees and then awaiting a response from the government and then, presumably, a response from others.' There is no guarantee of anything in any of that.

It would be a very simple matter for a majority of votes in this parliament to ensure that the debate never got under way. As we all know, every vote is critical. You need only an equality of votes to block the passage of legislation or the continuation debate. Without those sorts of guarantees then it seems to me you are simply embarking on an exercise which everyone can predict will result in no GST tax reform package being properly considered, supported or voted down by the end of June next year. Whether or not you think that is a critical date, just ask yourselves: is nine months after an election a reasonable period in which a government should be entitled to expect that the centrepiece of its campaign will be considered by both houses of parliament?

Senator BOURNE (New South Wales) (12.27 p.m.)—I am sure the Senate will be pleased to hear that I do not intend to take much of its time. I have a couple of things. Firstly, I was very pleased to hear Senator Brown say that he does not want to misrepresent what the Democrats say. That will make a really delightful change for all of us and I look forward to it.

Secondly, the government seems to be particularly concerned about a government response being required as part of Senator Lees's amendment to this motion before the bills can be considered. I am sure the current government remembers that in June 1996 it committed itself to respond to relevant parliamentary committee reports within three months of their presentation. I have got the

list here of all the government responses to committee reports for the first half of this year and there have been only two since then. Ignoring the two responses since then, which I will not mention, there were 31 responses received, one of them was within the three-month response time which the government has committed itself to—and that was two months and two weeks—30 of those 31 took more than three months, 28 took more than six months, 16 took more than a year, five took more than two years and two took more than three years.

One particularly interesting response is the final response to *Off the record: shield laws for journalists' confidential sources*, a report of the Legal and Constitutional Affairs Senate Standing Committee. I did not remember this one, which is really no surprise because the final government response to that has not been received yet and the report was tabled on 10 October 1994. So it is so far more than four years out of date and we still have not had a final response to that one.

So the government does not really have its act together on government responses. I understand that the relevant government departments get those responses together well and truly within the three months in general, but the ministers do not seem to be able to sign off on them within those three months. It would be very good practice for the government to have a government response ready to go within three months after the committees have reported. I am sure that this would not be a great difficulty for the government because there are several people within Treasury and Finance who are very au fait with this legislation and who could quite easily monitor what is going on in the committees because they will have several officers who will be covering absolutely everything that is going on in those committees. They will be able to draft responses for the government as we go along.

We should keep in mind that there are three response times in Senator Lees's amendment as well. This would not be a hardship on the government. In fact, it would be extremely good practice for the government. By the end of it, perhaps it would be able to get a final

report together for the Legal and Constitutional Affairs Committee report which is more than four years old.

Senator MARGETTS (Western Australia) (12.30 p.m.)—I do not know how many senators in this chamber or people in the community watched a drama series recently on the rise of fascism in Britain which portrayed the rise of the influence of Moseley in Britain. One thing I do recall from that drama series was that, when Moseley was on the hustings at one particular point, he said, 'I don't know who will win this election, but the one thing I hope is that whoever wins is given the right to govern.' I would have to say that that is probably very indicative of what is happening with parliamentary democracy in Australia. There is an assumption—I would say very close to a fascist assumption—that, somehow or other, the way executive government and party politics in Australia has developed means that the electorate, the community, the public and the parliament lose all ability to have a say once one party crawls over the line in any way, shape or form.

That is not the way the constitution of Australia is written. The way the constitution of Australia is written is that we are all charged as parliamentary representatives to represent our electorates. We are all charged to represent our principles, and obviously those principles we have represented to our electorate. The right to govern was never in the Australian constitution, never has been and is not in the Australian constitution. The right to form a government is there, but it is basically about good governance. It is not about autocracy. It is not about winner takes all. It is not about abusing the democratic process. That is what I believe is happening in this whole debate.

Although we have heard Senator Alston say in his contributions on several occasions that the coalition—he says the coalition, but you would have to say the Liberal Party, and it was not even a full coalition, as we well know—went to the people with the GST as their centrepiece, you might be excused for saying that that was the only policy that they went to the people with. However, they are going to come in again and again every time

the Senate wishes to represent the views of the community, the views of the electorate, and say, 'We have a mandate for this, that and the other.'

Remember that any time the Senate wished to review or amend any piece of legislation before the last election they spat the dummy. They said, 'We are the government. We have the right to govern. We have a mandate.' So it does not really matter. They went with one aspect to the election. The opposition went with the opposite, but we have this concept that whatever executive government want they have the right to demand, whether or not it is what the Australian people want, whether or not it is good for the Australian people, and whether or not we even know what it is. The answer is that we do not. We have not seen the legislation. It has not been presented to the House of Representatives. The legislation does not exist.

We are being told that we are being outrageous for asking for full public scrutiny for legislation that does not even exist—not just in the Senate but in the House of Representatives. We have a committee still looking to see what health is, what education is, how you define where the limits are and how you can do this in a way that can be imposed by law or regulation. We do not even know what the legislation looks like yet.

Senator Alston also said that every interest group has had every opportunity over many months. As I say, we have not seen the legislation. What a load of nonsense! That could not be further from the truth. The firm position of the Greens (WA) is and was that the government has got it the wrong way around. If they want tax reform, then get groups in the community, interest groups and people with knowledge and acumen together to form the basis of a tax reform to get the interest groups and the community's involvement at the earliest possible stage. But that is not what the government did. They said, 'We know it all. We've got an idea and we are going to put it to you, all or nothing.'

If you recall, before the election the Prime Minister said again and again and again that tax reform was not spelt G-S-T. He and the government said on many occasions, includ-

ing in this chamber, that you cannot and should not consider that the GST is the whole package. They said that you cannot look at a GST without looking at the package of what business tax is doing and what income tax is doing. What we are being asked to do—what the government is insisting on—is to vote on and consider the GST without the business tax package, without the income tax package. They have already gone back on their very basic, most important claim that you cannot consider the GST outside the context of business tax changes and income tax.

So here we go, already. Yes, we are going to deal with a GST and we are going to isolate it out from the business tax. How can we look at fairness? How can we look at workability? How can we look at equity issues and the impact on employment and the impact on regions without looking at what the business community have literally been given months to look at—that is, their own tax proposals? They have been given, because it is going to take them such a long time, an extension. So they cannot do it by May. They have to do it after we look at it in the Senate.

This is an outrage. The government are saying that tax reform for them does equal a GST. They want to take a reductionist approach, and they want to use this as a means of abusing the Senate—and I do mean abusing the Senate. I do not know how long it will take, and I do not know what mechanism the government will use, but I think the rhetoric has been there for the last few months—obstructive Senate, abuse of power. I think very soon the government, and potentially the opposition, will move to get rid of the influence of the minor parties in the Senate, to get rid of the voice of the community, to get rid of the voting system that allows the community—industry, small business, regional Australia, local government, farming groups, community interest groups, environment groups, you name it—to have a say within our democratic process. I believe that we will see some move within a relatively short time.

Today we have already heard Senator Alston talk of double dissolution triggers. The last contribution but one was about setting up

potential double dissolution triggers. If the government is going to spit the dummy to that extent—‘we want everything we want, despite the fact that the majority of the people of Australia voted for parties that opposed a GST, or we will threaten to go to another election’—I wonder what kind of anti-small party package might be included in any such move. I wonder what collusion there could be in bringing about the changes we have seen in Tasmania.

I wonder where the changes will be and when they will try to stop the community from having a say through the democratic process and through the ability of small parties in the Senate to speak outside the shackles of party discipline. That is the travesty we are seeing today. The flawed concept of mandate, as Mr Howard very rightly put it a few years ago, is the flawed concept of parties voting as one vote outside any concept of representing their electorate, outside any concept of representing the community and outside any concept of the fact that in the parliament we are presented with little bits of information by little bits of information. We can never know all there is to know about the legislation if the legislation has not been presented, and it has not.

How many times have we seen proposals put to the electorate, put to the parliament, and they have changed significantly from when they have been proposed to when we are asked to vote on them? How many times have we seen elements put into legislation that are thoroughly distasteful and odious? Quite frankly, we have seen it on many occasions. When the Labor Party were in government they did the same—omnibus packages of legislation. The coalition have done it on several occasions.

We have not seen the legislation. We do not know what is going to be in it. Even if the vast majority of the community were relaxed and comfortable about the idea of a GST—and, quite frankly, that is clearly and provably not true—we would all be wondering how it would work. We would all be wondering how the details of the legislation and the details of the regulation would lead to an outcome. We would all be wondering how it would be

implemented. We would all be wondering how the safeguards would be implemented. We would all be wondering what the compensation packages would do in reality. We would all be wondering what real people would suffer. We would all be wondering what the impact would be on small businesses and other communities.

This debate is about the tax package. Do you know what I find is the most extraordinary thing about this whole debate? Here we debating the GST as if it were the most important thing in the Australian parliament. Obviously, I believe it should have proper scrutiny. Senator Harradine talked about a vote that took place in the Queensland parliament last night. There was more than one vote in the Queensland parliament last night. There was, I believe, a unanimous vote—all parties and independents—in the Queensland parliament for changes to the national competition policy.

The Australian community is not only worried about the impact of a major tax change but also worried about the real impact that the national competition policy is having on a daily and weekly basis on their mode of operation, their continued programs, and their ability to operate. This area got almost no debate in this parliament, except for those people representing minor parties and Independents. There was collusion between the two old parties, and a decision was made which is only now beginning to hit the Australian community as to the wide ranging and future implications. The Queensland parliament voted unanimously that the national competition policy had to be changed.

I want to know where this debate was during the election campaign. If we are going to talk about mandates, who ever put the concept of national competition policy to the Australian electorate? Who ever put the concept of global free trade to an Australian electorate? On a daily basis, these are the issues that are having a comprehensive and sometimes devastating impact on just about everyone in the Australian community—rural community, regional community, local government, industry, health, education, you name it.

Where is the debate? Where is the outrage from the opposition side? Where was the debate during the election campaign? Where was the so-called mandate, if you ever agreed with the concept of mandate? Where was the moral or electoral authority to devastate the whole way the Australian community operates and hand power to big business? Where was that mandate? Where was that authority? It did not exist. It did not exist then and it does not exist now.

Here we are talking about a major tax issue—and I agree it is a major tax debate, which has wide ranging implications—yet major changes affecting the Australian community were really not debated at all. I was abused at the time for even suggesting amendments to the national competition policy. Changes were made within this chamber and almost no amendments were agreed to in the national interest, the public interest. It is a nonsense that has been perpetrated on the Australian public.

We have to put this whole debate within the context of what is really happening in the Australian community. The context is that democracy in Australia has reached a very low point. It has reached the point where the real issues and implications for the Australian people are ignored. The big issues are not even debated between the major parties. Issues like global free trade and the Multilateral Agreement on Investment are passed by on an ongoing basis. Therefore, we get a sham argument; a sham debate.

Senator MURRAY (Western Australia) (12.46 p.m.)—Firstly, I signal to the Labor Party that the Democrats accept Senator Cook's amendment to our amendment, and from the point of view of formality, we should record that. I wish to speak only briefly, because most of the points that need to be made have been made.

The government is quite right, in that an election did return the government. But an election has two functions: not only to return the government, in which there are realistically only three parties competing—the National Party and Liberal Party in coalition and the Labor Party—but to return the parliament. In returning the parliament, there are dozens of

parties and independents competing and the parliament reflects the totality of that contest.

Those two sets of people returned have two entirely different jobs. The government and executive have the job of putting forward their agenda and proposals, and the parliament has the job of reviewing and amending those proposals. Unfortunately, in the lower house they do not have the numbers to do that, but if Labor did have the numbers to do that, the legislation which reached this Senate would be in an entirely different form to that which reaches here at present. The job primarily falls on the Senate to do that review and amendment job.

The government needs to accept that, whilst the end of this process may be a package on their tax system which is not entirely acceptable to them, it will result in a package which is a lot more acceptable to the Australian people.

Of course, the will of the people as expressed on 3 October will be delayed before its full expression on 1 July. But we recognise, as does everybody else here, that we still have to get on with the job and deal with what is before us. In a sense, we have to put that consideration aside.

One of the matters raised is the issue of a tax system versus a tax. The Labor Party quite rightly contested the election on the primary ground of the government, which was on the GST. We all know that the GST is but one component—and an important component—of an entirely new tax system. This Senate review process, which the Labor Party, ourselves, other minor parties and independents agreed with—and which was belatedly joined by the government—is designed to look at the new tax system, not just the GST.

The Australian Democrats will approach this review process on this basis. When the review is completed and when the amendments go through to the legislation that will be before us, we will then make a decision in terms of the totality of that package as to whether we vote for or against the government's total package as amended.

We expect that within the legislation discussion there will be shifting alliances of govern-

ment, minor parties, independents and Labor, depending on the issue that is before them. I do not know yet where Labor will stand on the final income tax cuts that go through, on the diesel and other excise issues or on the poverty trap issues. And quite rightly so, because they have not seen the legislation and have not had the opportunity to have the detail of those things put before them. Their views may well coincide on some matters with the government's and on other matters they may not. We do know that Labor is utterly opposed to the GST and that is a legitimate position, but they might have a cooperative view with the government on other matters within the tax proposal.

To vilify Labor in this debate as being automatically obstructionist, automatically opposed and not acting in the national interest is quite wrong. They have legitimately said, 'Let us look at the entire tax proposal. You know our views on some core issues, but we do want to be able to contribute to the total approach and review.' Indeed, that is our approach as well.

I am distressed that the government has arrived at consideration of the Senate committee at such a late stage. I will contrast the attitude of the Treasurer and Assistant Treasurer with those of another minister who, on the Monday after election—Monday, 6 October—rang me about his program and said, 'Look, I know you are opposed on a number of these things, but it falls into your portfolio area. Would you discuss with me what is to come up?' Neither I nor my leader, as far as I am aware—but certainly not I, as the taxation spokesperson—was ever rung or contacted by any government figure to say, 'Let us discuss the possibility of a Senate committee.'

You might certainly be opposed to a Senate committee, but if you know the numbers in the Senate, you would certainly have up your sleeve that if there is going to be one, you would try to influence the shape of it. It was not until we put out our terms of reference two days ago that the government finally came to talk to us.

Now I would suggest that is the wrong way to approach the Senate and to approach the

realities of the numbers. Labor had clearly signalled they wanted a review and so had every other participant. We think a review is desirable. I would hope that, as this process develops, the government with regard to the tax issues will become far more forthcoming and cooperative in terms of dealing with the committees that are going to handle this matter.

I would stress that the Democrats began the process of development of their recommendations weeks and weeks ago, and we have consulted widely to do so. We are particularly grateful for the input and contribution from Senator Harradine. We were aware of the needs of the Greens and Labor, and that has been very helpful. But up until two days ago, as far as we were concerned, the government's position on the Senate inquiry was none—not at all—and they were not interested. So, of course, we did not talk to them. I regret we have now got to this stage where the easy resolution of this matter has been forced to a considerable debate.

With regard to the length of time that is to be taken, I would remind the Senate that the government itself took 14 months to arrive at its new tax system. We know that with other inquiries, as Senator Bourne has outlined, they take a great deal of time. We do not consider six months as a lengthy time to address a new tax system.

The final point I would make with regard to this tax review that we are discussing is I believe that the result of this will be, to some extent, similar to the result of the industry reference review, and that is that process of careful examination of a very thorny area of policy resulted in a great contribution to ourselves, to Labor, to the government's view of where they should be going in terms of industry policy.

We do not hold the view that the government have all the answers on tax. We are hopeful that Labor as the alternative government in opposition will use this process to flesh out and develop their own theories and policies on tax as well as using it as a mechanism to respond to the government's view, because you, like us and like them, are as

interested in this tax system as is the whole of Australia.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (12.54 p.m.)—If I can speak in reply to this very important debate on the nature of the Senate committee inquiry that this chamber may determine and I suppose the more fundamental issue of whether this particular matter is of such significance that a Senate committee is warranted. We have before the chair the proposal that I have moved on behalf of the opposition, which I have already commended to the Senate and, I hope, argued persuasively is indeed the best way for this particular chamber to proceed.

We also have before us now an amendment moved to this proposal by Senator Lees. In essence, Senator Lees is proposing now an overarching inquiry by the Senate Economics References Committee, which will deal first with an examination of the assumptions and modelling behind the government's tax proposals. Then that initial inquiry by the Senate Economics References Committee will inform four separate, more focused, specialist inquiries conducted by four of the Senate references committees—the Community Affairs References Committee; the Employment, Workplace Relations, Small Business and Education References Committee; the Environment, Communications, Information Technology and the Arts References Committee; and also the Economics References Committee itself.

Under Senator Lees's new proposal, the plan is that reports from those four references committees will again, if you like, inform the third phase of the Senate Economic References Committee's work. The proposal is that that particular references committee complete its work by reporting by the last Thursday in May. To that particular amendment from Senator Lees, Senator Cook has moved an amendment on behalf of the opposition, which again I commend to the chamber, to make a very significant improvement to those terms of reference that are before the chamber via Senator Lees's amendment to my substantive proposition.

So the time has come for the Senate to make a decision about the nature of the committee inquiry it will conduct, if, in fact, it sees and deems fit to conduct any committee inquiry at all. The government has made its position clear: it does not want scrutiny; it does not want a parliamentary committee inquiry into this issue. I do not think Australians can trust Mr Howard and Mr Costello on this issue. You cannot trust them on their intentions. We have had a recent injection of Mr Costello into this particular debate. I noticed that poor old Mr Costello, the Treasurer, has been unfavourably compared to—of all people—Mr Reith because of his lack of negotiating skills for the government in relation to the Senate. What an indictment of Mr Costello to be unfavourably compared to Mr Reith. But, as I said earlier, Mr Costello has to remember this: this is not a threat—

Senator Harradine—Who was the negotiation on workplace relations with? Senator Kernot. Where is she now?

Senator FAULKNER—As far as I know, Senator Harradine, I am very pleased to say she is the member for Dickson in the House of Representatives. That is exactly where she is, and every Labor senator is delighted to see that former Senator Kernot was elected.

I think Senator Harradine understands because this is the view that Senator Harradine himself has put so strongly in the public debate over the last couple of days. The message does not seem to have sunk in to Mr Costello and the government. This is what Senator Harradine and others are saying, and Mr Costello perhaps should remember it: no proper inquiry; no GST. That is your message, Senator Harradine—who interjects in the chamber.

Mr Howard says that his so-called reform is a great tax adventure and the greatest economic reform of his whole time in politics. But Mr Howard is trying to force, using the vote of Senator Colston, some form of shotgun inquiry. That is a mechanism, of course, to deal with as little of the substance of the government's intentions as possible. The opposition will not sign up to a Howard-Colston shotgun inquiry. You cannot trust this government on this issue. You cannot trust a

government trying to shoehorn an issue as important as this through the Senate with no appropriate level of Senate scrutiny and investigation. We say that a Senate committee inquiry has to be broad ranging, it has to be thorough and it has to be conducted at a higher level. That is why we believe our proposal before the chair is the best way of achieving that outcome. Of course, if the government was fair dinkum about decent reform, it would also endorse and support a broad ranging inquiry, but it is not.

I want to debunk Mr Costello's fundamental argument—parroted in here again by his liegeman, Senator Alston, during the debate—that there is no point in having a Senate inquiry because the Labor Party has made up its mind on the issue of the GST. You have to have a memory in this business. You have to remember what others do. I recall that in 1994 Mr Costello, a member of the then Liberal-National Party opposition, had responsibility for the Labor government's employee share ownership legislation. I want to remind the Senate and coalition senators what Mr Costello said at that time. Let me quote this to the Senate. Mr Costello said:

We are going to vote against the Government's proposal to extend fringe benefits tax to employee ownership schemes. We will defeat it in the Senate and we will initiate a Senate inquiry to have a look at the whole matter . . .

That was Mr Costello's approach on that legislation at that time, and he has the hide to turn up here to this debate and hypocritically argue that the Labor Party should not support an inquiry if we intend to vote against the legislation.

But, of course, there has been another development in the Senate today that will possibly have an impact on the votes on the motion and the amendments that are now before the chair, and I think it is worth placing this on the public record. In this chamber this morning for the first time since March 1997, the government has accepted the tainted vote of Senator Colston. As a result, the balance of votes in the Senate has been changed quite drastically.

This morning, the Senate dealt with two motions which were determined and negated

on the vote of Senator Colston voting with the government. The first motion was one standing in the name of my colleague Senator Bolkus for the production of documents on the approvals process for the Jabiluka mine and Jabiluka mill alternative—I think most senators would agree that this was a very important question before the chair. That was negated because the votes were equal, with Senator Colston voting with the government. A motion standing in the name of Senator Margetts, proposing an order for the production of documents by Senator Kemp relating to an interim report by the Ralph review, was also negated as a result of an equal vote in the Senate this morning.

This is the first time since March 1997 that the government has accepted Senator Colston's tainted vote. We now face a Howard-Colston axis on matters of public policy. Mr Howard and Senator Colston are joined at the hip. Do not forget that, in April last year, Mr Howard was finally forced to cut Senator Colston loose when he said:

Now what we have done has been measured, responsible, correct. What I am announcing this morning is a very, very clear measure to the people of Australia that, until this matter is cleared up, we are not going to accept Senator Colston's vote.

He said he would not accept that tainted vote until the issues, the charges, relating to Senator Colston were resolved. They have not been resolved. Mr Howard did not canvass this issue at any time during or before the federal election. He made this announcement at the commencement of the new parliament. As I say, this is an outrageous decision, a decision that smacks of nothing but political opportunism from the Prime Minister.

His original decision to reject Senator Colston's vote had nothing to do with the principle of the presumption of innocence and his backflip on that matter has absolutely nothing to do with the principle of the presumption of innocence either. Mr Howard made clear when he made his statement in 1997 that, in relation to Senator Colston's vote—when he was forced into that position by public and parliamentary pressure from the Labor Party—it was a matter of asserting higher standards. Of course, now those higher standards have evaporated on the third day of

the sitting of this new parliament—the third day of the sitting of parliament in Mr Howard's second term.

Mr Acting Deputy President, I cannot say what the likely fate is of either of the two amendments or the substantive motion that stands in my name, as a result of the decision by Mr Howard to accept the tainted vote of Senator Colston. I can acknowledge that the Australian Democrats, the Greens senators and Senator Harradine have worked hard to try and reach an acceptable compromise position in relation to the process that a GST inquiry would follow. It is not our preferred position—the amendment that Senator Lees moves is not the preferred position of the opposition. Our position, as you know and as I have outlined before, is for a cleaner, better sort of inquiry that is wide-ranging in its effect and would lead to a better outcome. But we, along with others, have worked hard to try and reach an acceptable compromise in relation to the nature of the Senate inquiry to deal with this very important issue.

As far as the opposition is concerned, we have moved from our position of having one references committee. We would have preferred a select committee in the first instance, for the reasons I outlined previously, but we have moved from one references committee that would have carefully, closely and thoroughly examined this issue to now the amendment before the chair where four references committees will be involved. But, importantly, there will be an overarching role and responsibility for the Economics References Committee, which is something that the Labor Party does welcome. The government itself argued for no inquiry, and then came and laid on the table yesterday a proposal for three inquiries. And I know the Democrats preferred seven references committees and another committee—a total of eight committees—and have come back to four references committees looking at this particular issue.

So there has been compromise around the chamber. What we cannot say, as a result of that compromise, is that the proposal that stands in Senator Lees's name will necessarily be accepted by the chamber. Of course, if other non-government senators see fit to

support this particular position, then quite clearly this can be sunk by the votes of the government and Senator Colston. Even if all the other non-government senators combine, the Howard-Colston axis can sink this inquiry. As I said, it is quite clear from voting patterns in the Senate today that Mr Howard and Senator Colston are joined at the hip.

We believe Senator Colston's vote should not be accepted by the government. We believe that Mr Howard should have maintained the position he was forced to accept in early 1997. We believe that if there was to be a change, Mr Howard should have been honest enough to announce it, either before or during the election campaign, so Australians might have taken that into their consideration as they cast their vote for the House of Representatives and Senate on 3 October. Of course he did not because Mr Howard is not serious about asserting parliamentary standards.

The Labor Party is serious about having the best possible inquiry into the GST proposals of the government. We are serious about a thorough and high-level inquiry. But we are also serious about ensuring that we work towards trying to achieve a consensus position as we know our preferred position will not be accepted by a majority of senators in the chamber. It is for those reasons that the opposition will support the amendment that stands in Senator Lees's name with, of course, the amendment that has been proposed by Senator Cook. I commend Senator Cook's amendment to the chamber.

Question put:

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

The Senate divided.	[1.16 p.m.]
(The President—Senator the Hon. Margaret Reid)	
Ayes	35
Noes	35
Majority	0

AYES

Allison, L.	Bartlett, A. J. J.
Bishop, T. M.	Bourne, V.
Brown, B.	Campbell, G.

AYES

Carr, K.	Collins, J. M. A.
Conroy, S.	Cook, P. F. S.
Cooney, B.	Crossin, P. M.
Crowley, R. A.	Evans, C. V.
Faulkner, J. P.	Forshaw, M. G.
Gibbs, B.	Harradine, B.
Hogg, J.	Hutchins, S.
Lees, M. H.	Lundy, K.
Mackay, S.	Margetts, D.
McKiernan, J. P.	Murphy, S. M.
Murray, A.	O'Brien, K. W. K. *
Quirke, J. A.	Ray, R. F.
Reynolds, M.	Sherry, N.
Stott Despoja, N.	West, S. M.
Woodley, J.	

NOES

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

PAIRS

Bolkus, N.	Boswell, R. L. D.
Denman, K. J.	Crane, W.
Schacht, C. C.	Hill, R. M.

* denotes teller

Question so resolved in the negative.

Question put:

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

The Senate divided.	[1.21 p.m.]
(The President—Senator the Hon. Margaret Reid)	
Ayes	35
Noes	35
Majority	0

AYES

Allison, L.	Bartlett, A. J. J.
Bishop, T. M.	Bourne, V.
Brown, B.	Campbell, G.

AYES

Carr, K.
 Conroy, S.
 Cooney, B.
 Crowley, R. A.
 Faulkner, J. P.
 Gibbs, B.
 Hogg, J.
 Lees, M. H.
 Mackay, S.
 McKiernan, J. P.
 Murray, A.
 Quirke, J. A.
 Reynolds, M.
 Stott Despoja, N.
 Woodley, J.

NOES

Abetz, E.
 Brownhill, D. G. C.
 Campbell, I. G.
 Colston, M. A.
 Eggleston, A.
 Ferguson, A. B.
 Gibson, B. F.
 Herron, J.
 Knowles, S. C.
 Macdonald, I.
 MacGibbon, D. J.
 Minchin, N. H.
 O'Chee, W. G.
 Patterson, K. C. L.
 Reid, M. E.
 Tambling, G. E. J.
 Troeth, J.
 Watson, J. O. W.

PAIRS

Bolkus, N.
 Denman, K. J.
 Schacht, C. C.

Boswell, R. L. D.
 Crane, W.
 Hill, R. M.

* denotes teller

Question so resolved in the negative.

Original question put:

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

The Senate divided. [1.24 p.m.]
 (The President—Senator the Hon. Margaret Reid)

Ayes	25
Noes	44

Majority	19
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AYES

Bishop, T. M.
 Carr, K.
 Conroy, S.

Campbell, G.
 Collins, J. M. A.
 Cook, P. F. S.

AYES

Cooney, B.
 Crowley, R. A.
 Faulkner, J. P.
 Gibbs, B.
 Hutchins, S.
 Mackay, S.
 Murphy, S. M.
 Quirke, J. A.
 Reynolds, M.
 West, S. M.

NOES

Abetz, E.
 Alston, R. K. R.
 Bourne, V.
 Brownhill, D. G. C.
 Campbell, I. G.
 Colston, M. A.
 Eggleston, A.
 Ferguson, A. B.
 Gibson, B. F.
 Herron, J.
 Knowles, S. C.
 Lightfoot, P. R.
 Macdonald, S.
 Margetts, D.
 Minchin, N. H.
 Newman, J. M.
 Parer, W. R.
 Payne, M. A.
 Stott Despoja, N.
 Tambling, G. E. J.
 Troeth, J.
 Watson, J. O. W.

Allison, L.
 Bartlett, A. J. J.
 Brown, B.
 Calvert, P. H. *
 Chapman, H. G. P.
 Coonan, H.
 Ellison, C.
 Ferris, J.
 Heffernan, W.
 Kemp, R.
 Lees, M. H.
 Macdonald, I.
 MacGibbon, D. J.
 McGauran, J. J. J.
 Murray, A.
 O'Chee, W. G.
 Patterson, K. C. L.
 Reid, M. E.
 Synon, K. M.
 Tierney, J.
 Vanstone, A. E.
 Woodley, J.

PAIRS

Bolkus, N.
 Denman, K. J.
 Schacht, C. C.

Boswell, R. L. D.
 Crane, W.
 Hill, R. M.

* denotes teller

Question so resolved in the negative.

BUSINESS

Taxation Package: References to Committees

Senator LEES (South Australia—Leader of the Australian Democrats) (1.28 p.m.)—by leave—I move:

That business of the Senate notice of motion No. 2 standing in her name for today, relating to the reference of matters to certain committees, be postponed till a later hour.

I seek leave to make a brief explanation as to why.

The PRESIDENT—I put the question that the motion moved by Senator Lees be agreed to.

Senator Faulkner—Point of order, Madam President: given the Senator Lees has sought leave to make an explanation about the motion before the chair, I just respectfully suggest—and I am sure that the Senate will grant leave—that it would be useful to hear the explanation before the question is put.

The PRESIDENT—Senator Lees could actually speak to the motion.

Senator Faulkner—She could indeed, but she has actually sought leave to make an explanation.

The PRESIDENT—Is leave granted for Senator Lees to make a short explanation? There being no objection, leave is granted.

Senator LEES—As we all saw from the votes a moment ago, we do not even have reasonable cooperation any longer. Not even the matter that was of concern to the Labor Party could be amended into my motion. Fair enough, my motion went down because you still have a major problem with timing. But then there was the process of forcing us through to having to vote again to say that the Labor Party's motion of one committee could not be accepted. I think basically everything has fallen apart.

The government—and I thank Senator Campbell for this—has approached Senator Harradine and myself and suggested that we may have an opportunity to meet briefly and discuss before the end of question time another proposal that the government wishes to put to us on timing. I am giving no undertaking of anything other than to listen and to keep discussing with the government, because I think where we are heading at the end of the day is toward no inquiry.

I have just sought leave to propose my motion so we can continue at a later hour this day and still try to get an inquiry. If all my motions go down—as Senator Colston has just voted against them, I presume they may well go down again without the government's support—we are running very quickly into a dead-end, but I am determined to do what I can in the next couple of hours to see if we

can avoid that and then report back to my colleagues as to what the new offer is from the government.

The PRESIDENT—Senator Lees has moved a motion to postpone business of the Senate notice of motion No. 2. Do you wish to speak by leave, Senator Faulkner?

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (1.31 p.m.)—No, I want to speak to the motion. Madam President, can I indicate that the opposition will support the procedural motion before the chair that has been moved by Senator Lees. I do not accept part of Senator Lees's explanation to the Senate that everything has broken down. I really do think a more thorough analysis is required in relation to the votes that have just been held in the Senate. I think that is required.

The situation is this: in March, 1997, the Prime Minister indicated that the government would not be accepting the tainted vote of Senator Colston until the matters relating to Senator Colston had been finalised. He made it absolutely clear that that was the position of the government and that the government, of course, had been forced to that position by sustained public and parliamentary pressure—public pressure and parliamentary pressure from the Labor Party. The Prime Minister was dragged kicking and screaming to the announcement that he made but, nevertheless, he was forced to that position.

I want to remind senators what Mr Howard said in April last year. Let me quote the Prime Minister:

Now what we have done has been measured, responsible, correct. What I am announcing this morning is a very, very clear message to the people of Australia, that until this matter is cleared up we are not going to accept Senator Colston's vote.

The Prime Minister said he would not accept this tainted vote, until the matters relating to Senator Colston and the charges that Senator Colston faced were resolved. Those charges have not been resolved.

Nothing has changed in relation to the situation that the Prime Minister was referring to. Only one thing has changed since April last year, and that is Mr Howard the Prime Minister's desperate effort in terms of the

need for Senator Colston's vote to deliver a policy—the GST policy—that most Australians would prefer him not to deliver. That is the only thing that has changed.

What we have from the Prime Minister and the government that we have seen now in a number of questions put before the Senate today is political opportunism at its worst. It is totally unprincipled for this government to change their approach in relation to accepting the tainted vote of Senator Colston. That is the proper analysis that should be made in relation to the compromise motion that was defeated before this chamber.

I have to say that I did predict in an earlier speech today that this was a very likely outcome and that there was a very distinct possibility these motions would go down on equal voting. As far as the Labor Party is concerned, Mr Howard did not make his position in relation to accepting Senator Colston's vote clear before or during the election campaign. Not only has he accepted Senator Colston's vote; in our view he has actively solicited it.

We say, as the Prime Minister said in 1997, that this issue is an issue of parliamentary standards. This is an issue of parliamentary standards and the Prime Minister's parliamentary standards really speak for themselves. I think that is a more accurate analysis of the reasons that we have seen these particular motions defeated before the chair in relation to the establishment of a possible Senate inquiry into the issue of the GST. It is the same reason that we saw two motions defeated this morning: one that stood in the name of Senator Bolkus in relation to the production of documents for the Jabiluka mine and another that stood in the name of Senator

Margetts. The reason is that the Prime Minister and the government now accept Senator Colston's tainted vote. I think that needs to be made absolutely clear. The Labor Party agrees with the Prime Minister: it is an issue of standards and we see this as the most sleazy, opportunistic and unprincipled move imaginable.

Question resolved in the affirmative.

Taxation Package: References to Committees

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

That the business of the Senate notice of motion No. 3 standing in his name for today, relating to the reference of matters to certain committees, be postponed till a later hour.

REFERENCE OF BILLS TO COMMITTEES

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (1.35 p.m.)—At the request of Senator Tambling, I seek leave to amend business of the Senate notice of motion No. 6.

Leave granted.

Senator IAN CAMPBELL—I thank honourable senators for granting leave and I now amend business of the Senate notice of motion No. 6 by changing the reporting date for the Environment Protection and Biodiversity Conservation Bill 1998 to read 'the first sitting day in the second sitting week in March 1999'. I move:

That—

- (1) The provisions of the following bills, introduced in the previous Parliament, be referred to committees as set out, and that each committee report by the date indicated:

Bill	Legislation committee	Reporting date
Broadcasting Services Amendment Bill 1998	Environment, Communications, Information Technology and the Arts	1 December 1998

Bill	Legislation committee	Reporting date
Film Licensed Investment Company 1998, and Taxation Laws Amendment (Film Licensed Investment Company) Bill 1998	Environment, Com- munications, Information Technology and the Arts	24 November 1998
Social Security and Veterans' Af- fairs Legislation Amendment (Pay- ment Processing) Bill 1998	Community Affairs	24 November 1998
Human Rights Legislation Amendment Bill (No. 2) 1998	Legal and Constitutional	1 December 1998
Environment Protection and Biodiversity Conservation Bill 1998	Environment, Com- munications, Information Technology and the Arts	first sitting day of the second sitting week in March 1999

(2) Each committee have power to consider and use the records of the relevant committee appointed in the previous Parliament.

The PRESIDENT—The question is that the motion, as amended, be agreed to.

Question resolved in the affirmative.

**EDUCATION SERVICES FOR
OVERSEAS STUDENTS
(REGISTRATION OF PROVIDERS
AND FINANCIAL REGULATION)
AMENDMENT BILL 1998 (No. 2)**

Second Reading

Debate resumed from 11 November, on motion by **Senator Kemp**:

That this bill be now read a second time.

Senator CARR (Victoria) (1.37 p.m.)—The Education Services for Overseas Students (Registration of Providers and Financial Regulation) Amendment Bill 1998 seeks to extend the operations of the Education Services for Overseas Students (Registration of Providers and Financial Regulation) Act 1991 for three years, to the end of 2001. This act, commonly known as the ESOS Act, was introduced in response to a situation which developed around 10 years ago with regard to the credibility and financial viability of some providers of education for overseas students.

The act requires that only providers listed on the Commonwealth Register of Institutions

and Courses for Overseas Students, CRICOS, may offer courses to overseas students. These providers must operate a Notified Trust Account, designed to ensure refunds are available to students in circumstances where a provider defaults. Providers must also make tuition guarantee arrangements before enrolling students, including membership of a Tuition Assurance Scheme to offer alternative placement of students if necessary.

The operation of the ESOS Act was reviewed in 1996 by Ernst and Young. The review canvassed a number of regulatory models. While problems have been identified, particularly in South Australia and Queensland, there was widespread support for the current three-tier model of regulation, which shares responsibility between the Commonwealth, states, territories and the industry. On that basis the ESOS Act's sunset clause was extended to 1 January 1999.

The consultations with industry associations, and government agencies, took place during April and May this year, and support for existing arrangements remain strong. On that basis, the opposition supports the proposal to extend the life of the ESOS Act for a further three years.

The seven-fold growth of the education export industry over the years since the act's introduction has highlighted the importance of the industry to Australia and the need to

ensure confidence in it. In 1997, 151,464 overseas students were studying in Australia generating revenue of more than \$3.2 billion. This type of growth is not likely to continue, however. In the future, we will need to work harder for our educational export dollars.

In the summary of his report 'The Asian deflation in Australian education', Professor Raoul Mortley points out that 'the most realistic forecasts indicate little growth above the 1996 levels' and that Australia faces a 'more competitive world in education'. While Professor Mortley focused on only the Asian region, this is the region that is the source of 77 per cent of Australia's overseas students.

The government has refused to release the full report so speculation is bound to occur about just what Professor Mortley has found. Yet, as it seems he has identified some significant problems, it raises the question of what the government will do about those problems. An announcement was made at the time of the budget of some \$21 million to be spent over four years on international marketing to promote Australian educational training for overseas students, but the vast bulk of this money was not new money.

Also, the government has taken no steps to lower the cost of student visas from the current high level of \$285. As far as the Australian Labor Party is concerned, this issue requires a whole of government approach. Quite clearly, this government has yet to recognise that fundamental principle.

In terms of the bill before the Senate at the moment, the opposition initiated an inquiry following allegations of some parts of the international education sector that the provisions of the ESOS Act were not being complied with. It can be assumed that this is at least partly due to the staff cuts and the recent administrative changes within DETYA. It is of extreme concern that an important export industry could be put at risk by the miserly cost cutting by this government. In fact, some 50 per cent fewer staff are now available to administer the provisions of this act than were available under the Labor government.

The opposition will be supporting the bill because it is vital that it continue beyond its current expiry date. It is immensely important

that international students have confidence in the quality and the stability of Australian education and training providers, not only because of the value to Australia in terms of industry, but also because the industry is already under some strain as a result of the economic downturn throughout Asia. It is important that Australian taxpayers are not called upon to make good when providers default.

The Senate inquiry that was initiated by the Labor Party was able to draw upon evidence from a range of sources, and it clearly demonstrated that, in the opinion of the department—irrespective of the interests of the various private providers, and some 1,000 private providers are involved in this industry—the situation is of extreme sensitivity. The department told the committee that whilst the education and training industry contributes in excess of \$3 billion a year to the economy it also brings a number of intangible benefits that cannot be measured, such as the development of contacts for future trade, progressing ideas and contributing to Australia's international standing.

This issue is more than just about regulations concerning the operations of certain businesses that are operating within the education industry. The department told the inquiry:

Each year, the education and training industry contributes in excess of \$3 billion to Australia's economy, as well as bringing a range of intangible benefits—for example, developing contacts for future trade and progressing ideas and international perspectives. It is an important and valuable industry for Australia, and the government believes that it deserves the continuing support of the existing cooperative framework between the Commonwealth, state and territory governments and industry.

That is a sentiment that the Australian Labor Party would fully agree with. However, the experience of the department is that while the education and training services industry has matured during the life of the act the industry is not yet able to provide universal protections to ensure the international reputation of the industry. That, too, is a sentiment the Labor Party would agree with and which it is very

concerned about. The department went on to say:

If the sunset clause deactivates the act, there is a heightened risk of return to the heavy cost for industry and governments which existed prior to the introduction of the act, including the financial collapse of providers, consequent damage to Australia's international reputation and the potential cost to Australian taxpayers to refund overseas students' prepaid course money.

The department also said:

The ESOS bill will ensure quality standards through the maintenance of the national register, known as the Commonwealth Register of Institutions and Courses for Overseas Students, and the financial and tuition guarantees which ensure that Australia's international reputation is not damaged. There could be a risk to the integrity of the quality of Australian education offerings in the absence of the national register which could place in question the integrity of Australian awards. This could adversely impact on student demand for places.

These are sentiments with which the Labor Party also agrees.

The department drew the committee's attention to the fact that during the current volatile period in many of Australia's major source markets, it is particularly important to maintain confidence in Australia's international education and training industry by ensuring a stable domestic environment. Great emphasis is placed on the relationship that exists between the various levels of government in Australia in regard to the provisions of this act. As the department has said:

... at the moment we have the ESOS Act, which provides an overarching Commonwealth umbrella of protection for students. To be honest, if you were an overseas student contemplating coming to Australia, you would find the overall level of protection you get to be of most importance. I do not suppose a great many students have a clear idea of what happens at the different levels of government in this country, except perhaps for those with an interest in government matters. But we certainly believe that the overall level of protection is important. Of the students we have surveyed, we know that some 70 per cent have said that the levels of protection afforded by government are a factor of which they are aware—and I think that includes things which go beyond the matters covered by the ESOS Act.

What we find is that these matters are being canvassed now quite regularly within the media in Australia, and equally in the media

on an international basis. In today's *Sydney Morning Herald* we see a report of a private college hit by the Asian crisis. The report says:

One of Sydney's oldest business colleges, the Metropolitan Business and English College, has gone into voluntary administration, potentially ending more than a century of private non-profit education. While more than 300 students at the college can finish their courses, staff have joined the list of creditors, who will meet for the first time today. Problems loom for similar private colleges, whose student numbers have fallen by about 40 per cent because of the Asian economic crisis. Many colleges have suspended enrolment for some courses, some have closed branches, and a few have been taken over.

During the inquiry processes, the department was able to advise us that since 1995 five providers had defaulted under the existing arrangements. These included: Rainshine, trading as the ABC Colleges of English and Australian Academy of Business Studies; the Parafield Flight Centre, which ceased trading in January 1996; K. Ebenezer, trading as Eliaus English College, which ceased trading in June 1997; the Rehabilitation Management Services Limited, trading as the Excelsior College or Rehabilitation and Risk Control Services; and the Queensland International Heritage College Pty Ltd, which ceased trading in May 1998.

Under the existing operations of the act, in 1996-97 alone, as a result of the decisions, DEETYA found that there were six suspensions and two cancellations for the breaches of the act. Four of the six providers had their registrations suspended because they did not comply fully with the NTA requirements of the ESOS Act. A further 13 had their registrations suspended because they failed to report by the due date. No doubt the government would say that many of these problems were put right. Nonetheless there clearly exists demonstrable evidence that there are profound problems emerging within this industry and that without effective monitoring and regulation by the department this is an area of great potential damage to this country and its international reputation.

What we are seeking, and the Senate committee report has highlighted, is the need for an ongoing inquiry into this industry. There

is a joint approach on this matter right around the chamber, I think, that there needs to be further inquiry into the operation of the ESOS Act. I, for one, maintain strong support for the regulatory framework that has existed. My concern is for the effective administration of it and I ask: is it possible—as has occurred under this government—to effectively administer the current act with 50 per cent fewer staff? In terms of the evidence put to the Senate education committee we see that the operation of the registration process at a state level is deficient and quite clearly the capacity to have revolving door arrangements occurring in a number of states is not satisfactory. We might find upon close examination that many state and territory registering authorities do not have the political will to deregister organisations that are not fulfilling their obligations to students and are not able to administer their own arrangements in their own states because of their concerns about the excessive legal costs that deregulation will involve.

The problem has been highlighted in the evidence presented to the committee by the organisation of private education and training providers representing 1,000 people in the industry. They have highlighted this problem, both in terms of their submissions to me directly, and in their submissions also in writing to the Senate committee. I do not agree with their conclusions on all accounts, but they do a great service to this parliament in drawing our attention to some of the problems with the current administration of the act.

They point out, for instance, that the separation of powers for the registration of private providers between the various levels of government in this country is currently inadequate. Two states do not have complementary legislation—Queensland and South Australia. They also point out, in terms of CRICOS, that there is a lack of information available concerning the assessment of future demand.

They also point out that there are dishonest operators functioning within the industry that do not respect the trust fund arrangements. While honest operators incur unnecessary

delay on cash flow due to the limitations placed on the draw-down provisions of the current act, dishonest and unscrupulous providers are able to have access to those funds outside of the audited period. The provisions the act currently contains are very limited in that regard. They are quite clear there is strong evidence that people are able to draw upon these trust funds in a manner not foreseen when the provisions of this act were established—and of course they are going to do that. If a company is going broke, if it is in some difficulty, a provider, a small business person—which is often the case in this arrangement—is of course going to draw upon cash reserves in a trust fund rather than put their house or other assets at risk.

That may be well and good for the individual running a business. But this is a matter that is now beginning to affect the international reputation of this country. While one company may go broke and that may have a devastating impact on one particular family, it may also have a quite significant impact on Australia's international reputation if overseas students are adversely affected. This is quite clearly the evidence that the Senate committee has come across.

There are further problems in terms of the communication between the industry and government with the operation of what are now effectively seven tuition assurance schemes operating. The capacity for those to be effectively monitored is, I believe, still open to question.

What we have got is the Senate committee requiring a further investigation into these matters—an ongoing inquiry to examine a number of outstanding issues. These include: the lack of funding for research into the education export industry; the current cost of student visas and the impact of international competitiveness on the Australian education export industry; the lack of communication between the regulatory authority and the various tuition assistance schemes, and the effect that that has on the continuing viability of various private providers; the proposed removal of various exemptions from the act; the need to increase international student awareness of CRICOS; the continuing need to

address unethical marketing practices; the provision of easier alternative methods for students to recover debt; and the need to allow for students to be represented in debt recovery proceedings.

The Senate committee is also seeking to have a look at the proposal that courses run overseas by providers or by providers in partnership with overseas agents be subject to CRICOS itself. A further issue that needs inquiry is the provision of clear guidelines for international students on how to raise complaints about providers for misleading or deceptive conduct. It is quite apparent that these are issues of some significance. While this is a non-controversial piece of legislation, it is a matter that does require a great deal more work by the department, in my judgment. I know how difficult that is, given the fact that there has been a cut of 50 per cent of the staff in this particular section of the department. And one presumes that, with a further removal of staff in the restructuring of the department, that strain will grow even greater.

We are facing a period of great economic uncertainty. As a consequence, we are likely to see pressure upon educational institutions and education authorities to cut corners, to cut costs, to administer quick fixes. These sorts of pressures are likely to grow. The dangers for collapses of enterprises under these circumstances are all the greater. At a time when we are facing great perils for our educational facilities, we are seeing that this government is in fact devoting fewer and fewer resources to deal with this issue.

These are matters of great concern to me and they should be of great concern to this government. Unfortunately, I am not confident that this government acknowledges just how serious the problems are. It is not, frankly, facing up to its responsibilities to protect Australia's international reputation and to protect the overseas students who are studying in this country. After all, they are entitled not to be ripped off by unscrupulous providers; they are entitled to get a service that they have paid for; they are entitled to the full protection of Australian law. I am very concerned that the current arrangements

are not adequate to meet the challenge. However, this bill needs to be dealt with and it will be accordingly supported by the opposition.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (1.57 p.m.)—I begin my remarks on the Education Services for Overseas Students (Registration of Providers and Financial Regulation) Amendment Bill 1998 (No. 2) by supporting many of the comments made by Senator Carr, in particular the idea that we should provide ongoing inquiry into this industry and regularly monitor export education in this nation. That is why I commend Senator Brian Harradine for incorporating into the terms of reference that were proposed by the Democrats for a GST and taxation inquiry the notion that we should examine not only the impact of a GST and taxation reform on education services in the domestic sphere but also on overseas student services and export education in particular.

This bill extends the sunset clause on the current administrative arrangements required of providers under the ESOS Act to 1 January 2002. The act allows for the regulation of the overseas education industry. It arose from a situation in 1991 where the government was forced to refund the fees of over 12,000 international students who were affected by the closure of private educational services. The act and this bill in particular provide for quality and fairness within the industry. This bill is extending the sunset clause while consultations are still ongoing within the industry regarding service provision for international students.

I raise concerns on behalf of the Australian Democrats that recent events in our region may necessitate the closer monitoring of our international education industry. I do wonder what the impact of a goods and services tax would have on this particular industry, let alone on the education sector more generally.

The ESOS legislation seeks to address three major problems which have the potential to damage Australia's international reputation as a provider of education services. Remember that export education provides this country with comparable amounts of money to that

provided by the wheat industry. Around \$1.9 billion per annum is generated as a consequence of export education services. That is actually more, as I understand it, than the wheat industry brings into this nation. So any adverse or negative impact as a consequence of the introduction of a goods and services tax deserves to be investigated, and investigated thoroughly, in a wide-ranging and comprehensive Senate inquiry.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Taxation Reform: Advertising

Senator CONROY—My question is directed to the Minister representing the Treasurer. Can the minister confirm that the Treasurer's office advised coalition members of parliament and candidates that they could use taxpayer funded material from the coalition's tax advertising campaign in their own party political ads? Can the minister confirm that Mr Phil Gaetjens, Mr Costello's chief of staff, wrote to all coalition MPs stating that the government had sought a licence to enable them to access taxpayer funded material for party political promotion during the election campaign? What share of the artwork and design costs of the tax reform campaign advertising costs were borne by the Liberal Party of Australia as opposed to the taxpayer?

Senator KEMP—I doubt whether that question is in order, to be quite frank. It seems to me to largely deal with party activity. There are sections which deal with government activity.

Senator Chris Evans—They've become so blurred under your government that we're not sure.

Senator KEMP—We will get a ruling from Madam President.

The PRESIDENT—To the extent to which it referred to the use of taxpayers' money, it is a matter that could properly be put to you.

Senator KEMP—This is part of the continuing campaign by the Labor Party to somehow imply that the Liberal Party and the National Party did not act with propriety in the election campaign.

Senator Conroy—You had your hand in the till. You were caught red-handed.

Senator KEMP—I know, Senator Conroy, that you do not read too much.

The PRESIDENT—Senator Conroy, you will cease shouting across the chamber. It is your question, and Senator Kemp is answering it. Senator Kemp will address his remarks to the chair and not across the chamber.

Senator KEMP—As you would have heard, Madam President, I was being provoked by the interjections from Senator Conroy. I was answering the question. Senator Conroy is trying to state that the Liberal Party did not act in a proper manner during the election campaign. Is Senator Conroy not aware that there was an Auditor-General's report? Is Senator Conroy not aware that this report dealt with issues raised by Senator Faulkner in relation to advertising and the use of material?

Senator Faulkner—And didn't he say he didn't have a mandate to talk about those particular issues?

The PRESIDENT—Senator Faulkner, you will have an opportunity later.

Senator KEMP—As Senator Faulkner knows—perhaps his own party does not know—on every issue Senator Faulkner has struck out. Normally it is three strikes and you are out. However, Senator Faulkner had five strikes, and he is still in there trying to bat. The fact is that the matters that Senator Conroy is raising have been raised in other forms by his leader. The matters raised by his leader have been investigated by the Auditor-General. The Labor Party has been proven quite wrong on every count.

Senator Conroy—Did you even hear the question? Would you like me to read it to you again?

Senator KEMP—I heard the question. Senator Conroy raised the issue of the use of copyright material. If my memory serves me correctly, that issue was dealt with by the Auditor-General.

Senator Faulkner—What about Costello's chief of staff?

Senator KEMP—That was the question; it was about the use of copyright material. As I said, it has been investigated by the Auditor-General. Senator Faulkner and the Labor Party struck out on it. In relation to correspondence that I may or may not have received from Mr Gaetjens, that is a matter between Mr Gaetjens and me.

Senator CONROY—Madam President, I ask a supplementary question. Can the minister confirm that a copyright licence was only sought and approved after the opposition raised the matter publicly? What action will the Commonwealth take against coalition candidates who illegally used copyright material prior to the issue of the licence?

Senator KEMP—I have dealt with the matters that have been raised by Senator Conroy. I offer this invitation to Senator Conroy in the spirit of trying to assist him: if he comes around to my office after question time, I will give him a copy of the Auditor-General's report. I will refer Senator Conroy to the relevant matters in that report so that he does not have to read every section. I will refer him to the relevant pages.

Senator Faulkner—Why don't you refer him to page 29?

Senator KEMP—Why don't you refer to the first 28 pages? The answer is that you struck out five times.

Taxation Reform: Regional Australia

Senator CALVERT—My question, which is directed to the Assistant Treasurer, relates to tax reform and the benefits to regional Australia. Will the minister describe how the implementation of taxation reform on 1 July 2000 will provide substantial benefits to regional Australia?

Senator KEMP—I thank Senator Calvert for that important question. One of the issues which has already been canvassed today in the media is the excellent job figures that came out today. I was rather expecting Senator Conroy—Senator Conroy likes to portray himself as a man interested in the real issues—to have dealt with the very good employment figures that came out today. But one thing the Labor Party really hates is good news; that is what it does not like. Indeed, the

employment figures were very good news for the Australian economy. As Senator Calvert raised in his question today, tax reform is very good for farmers and regional Australia.

Under the government's proposals, which were soundly endorsed by the Australian people at the last election, industry costs will fall across the board. Indirect tax reform, including the introduction of a goods and services tax, will reduce costs to agriculture by around 2.8 per cent. Export costs will be cut by more than \$4.5 billion each year and exports of goods and services will be GST free, making our rural sector far more competitive. Indeed, one of the reasons why Australians overwhelmingly endorsed tax reform at the election was that it was good for industry and jobs in Australia.

The government's plans also mean that fuel costs will fall, reducing living costs for regional Australians. Regional Australians bear the brunt of transport costs in Australia and the government's plan means that transport costs alone will fall by about \$3.5 billion a year. The government will reduce petrol and diesel excise at the time of the GST's introduction to ensure that no more tax is paid on a litre of petrol or diesel than is paid currently. Fuel costs for business are expected to fall by around 7c per litre as business will be able to claim input tax credits for the GST paid on purchases. We estimate that the measures in the tax reform package will reduce the cost of road transport by 6.7 per cent, which is very good news for rural and regional Australia. Off-road business users of diesel will get a GST credit equal to the entire excise paid. This means that off-road business users of diesel will not pay excise or GST on diesel fuel.

Regional Australia will also benefit from changes to the fringe benefits tax treatment of remote area housing in the mining industry, which is very good for the mining sector in this country and will be a benefit to employees. This exemption will extend the same treatment to the mining industry as currently applies to remote area housing provided by primary producers.

Unlike Labor, the coalition seeks to carry out tax reform and recognises that tax reform

is very important for this country. Labor, when they were in office, continually raised the taxes on fuel to the detriment of rural and regional Australia. That is the Labor Party policy—to raise taxes, particularly taxes which seem often to hurt people in country areas. That is not the coalition's policy. Our policy is to assist rural and regional Australia. That is why rural and regional Australia overwhelmingly voted for the coalition at the election.

Economy: Current Account Deficit

Senator COOK—My question is directed to the minister representing the Prime Minister. Does the minister recall Mr Howard's promise when he launched the coalition's much vaunted debt truck in 1995 that 'our first priority in government economically will be to tackle the current account deficit'? Can the Minister now confirm that according to the ABS data the seasonally adjusted monthly goods and services deficit has doubled to over \$1 billion in September? Can the minister also confirm that exports have fallen by three per cent and imports have risen by two per cent? Will the minister now concede that the government has massively betrayed its promise to tackle the current account issue? In the light of the recent current account data, does the minister stand by the Treasurer's statements that the Asian downturn would be 'barely measurable' and that we had 'weathered the storm'?

Senator ALSTON—What the Prime Minister had to say several years ago in relation to the debt truck was obviously a very important statement, particularly at that time, because it was one of the central issues that had to be tackled. Of course, as Senator Cook well knows, it is particularly important that you look at a trend. You don't simply pluck out figures from one quarter to another. You don't simply talk exports being up one month or down the next. Similarly with imports. You can have a goods and services deficit moving around, just as you can with any of the economic indicators. The important thing is the trend line.

Today's announcement in relation to the unemployment figures, for example, of a drop from 8.1 per cent to 7.7 per cent seasonally

adjusted is very much a trend in the right direction. Indeed, it is the lowest rate recorded since October 1990. If you look at a number of the other important economic statistics you find the same thing, whether it is the inflation rate that is at its lowest level in 30 years or whether it is record low interest rates or home mortgage rates. All of these are very positive indicators. They are the things you ought to focus on, but of course you won't. All you will be doing is running around, picking out one month's stat that you think is somehow not as good as it might be and then suggesting that that amounts to the economy not going in the right direction.

We went through all this yesterday. You ought to be sufficiently economically literate to know that Australia is still the strongman of the region and that Australia's economic performance is second to none. If you look around the world there are countries who are overwhelmingly impressed with our ability to tackle the economic fundamentals and, more importantly, by the fact that we had the guts during a federal election campaign to take some of the tough decisions. That is what we did. I have people coming through my office, whom you would expect to be reasonably neutral on these matters, saying: 'Thank God you got back. We are not really political; we just want to see people who will take decisions in the national interest.'

That crowd opposite got out there and wrung its hands with mock horror, with a leader who didn't have the stomach to lead, and took all the shortcuts and fell into all the traps. They were ahead in the opinion polls for a few months and they thought they could slide through without any real policies. All of these people coming through my office say to me, 'Thank God you got there.' They say, 'The other mob would have been a shocker, and the country would have gone south at a record rate.'

So, Senator Cook, that is what you ought to focus on. Focus on a whole range of statistical economic indicators which show you that this country is overwhelmingly going in the right direction. That is not a coincidence. It is clearly because we took the tough decisions. You did everything possible to block those.

You did everything you could in this chamber and elsewhere to highlight what you thought were politically advantageous criticisms. But of course it all came to nought. That monumental scare campaign you ran about the Treasury statistics on the GST and the HES survey has been revealed for what it was—an absolute pack of lies. You know it. You haven't apologised for it. You are simply not interested in getting the country into shape. I suggest you go back to economics 1A, and you might learn a few tricks.

Senator COOK—Madam President, I ask a supplementary question. Thank you for lecturing me on what I should focus on, Minister, but would you focus on answering the question that is put to you. I will not pick out one month's stats. You said that the important thing is the trend line. Net foreign debt in the June quarter 1997 was \$213 billion. Taking the trend line a year later, in the June quarter 1998 it was \$222 billion, up \$9 billion or four per cent. Will you now give a guarantee to the Senate that the government will bring down the level of foreign debt in this country?

Senator ALSTON—I have a pretty hazy memory of this, but I seem to recall that back in 1983 foreign debt was about \$35 billion. What did it get up to within the space of about 10 years? It was getting up to \$150 billion plus. This was an appalling performance by a Labor government that pretended to be economically literate. You let it blow out to the point where you inevitably achieved devaluations, which compounds the problem. You have just quoted me a variation of \$9 billion over a 12-month period. I would have thought, if you take account of currency fluctuations and a range of other factors, including all the scare campaigns you were running, that was a pretty good performance. So I suggest that you go back and look at these things in context. Then you will get a much better understanding of what is really happening.

Telecommunications: Regional Australia

Senator CRANE—My question is directed to the Minister for Communications, Information Technology and the Arts, Senator Alston. The question relates to the benefits to regional

Australia of the government's Networking the Nation initiative. Minister, the government has introduced a number of measures to improve the quality of telecommunications services in regional Australia—for example, the \$250 million Regional Telecommunications Infrastructure Fund, Networking the Nation. Minister, how will Networking the Nation improve the quality and availability of telecommunications in rural and regional Australia? How does this important initiative form part of the government's overall regional development strategy? Are you aware of any alternative policy proposals for regional Australia?

Senator ALSTON—Senator Crane has a rural background and represents rural and regional Australia very well, so he has some understanding of the very significant benefits that have derived from the Regional Telecommunications Infrastructure Fund. It has funded something in the order of 140 projects. Something like \$76 million has been spent to date, with \$250 million allocated over five years. Who opposed it? Labor, of course, because they opposed the Telstra privatisation tooth and nail. I can understand that, because the union said to jump and they jumped. If you went around Australia you would have found that this has been one of the great success stories. Not a single complaint have I ever received about it. We are inundated with people wanting more applications—met successfully. Yet what happened during the campaign? Maybe this is why poor old Schachty was deported, I don't know.

Senator Kemp—Where is Schachty?

Senator ALSTON—He is off overseas, apparently, unless he is in a retirement home.

The PRESIDENT—Senator Alston, you should refer to the senator in a more formal manner.

Senator ALSTON—I was referring to the late lamented Senator Schacht, Madam President. What Senator Schacht managed to do during the campaign, on 4 September, was to announce that a Labor government would immediately freeze and review the operation of the RTIF—in other words, knock off the funds that had been allocated. He did not give any reason. Obviously they were hoping to

use it for other purposes at a later point in time, but it was a monumentally strategic disaster. People in regional Australia understood that this was underlining yet again the fact that Labor could not care less.

There is a very big challenge ahead of the shadow minister appointed to this area. She has no track record, no credentials and, naturally, no interest in the area. Indeed, as Senator Woodley has so eloquently told us, she strongly advised the Democrats not to waste their time getting outside the caffelatte boundaries because, even if you do, there are not any votes in it. That would probably be true if you were Mrs Kernot. It ought to be true of the entire Labor Party. Senator Faulkner is the one who sponsored Mrs Kernot in that very ill-fated walk that she took. Senator Faulkner ought to take a lot of the credit. He takes a lot of the credit for the New South Wales result. He was the one who suggested that they spend up to \$700,000 on Mrs Della Bosca's little effort in Robertson. He was the one who achieved a 0.42 per cent swing to Labor in New South Wales, about a third of the national swing of 1.3 per cent to Labor—an appalling performance. He is the bloke who caved in to Gary Gray in sacking Singo. And this is the bloke who is advising Mrs Kernot! All I can say is that she is going to need a lot more expert advice than that.

She met with one of the leading rural consumer groups in the last couple of days, and what did she do? She spent most of her time whingeing that she did not have enough resources and that she needed more staff. You have got to do a bit better than that. You have got to relate to the people. If you are interested in rural Australia, get out there and tell them why you do not like the \$650 million worth of commitments that we have made, which we very much expect to see funded in the not too distant future. You need to address all the real needs of regional Australia, instead of whingeing about having to get into the truck and get off the beaten track. You have to roll up your sleeves. You have to be a knockabout lad like Senator Ian Macdonald. You have to understand the bush. You cannot be someone who thinks getting dressed up in formal wear for *Women's Day* somehow gets

you a few votes out in regional Australia. We would never accuse Senator Macdonald of doing that. As a result, he will deliver a much better performance for us in regional Australia.

Telstra: Hobart Work Management Centre

Senator MACKAY—My question is directed to Senator Alston, the Minister for Communications, Information Technology and the Arts, and is also related to telecommunications in regional Australia. Is the minister aware that Telstra have announced the forced closure of the Hobart Work Management Centre, with the subsequent loss of 35 highly skilled jobs? Can the minister confirm that in August of this year his office gave an explicit assurance to Senator Harradine that Telstra's Hobart Work Management Centre would not close and that there were no plans to reduce the existing staff at the centre?

Senator ALSTON—Telstra staff numbers are a matter for the Telstra board and management, not government.

Senator Faulkner—Get to the detail.

Senator ALSTON—I will come to the detail in just a moment, but let me make it clear because I have had to straighten Senator Mackay out on this before. If you recall, what I relayed to both Senators Colston and Harradine were commitments made by Telstra, not by the government. I say that by way of background.

Telstra has advised the government that a number of work sites in Tasmania and regional Victoria will be centralised, resulting in a net increase of 28 positions within the company's commercial and consumer service group. There have been some misconceptions in regard to the Tasmanian operation losing jobs. Telstra has advised that, while 32 positions in Hobart will be relocated to Bendigo, a further 80 new positions will be created in Launceston. I do not know where your union-sponsored electorate office is—maybe you are a Hobart person—but the fact is that Launceston is a major beneficiary of that announcement. To remain price and service competitive, Telstra must ensure that its efficiency levels keep pace with those of its

competitors. In doing so, it will always need to be flexible in the manner in which it deploys its staff. Telstra management has provided career counselling services for affected staff so they can make informed decisions to relocate or take voluntary redundancy.

I have raised the very issue of whether or not Telstra have reneged on any commitments given to Senator Harradine or anyone else, and they assure me that they have not. What I think you should also focus on—but of course you cannot because of your union myopia—is that this is a boom industry growing at the rate of about 14 per cent plus a year. Many of the people who are actually leaving Telstra and taking very generous redundancy packages are finding alternative employment within the communications sector with other carriers. This is the best industry of all to be in, so let's not have all this doom and gloom; let's get behind it as one of the great success stories. I can assure you that I would not stand by and allow any breach of commitments given, but I am not aware of any.

Senator MACKAY—Madam President, I ask a supplementary question. Minister, I would remind you that you gave the commitment to Senator Harradine and you now say that it was in fact Telstra's commitment, rather than your commitment. Was it simply a matter of political expediency that this assurance was given at a particularly delicate stage of negotiations with Senator Harradine? Is the minister aware that, at a meeting of Telstra officials in Hobart on 5 November 1998 with Duncan Kerr and me, Telstra indicated that no such commitment had ever been made by Telstra with regard to the work management centre? Where did the minister get his information from in relation to the commitment he gave Senator Harradine, and will the minister be sticking to his promise to Senator Harradine and the people of Tasmania and directing Telstra to keep the centre open, thus ensuring that his promise is met?

Senator ALSTON—I started off by saying that I have already said on a previous occasion to Senator Mackay that the promises

given to Senator Harradine were relayed by me from Telstra. That was in writing—

Senator Mackay—They deny it.

Senator ALSTON—No, I am talking in general terms. I am saying the promises that were given were relayed by me, in writing, to Senator Harradine, and I would be pretty confident that if you bothered to search the record you would find that they were tabled in the parliament. After my having said that in categorical terms, Senator Mackay gets to her feet and says, 'I want to remind you that you gave them personally.' You will never listen; you will never learn. The fact is that there were commitments given by Telstra. You asked me whether I am aware of a meeting between Telstra, you and Duncan Kerr—and you might be surprised to know that Telstra do not bother to keep me informed of those sorts of low-grade forms of entertainment. I am happy to find out if there was any commitment given that has been breached. As I have said to you, I am not aware of any. (*Time expired*)

Centrelink: Privatisation

Senator STOTT DESPOJA—My question is to the Minister for Family and Community Services. In the chamber yesterday, the minister stated:

Let me make it very clear . . . there is no question of Centrelink being privatised . . .

I ask the minister: if that is the case, why does the Centrelink annual report cite as two of its key strategies to achieve its efficiency dividend: (1) to review cost structures and set competitive prices and (2) to build capacity for managing outsourcing and contestability? And why does the business plan state:

In the second stage of its development, Centrelink must keep its promise of becoming a more efficient and competitive organisation.

I ask the minister, then, against—

Government senators interjecting—

The PRESIDENT—Order! The minister is entitled to hear the question.

Senator Alston interjecting—

Senator STOTT DESPOJA—You wish, Senator Alston. I ask the minister: against whom is Centrelink currently competing and

against whom is Centrelink going to compete and why must it build a capacity of managing outsourcing of its functions if they are not going to be privatised?

Senator NEWMAN—I thank Senator Stott Despoja for her question because it gives me the opportunity to make it very clear to her that, in order to keep Centrelink in public ownership, they have to be able to compete for contracts not only with federal government departments but also with state government departments and other bodies. They are in the marketplace looking for projects and programs that they can cost-effectively provide. It is very important, Senator, because you may also not be aware of the fact that, increasingly in Australia, Centrelink are co-locating under contract with local government and with state government. For instance, in Georgetown in Tasmania an office was established just a few months ago where the three levels of government are providing services. In Queenstown on the west coast the state government and the federal government, through Centrelink, work cooperatively together to provide services. That is the first thing you must understand.

The second thing is that there had always been a considerable degree of outsourcing in the Department of Social Security before Centrelink were established. The former Labor government in fact introduced quite a lot of outsourcing in the area to try to make sure that things were done very efficiently. They got the best price for bulk mail-outs, for distribution of *Age Pension News* and for mail-outs of letters. Of course, it is important to understand that, if they are going to survive as an organisation that can beat any other contender for a job, they have to keep their costs down in a whole variety of ways. Ms Vardon, the CEO, has made that very clear.

They are wanting to expand their service. Yesterday when we had a debate in this place, you were not very interested in listening when I was talking about how the service provision will improve with the new plans focused on people. For instance, I do not think you probably could hear for the babble in the chamber that 8,000 customers in the past 12 months were consulted by Centrelink as to

what they wanted to see in the future in service delivery. Those 8,000 customers continually said, firstly, they wanted to do business by phone rather than coming down to the office—therefore, Centrelink has to focus on doing better than they have been able to achieve so far in call centres—and, secondly, they wanted to do business with one person all the time.

They do not want to have to tell their life story to every Centrelink staffer that they run into, that they have to deal with. They do not want to have to prove their identity every time that they have to apply for anything. Also, they do not want to be the ones who are expert in the system to know precisely what they might be eligible for. If they have had a birth or a death in the family, if they are now single and they were partnered, all these life changes are things that they should be able to come in to Centrelink and say, 'Do you have an ability to help me? This is what has happened.'

The introduction of expert IT systems to help in the decision making of individuals and the allocation of a group of customers to one contact person in Centrelink are going to improve customer service. In order to do those good things, you have got to be as cost effective an organisation as you possibly can be. That is why private enterprise stays in business and does not go out of business. Equally, a statutory authority has to do the same. (*Time expired*)

Senator STOTT DESPOJA—Madam President, I have a supplementary question. I thank the minister for some of those comments and draw her attention to the fact that I was here listening to her speech in full yesterday. Firstly, I acknowledge and support the idea of life event offices. I ask the minister how the government will ensure that Centrelink can provide the resources for those life event offices so that people who are going to be alive for 70 to 80 years, working with the organisation for 70 to 80 years, are 'clients for life', as it states in the plan? I also wonder, is it not the case that the government has imposed an efficiency dividend—through, basically, massive staff cuts—simply as a cost-cutting measure at the expense of ser-

vices? Will the minister guarantee that Centrelink will not be privatised, that it will survive in public ownership? Can you guarantee that the 12-month contracts Centrelink has with its client departments will be extended? This is the key. If you are not privatising it, can you confirm the 12-month contracts will be extended and three-year arrangements will be guaranteed? (*Time expired*)

Senator NEWMAN—I am afraid I did not hear the end of the question, but for the parts I did hear perhaps I can make it clear to Senator Stott Despoja that in New Zealand the single point of contact officer has been trialled now for several years. I have been there and seen it myself. I have talked to the staff. They get great job satisfaction out of helping people that they get to know very well. They say that their customers really value it too. This has been asked for in Australia.

Secondly, the government is not planning to privatise Centrelink, and Ms Vardon has confirmed that also. But it will survive so long as it is cost effective. It is a statutory authority; it must be cost effective. Finally, Senator, you mentioned 12-month contracts with the departments. You are wrong. In fact, the contracts are with seven different departments—some of them are for three years and some of them are for four years.

Senator Stott Despoja—It's for 12 months, the enabling legislation.

The PRESIDENT—Order! There is far too much intervention in the chamber today. It makes it difficult for ministers to hear the questions and difficult for other senators to hear the answers.

Victoria: Gas Emergency Relief Package

Senator JACINTA COLLINS—My question is to Senator Alston, Acting Leader of the Government in the Senate. Minister, I refer you to the government's Victorian gas relief package, which was announced on the day before the recent federal election. What is the status of those Victorian gas users eligible for fee relief measures under the government's package who, because of the deliberate tardiness of the government's response, were forced through necessity to

make private arrangements? Is it not true that many Victorians who would have been eligible for assistance will in fact be denied that assistance simply because the government on the day before the election was more concerned with the political advantage than with genuine emergency relief?

Senator ALSTON—What an extraordinary question. What I am now being told is that our response is tardy; yesterday I was being told it was premature. In other words, yesterday it was being said that we should have made no such statement. We should have got your permission—that is what you said—we should certainly not have gone out there and tried to address these issues. Now we are being told by Senator Collins that we should have done it weeks earlier. I do not remember you coming to us and suggesting it. I do not remember you going out there and making any public statements. I do not remember you suggesting anything. This is all hindsight. You are desperately trying to dredge up something that you might think will get you through question time.

Senator Carr—You were just after some cheap publicity on election night.

Opposition senators interjecting—

The PRESIDENT—Order! There are far too many interjections in the chamber, and I ask senators to have the standing orders in mind. Senator Alston, address the chair as you answer, please.

Senator ALSTON—Thank you, Madam President. If Senator Collins wishes me to make inquiries about the nature and extent of the gas relief package and those who might find themselves outside what I would have thought were fairly generous terms, then I will certainly do that. But to suggest that many more people would have been eligible if we had made an earlier announcement is mind-boggling nonsense. It depends entirely on how you address the issues, and we did what we could in the time that was available to try to ensure that all those who were disadvantaged to any significant extent could be beneficiaries of that scheme.

It was a very generous scheme. As I recall, wasn't the trade union movement out there

asking for \$50 million? Didn't that clown Hubbard get out there and have a press conference and say that we should be spending up to \$50 million? We turned around and offered \$100 million. The fact is that this is much more generous than what your patrons were asking for. Presumably they were trying to cater for every worker in sight, and they estimated that \$50 million would do it. We came up with twice the amount. You can have all the benefit of hindsight you like, but as far as I am concerned we did the best in the circumstances in the time available—and, of course, it was a fast moving game, because there were a number of people—

Senator Carr—Yeah, election day was approaching.

Senator ALSTON—As it turned out, mate, you were going south at a rate of knots. The only great relief I suppose for most of your colleagues is that you did not make it onto the front bench once again, and that is highly understandable.

Honourable senators interjecting—

Senator ALSTON—What could he have done? I have no idea. I would not for moment suggest he could have done anything.

Honourable senators interjecting—

Senator Faulkner—You'll see what sort of liar he was.

The PRESIDENT—Would you withdraw that comment please, Senator Faulkner.

Senator Faulkner—I withdraw.

Senator JACINTA COLLINS—Madam President, I ask a supplementary question. Minister, aside from the cheap shots you made in your answer, I do appreciate your offer to look into this matter further. If the government is, as it claims to be, genuine in its intentions to extend the financial relief to all eligible persons, will it make immediate arrangements as necessary to extend relief by way of reimbursement to those eligible persons who were forced to make private arrangements?

Senator ALSTON—The relief fund had three components: ex gratia cash grants equivalent to Newstart allowance in lieu of waiting periods; assistance to small business

for adoption of energy alternatives; and emergency funding for community organisations. The ex gratia payment was available for people stood down from employment who could not be paid income support due to the application of a waiting period but who were otherwise eligible for payment, and for people who closed small businesses. Payment was up to the equivalent of one week of Newstart allowance. Payments were also available to workers in small businesses in other states affected by the emergency. The final day for applications to Centrelink for ex gratia payments is 16 November, with any applications after that date to be considered under the normal rules for claiming Newstart allowance. Anyone who is eligible under those guidelines will be able to claim and get the compensation which we promised prior to the election.

Multilateral Agreement On Investment

Senator MARGETTS—My question is to the Assistant Treasurer. I refer to the Assistant Treasurer's press release dated 2 November 1998 which claims that it is clear that the Multilateral Agreement on Investment would not go ahead in its current form and that the Australian government had indicated for some time that it had a number of serious concerns with the draft text of the treaty but that officials at the meeting agreed to continue to work on developing an international framework of rules for investment with the MAI text, now only a reference point for any further work. I ask: considering that Australia's official position has been to support the MAI—albeit with a list of vaguely worded reservations—what were the Australian government's serious concerns with the draft text? Has there been any official resolution by the OECD to limit the use of the MAI text as a reference point? Can the Assistant Treasurer assure the Senate that Australia will not be supporting a clone of the discredited MAI in the OECD, the World Trade Organisation or any other international forum?

Senator KEMP—There was a large range of questions in that question that was asked of me. Let me make a couple of points.

Senator Chris Evans—Surely you could catch one of them.

Senator KEMP—I listened very carefully, but—

Opposition senators interjecting—

The PRESIDENT—Order! There are far too many interjections.

Senator KEMP—Australia has had a range of concerns with the MAI. Three areas which were of particular concern to Australia were the way disputes are to be resolved, the treatment of states under the MAI and the actual wording of the exemption clause. There were also issues on how you treated the environment and how you dealt with labour standards under the MAI. So there were quite a range of issues that were of concern.

We, of course, entered into the negotiations. We followed on from the Labor Party, which commenced the negotiations in 1995. The general idea of the MAI was to see whether you could create a more effective framework for international investment. We saw one of the big advantages that Australia would have got out of a properly worded MAI as being that it would increase the security of Australian assets held overseas. That was one of the reasons that an appropriately worded MAI may have been of assistance to Australia.

As I have stated from day one, there were quite a range of concerns that Australia had with the MAI. This government will never sign a treaty which is not in our national interests. We will never sign a treaty which is not in the national interests of Australia. I think I have been pretty consistent on the issue of international treaties for quite a long period of time—not so you, Senator Margetts; not so you. You, of course, are one of those people who have been very anxious for us to sign up to a wide range of treaties. I think I even heard you being critical of the negotiations carried out in Kyoto by Senator Hill in which Senator Hill stood up for the interests of Australia and ensured that Australia did not bear a bigger burden than other countries.

I think it is worth recording in this Senate that we have put in place a treaties procedure as a result of the debate—in which I had some little role—that was carried out while Labor was in government.

Senator Abetz—There is a Joint Standing Committee on Treaties.

Senator KEMP—There is a Joint Standing Committee on Treaties, as pointed out by my colleague—who used to be chairman of that committee, did he not?

Senator Abetz—No.

Senator KEMP—No, he did not. I correct myself. He was not chairman but he had a great interest in it. This is one of the measures which ensure that the treaty making activities carried out by the former government are not repeated so that there is a proper input from the parliament and the community before Australia signs up to international treaties. That is one very important initiative of which I am particularly proud.

Let me assure you, Senator Margetts—let me assure every senator in this chamber—that Australia, under this government, only signs treaties which are in the interests of Australia.

Senator MARGETTS—Madam President, I ask a supplementary question. Given that the OECD officials will be continuing to work on a clone of the MAI, can the Assistant Treasurer tell the Senate at what point the serious concerns that he mentioned surfaced? Will the government provide copies of its advice to the OECD about all of these concerns? Were these serious concerns brought up at any point by the many departmental officials who have been pursuing the MAI since 1995 in their six-weekly Paris trips? What were those officials doing and why? What was the overall cost to the taxpayer?

Senator KEMP—I am surprised to hear Senator Margetts having a cheap shot at public servants doing their duty. I think that was most unfortunate. There were treaty negotiations in Paris, and I have explained the background of those negotiations to her. The public servants involved in that were carrying out their duty on behalf of the Australian government and the Australian people. We have made it very clear in relation to the MAI, in that press release of 2 November—that famous press statement which she referred to—

Senator Margetts—Will you table those concerns?

Senator KEMP—I will table the press statement if you want me to, but I would have thought you would already have a copy of it. I made it very clear in that press release that the Australian government is carefully considering its approach to—

Senator Margetts—No, will you table what you sent to the OECD?

Senator KEMP—I am reading what was said in the press release, Senator Margetts. It continues:

Senator Kemp said—

and that is me, Senator Margetts—

that the Australian government is carefully considering its approach to any future consultations on this issue.

(Time expired)

Goods and Services Tax: Olympic Games

Senator FAULKNER—My question is directed to Senator Kemp, the Assistant Treasurer. Is the minister aware of Mr Ron Walker's bid to have the 2000 Sydney Olympics GST free, despite the fact the event will occur two months after the government proposes its tax will come into effect? What representations has Mr Ron Walker made to the minister or any of his cabinet colleagues to advance this agenda? Has the government given any further consideration to the tax status of the Olympics since the Treasurer rebuffed the new Minister for Sport and Tourism, who appeared to share the view of Mr Ron Walker? Does the minister find it strange that, despite being among the most vociferous supporters of the tax package before the election, senior business leaders like Mr Walker and Mr Packer now seek to see the tax apply to everybody except them?

Senator KEMP—I am not aware of any particular views that Mr Ron Walker may have on this issue and I am not aware of representations that he has made, so on that issue I cannot assist you. If you have questions about Mr Walker, Senator Faulkner, why don't you ask him? Don't ask me; ask him. Just raise it with Mr Ron Walker. I am not aware of any particular views that he may have put on this issue.

The government has stated its position on the impact. Issues have been raised on the GST and the Olympic Games. The government recognises that SOCOG and many other businesses and organisations are interested in the details particularly of the transitional arrangements for the introduction of the GST. I can state that the government is considering further measures to address the treatment of existing contracts, which is one issue of concern to SOCOG. I cannot add to the further comments which have been made previously on this matter.

Senator FAULKNER—Madam President, I ask a supplementary question. The usual approach in question time, as you know, Madam President, given that the minister is here to answer questions in relation to consultations or to representations that might have been made by individuals, is to ask the minister. If the minister does not know, instead of suggesting that I ask Mr Walker a more proper course of action for him would be to take it on notice and find out from Mr Costello. So I ask: will the minister take on notice the substantive question I have put, given that he appears unable to answer it? Further, perhaps he can confirm if the government does agree to tax exemptions for rich mates such as those sought by the former federal Treasurer of the Liberal Party whether the burden will then be shifted quite squarely onto the shoulders of struggling Australian families who do not have the capacity to underwrite loans to the Liberal Party.

Senator KEMP—When we arrived in government a little over 2½ years ago, the tax system was a mess. It was a mess and full of rorts which were being exploited by some very high income people—one I do not know whether I have mentioned in this chamber before is R&D syndicates, which opened up a major loophole not used by the battlers but used by the mates of Senator Cook.

Senator Faulkner—Madam President, I rise on a point of order. I did ask the minister a specific question in my supplementary question: if he is not able to answer the substance of the question, perhaps he could take it on notice. He is not answering the question I asked. What he is answering is a

matter for him, but I do ask that the minister be directed to answer the question I put to him in relation to Mr Ron Walker and the Olympics. If he does not know, perhaps he could just take it on notice and get us an answer.

Senator Alston—Madam President, on the point of order: as Senator Faulkner well knows, it is for the minister to answer the question in the way that he sees fit. He is not subject to direction by Senator Faulkner or anyone else. If he chooses to accede to his request, he will do so, but he is under no obligation.

Senator KEMP—Madam President, on the point of order: Senator Faulkner, if I remember correctly, posed the question about alleged favours to rich mates. I was pointing out the status of the tax system that had been left to us by the Labor Party, which was full of loopholes that were being exploited. After all, if I remember correctly, in the 1996 election Mr Keating—after 13 years in government—mentioned that there were very large sums of money which were not being collected from high wealth people. I put it to you, Madam President, that I was fully responding to the question that Senator Faulkner asked. If he wants to ask insulting questions like that, he must expect to get it back with interest.

The PRESIDENT—There were comments within the question and there was the question itself. Senator Faulkner clearly prefers that you deal with that aspect of the question. You were dealing with the other comments that he made, which you are entitled to do. But I draw your attention to the substance of what he wants you to answer, if you have anything further to say on that.

Senator KEMP—Thank you, Madam President, and thank you for pointing out that there were two parts of the question. If Senator Faulkner wants to behave in that manner, he must expect to also cop it, and that is precisely it. The Labor Party left the tax system in a disgraceful state, as I have said. Even in the previous term of this government, the Labor Party continued to support tax rorts. When we attempted to close them up, like R&D syndicates, the Labor Party opposed our efforts. (*Time expired*)

Health Services: Regional Australia

Senator FERRIS—My question is to the Minister representing the Minister for Health and Aged Care, and it relates to the continuing improvements to health services in regional Australia. Will the minister outline what the government has done and intends to do to improve health services for regional Australians?

Senator HERRON—I thank Senator Ferris for the question. I know her continued interest in this field. It gives me great pleasure to inform the Senate of the initiatives that this government is taking in building stronger and improved health services in regional Australia. This government is about all Australians, including those on Struggle Street and in rural areas whom we are trying to assist. Labor ignored regional Australians and their genuine concerns for decent health care.

Improved access to health services for rural and regional Australians has been a major priority of this government and we will continue that commitment in our second term. In our government's first term we established a number of initiatives, including a rural multipurpose health and family services network worth \$23.4 million over four years. If Senator Collins were to listen, she would learn a bit more about this. We also set the foundations to assist 100 overseas trained doctors to gain skills in Australia in return for working in rural and remote areas for five years. We have made solid progress over the last 2½ years, but there is still a chronic shortage of doctors in many parts of this country.

We have cemented that commitment to rural Australia with a number of significant policies which will provide services to those many Australians who do not live in the major cities. Australians have endorsed that commitment by returning us to government. When I get asked by the other side about that, I assure them that we will continue those initiatives. We have had 2½ years and I am delighted to say that we have got another term. The Labor Party had 13 years in government and left us this legacy that we now correcting. Our policies include a 30 per cent tax rebate on private health insurance

premiums to reduce the pressure on the public health system. More specifically, the government will help attract more doctors to country towns.

Senator Crowley—Ha, ha, ha!

Senator HERRON—If Senator Crowley could stop the hyena laughs, she might open her ears and hear some good news. We will specifically attract more doctors to country towns—which she was unable to do—and better reward long serving doctors in rural and remote areas through a system of retention grants worth \$50 million over four years. Thirty rural communities will gain new regional health service centres providing integrated services such as aged care, child care, accident and emergency, general practice, immunisation and other preventative health services at a cost of \$41.6 million. They are major initiatives that Senator Faulkner is obviously unaware of. Another \$13.2 million will be used to fund a new clinical school of health at Wagga and another \$10 million will go towards establishing the new James Cook University medical school in Townsville once it obtains Australian Medical Council accreditation.

Senator Ian Macdonald—Hear, hear!

Senator HERRON—I hear my colleague Senator Ian Macdonald saying 'Hear, hear!' He played a major part in that, as did Mr Peter Lindsay, the member for Herbert. If I could be so modest just to claim a tiny, wee bit of credit as an old Townsvillian, I also helped in that regard. That is what we have done. What has Labor done for the bush? There is a deathly silence. I can tell them. They have given regional Australians Cheryl Kernot. I will give the true quote of her former colleague Senator John Woodley:

Cheryl was always telling me to stay out of the bush because she didn't think there were any votes there. She wasn't too keen on rural Australia as the Democrats leader.

We might have a born-again Cheryl. (*Time expired*)

Senator FERRIS—Madam President, I ask a supplementary question. Could Senator Herron further explain the initiatives the coalition is taking for regional Australia in the health area?

Senator HERRON—There is more. It is also interesting to note what rural Australia thinks about Labor. You realise at the last election that they over the other side are depleted not only in intellect but in other capacities. What happened? How many rural seats did the Labor Party win in the last election? Seven. How many did we win? Thirty-eight. They have pinched the former Leader of the Democrats to send her out, but she does not want to go into rural areas. Clearly, the bush have had enough of Labor's promises in the past. They have re-endorsed us in spades—38 to 7. The Howard-Fischer government is about rectifying Labor's damage to the bush. (*Time expired*)

Centrelink: Asset Calculations

Senator O'BRIEN—My question is to the Minister for Family and Community Services. Has the Centrelink computer system been corrected to take into account the difference between asset values and residual capital values of investments for people receiving pensions and part pensions? Have Centrelink staff now received training to cope with the intricacies of the new calculation regime? How many people have received the wrong pension payments from Centrelink since the new asset calculations came in on 20 September? Are people still receiving wrong payments?

Senator NEWMAN—I do not have the detailed answers, as you would expect, to those questions. I am very happy to take them on notice and get them to the senator.

Senator O'BRIEN—Madam President, I ask a supplementary question. Perhaps while obtaining that information, Minister, you might have related material provided in relation to how many people receiving disability, carer or parenting payments wrongly received the letter instructing them to enrol in the Job Network in August. Have they received a letter of apology from Centrelink? You may know that now, Minister.

Senator NEWMAN—It is a bit rich for the Labor Party to ask questions about failures of IT systems when, as I understand it, back in 1993 there were eight months when the Department of Social Security introduced a

new IT system which had such teething problems that even they had trouble with industrial relations. I find it quite amazing because you are usually portrayed in here as the shop stewards for the shop stewards. You had eight months of them on one particular program and then you had some more months of them later on, nearer to when you lost government, Senator. While I am happy to get you the detail that you ask for, I will also get the detail of your failures if you would like so you can have a basis of comparison.

Aboriginal Communities: Violence

Senator WOODLEY—My question is addressed to the Minister for Aboriginal and Torres Strait Islander Affairs, Senator John Herron. Minister, have you read the articles by Tony Koch in the *Courier-Mail* which report on the crisis of violence and alcohol abuse on remote Aboriginal communities on Cape York Peninsula? Minister, do you agree that these articles clearly show that facilities for Aboriginal women and children who are victims of alcohol related violence are totally inadequate? Will your government investigate these reports of women and children who are living in war zone conditions that other Australians would not tolerate?

Senator HERRON—I thank Senator Woodley for the question. I know of his long interest in this field. I commend Tony Koch of the *Courier-Mail* and the editor of the *Courier-Mail*, Chris Mitchell, for the sincerity of their approach in relation to this problem. I was actually interviewed by Tony Koch last week in this regard and have taken an interest in this both before and after taking over this portfolio.

As Senator Woodley would know, the responsibility for providing funding for programs to combat family violence and/or for contributing to a supportive operating environment lies with a range of federal, state and local government agencies which have responsibility for Aboriginal affairs, health, family services and child care, education, employment, housing, justice and policing. For example, in North Queensland the drafting of and enforcement of by-laws to control alcohol consumption are matters for which the Aboriginal community councils have responsi-

bility. Also, ATSIC Commissioner David Curtis took a major initiative in Tennant Creek. There has been a book written about it which I would commend to honourable senators entitled *Winning the grog wars* which shows how Aboriginal communities accept responsibility themselves for the control of alcohol.

However, there are a number of relevant Commonwealth programs currently operating which provide almost \$5 million per annum for programs directed towards indigenous family violence. Furthermore, I am delighted to announce that, after discussions with ATSIC Commissioner Terry O'Shane, who is based in Cairns, women will be encouraged to use the resources of the Community Development Employment Projects, commonly known as CDEP, to establish their own initiatives. Such projects could be to build equipment, run women's shelters and to purchase suitable vehicles and run night patrols. I will be encouraging ATSIC regional councils to ensure that women in communities are aware of all funding possibilities through a concentrated effort to provide information to them and to give women immediate access to CDEP funds.

However, there are other Commonwealth initiatives. The Community Legal Services Program is part of the indigenous women's initiatives in the Attorney-General's portfolio. This program provides specific funding for legal services for indigenous women through the National Network of Women's Legal Services and receives \$937,000 per annum. Violence is a day-to-day occurrence in many indigenous communities but not all. As part of the national campaign against violence and crime in the Attorney-General's portfolio, there is a research consultancy to identify priorities for the prevention of violent behaviour in indigenous communities, and that will receive \$131,000 in 1998-99.

The Indigenous Initiatives Family Relationships Support Services is part of the partnerships against domestic violence strategy announced by the Prime Minister at the domestic violence summit last year. It will receive \$500,000 over two years to deliver training on dealing with victims of domestic

violence and to establish a family violence advocacy project. Under the Supported Accommodation Assistance Program, \$29 million per annum is provided for indigenous clients with about \$18 million of it for family violence situations. Some \$17 million per annum is provided for the Indigenous Substance Misuse Program in the health and aged care portfolio.

Counselling services funded through the health and aged care portfolio as part of the response to the *Bringing them home* response could assist in addressing family violence issues. The National Aboriginal and Torres Strait Islander Emotional and Social Well-being (Mental Health) Action Plan proposes the establishment of a network of specialist regional centres to become the focus for innovative activity. (*Time expired*)

Senator WOODLEY—I thank you, Minister, for your answer. There is just one other issue I want to raise with you in relation to this. As you have said, both of us are certainly aware of some of these issues. There was a story in today's *Cairns Post*—I am not sure if you are aware of it, but I can get you a copy later—which tells about the gaoling for life of Richard O'Brien for the murder of Wik elder, Norma Chevathun. Her murder occurred a few days after she returned from Canberra where she had been observing the Senate debate on the Wik legislation. Minister, would you contact your state counterpart, the Queensland minister for Aboriginal and Islander policy, regarding this shocking violence against women and children in indigenous communities? Can you tell the Senate whether you will do that or, if you have, what the outcome was?

Senator HERRON—I thank Senator Woodley for the question. I cannot comment on that specific case he referred to. As Senator Woodley knows, I am aware of it, particularly as I was in Aurukun last Friday. The initiatives that are being taken by specific communities in many cases do not relate to particular individuals because of the particular circumstance of the events that occur. I would be happy to follow that up for Senator Woodley and provide him with a report.

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

TEMPORARY CHAIRMEN OF COMMITTEES

The PRESIDENT—Order! Pursuant to standing order 12, I lay on the table my warrant nominating Senator Sherry to act as a Temporary Chairman of Committees when the Deputy President and Chairman of Committees is absent.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Hurricane Mitch: Aid

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (3.08 p.m.)—In response to Senator Harradine's question of 11 November concerning Hurricane Mitch, I indicated I would provide additional information on the extent to which the Australian government might be involved in discussions about debt write-offs and what contributions are being made by other countries for this disaster of devastating proportions. The further response is as follows: Australia welcomes the efforts of the large bilateral creditors concerning debt relief assistance for these countries and supports existing debt relief frameworks. Australia is prepared to discuss options but is not a major creditor to these countries. Indeed, of the Central American countries affected, only Nicaragua has a sovereign debt with Australia. This debt is small, \$5.8 million, and has already been rescheduled, extending the term to 25 years with a 14-year grace period.

Debt forgiveness is a very complex issue. It is important for countries not to raise false expectations nor to encourage unmanageable debt levels in the future. The Minister for Foreign Affairs, Mr Downer, has asked his department, in consultation with Treasury, to continue to look at debt in the multilateral context. As I said to the Senate yesterday, Australia is appalled at the terrible damage and loss of life caused by Hurricane Mitch in Central America. The Australian government has acted promptly to respond to the devastation with an announcement of a contribution

of \$1 million in relief assistance. The international community has also responded generously with donor responses continuing to be announced. The United States has pledged more than \$US100 million and Spain a similar amount. Other major contributors include the European Commission, Japan and Canada, Germany and the United Kingdom. Many countries, including Central American neighbour Mexico, are also providing substantial amounts of aid in kind.

Telstra: Hobart Work Management Centre

Senator MARK BISHOP (Western Australia) (3.10 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Communications, Information Technology and the Arts (Senator Alston), to a question without notice asked by Senator Mackay today, relating to Telstra.

The minister's answer does raise issues of integrity, disclosure and soundness of undertaking. It also critically raises the issue of broken promises. The government seems to be continuing its division and inconsistency in relation to the Telstra organisation.

The current market capitalisation for one-third of Telstra is something in the order of \$28 billion. If 100 per cent were privatised, it would be in the order of \$84 to \$85 billion at today's market prices. It would be the largest corporation in Australia—bigger than BHP, Commonwealth Bank, News Corporation, NAB or Rio. It is world class in terms of market share, profit share and capitalisation. It would fit neatly into the senior ranks of the Fortune 500 index. Millions of Australians hold shares directly through sundry investment vehicles or simply as taxpayers hold interest in the two-thirds of Telstra retained by the government to date.

The corporation, whether in public hands or private hands, has the capacity to advance the interests of this nation industrially and technologically. The corporation is competing in a difficult and highly competitive market and apparently is doing so well that foreign institution investors continue to bid up the price. Understanding a bit of basic background about Telstra, Senator Alston went out of his way during the election campaign to

pick up a piece of four by two and give Telstra a free whack around the head.

On 8 September 1998, Senator Alston gave a press conference his assessment on the future of Telstra. Remembering that Telstra has the capacity to be an \$80 billion or \$90 billion corporation—two-thirds owned by the taxpayers of Australia and one-third owned by shareholders of Australia with 65 per cent of those shareholders being Australian—Senator Alston tried to talk down the value of Telstra, the future of Telstra and the dividend returns of Telstra over the next 10-year period. A report by Reuters on 8 September, under the heading 'Alston puts a damper on Telstra' by Steve Lewis and Michelle Grattan, stated:

The Howard Government has seriously undermined its Telstra Corp sale plans with a damaging assessment of the group's future growth prospects.

The Minister for Communications, Senator Richard Alston, yesterday declared Telstra's "best years may lie behind it"—a move that has infuriated executives at the telecoms company.

In an interview, Matt Peacock from the *Australian* asked Senator Alston:

... you said today that it may not be the gold mine that Labor thinks it is; that its best years may lie behind it. What did you mean by that?

Senator Alston responded:

Well, you see, there are some very big commercial bets in there for commercial risks that need to be taken by any carrier in a highly competitive telecommunications environment. I mean, gone are the old days of the inefficient monopolies. We now have 22 new licences issued since July last year. No-one can guarantee that Telstra is going to keep on spitting out record dividends into the future.

There you have it. The government's view, Minister Alston's view, is that the best years of Telstra lie behind it, commercial risks are too difficult and it cannot maintain the dividend pay-out in the future. Either way this is a disgraceful set of comments for a minister of the crown to be making about a corporation two-thirds owned by the government.

Firstly, it is gratuitous and unnecessary. It contradicts the public's perception of Telstra through the annual statements and those of its CEO. It damages confidences of investors both local and overseas. Why would the minister attack its own corporation when it is the government's intention to float it, to invite

bids from foreign institutions? Yet there is the minister talking down its value. It contradicts continuing advice of the department, Telstra executives, independent analysts and reviewers.

Finally, it wrongly questions the value of Telstra. You can imagine the leverage that has been given to foreign buyers and foreign institutions when they come in due course, if Telstra is privatised, to seek to buy shares or parcels of shares in Telstra. Their first response will be, 'Your price is too high.' They will read out the comments of Senator Alston saying that the company is going backwards, it cannot afford to spit out dividends and it cannot take commercial risks. This is the position of the government. (*Time expired*)

Senator CRANE (Western Australia) (3.15 p.m.)—I am delighted that my colleague from Western Australia, Senator Bishop from the Labor Party, has taken note of this particular question because he has got it so wrong. Senator Alston is not attacking Telstra; it is the denial of those on the other side of the chamber, including the Democrats, to allow the proper privatisation and commercialisation of Telstra to go ahead. I want to tell the senator why, because he needs to understand this.

Where I come from, where we get our signals from the sky, Optus has just begun to send a signal. Optus is providing a range of services, including up to five TV channels, with WIN television to come on shortly, access in a very short period to digital TV and mobile phones through the same system, and I believe nine or 10 music channels and four radio stations. On the other hand, the Telstra satellite is providing GWN and ABC and they are locked in.

Unless Telstra is allowed to realise its full commercial capacity and ability and allowed to compete and raise capital in the private market, it will never make it. It will go backwards. You want to think about what you are doing.

Currently people who went onto the Telstra channel are changing to Optus. They are changing because of the range of services that Optus can provide. Under the current circumstances they cannot raise what they require.

You people will be to blame if Telstra cannot stay in those stakes.

Senator Mackay—Don't you know what a dividend is?

Senator CRANE—Dividends don't matter very much; it is raising the capital to do the job, and you do not understand that. Raising the capital to do the job is absolutely crucial to put those services out there and staying in the competition stakes. If this is allowed to continue much longer, very quickly virtually all of rural and remote Australia will have changed to another service because it is a much broader and wider service.

Coming on very shortly through the Optus network will be a full-time weather channel. I am told that in a very short time we will have access to the world sports channel. Telstra cannot provide that and it cannot provide that under its current structure. If you allow this farce to continue with all those competitors out there, it will fall back.

Senator Mackay—Why not?

Senator CRANE—Because it cannot raise what it requires today; it does not have that backing. That is why, but you do not understand that. At the end of the day, if this is not corrected in this parliament and this legislation is not allowed through, we will be very sorry for what occurs.

This coalition government made many commitments to provide the necessary safeguards and expand services in the bush. Many commitments have been made in regard to the servicing required for the standard lines which will stay there. But they will become redundant in a very short time, just as many other things have become redundant.

The signal will be from the skies—make no mistake about it. Unless we are prepared to move with the times with our own Telstra and give it that opportunity to get out in the marketplace and become a fully fledged competitor, it will not have a hope in hell of staying in the race or the game.

Senator Mark Bishop interjecting—

Senator CRANE—You people need to understand that and explain it. You are trying to run a political scare campaign, which you

do with virtually everything that comes into this place. That is your tactic; facts do not matter.

It would do Senator Bishop the world of good to get out for once into rural Western Australia and actually go to one place where the signal is received from a Telstra satellite and a Optus satellite and see the difference in the services and the expansion. On the Optus satellite you can actually make a choice as to whether you watch soft rock or hard rock. We will never get that under the current Telstra structure if it is allowed to stay where it is. (*Time expired*)

Senator MACKAY (Tasmania) (3.20 p.m.)—I am interested in Senator Crane's comments about commitments. He says that as far as we are concerned the facts do not matter. In relation to the question that I posed to Senator Alston, let us have a look at what the facts were.

To take the Senate back a little bit, in July this year Labor raised the proposition that in fact the work management centres in Tasmania were subject to review and asked if Senator Alston could confirm whether this review was occurring or not.

Here is Senator Alston's answer, and if this was not so serious for Tasmania, it would be somewhat risible. He said:

I do not know what review we are talking about, but the preposterous suggestion that something should be retailed third-hand and trotted out in the Senate as though it is gospel because some unionist somewhere told you what they understood to be a message conveyed by management is simply not good enough.

Senator Alston said in July that there is no review in relation to work management centres in Australia; never mind Tasmania. Presumably based on that, Senator Harradine—and good luck to him—sought commitments from Senator Alston to ensure that this situation was in fact true and that there were no reviews and there was no basis to the rumour that the work management centre in Tasmania was going to be closed.

Senator Alston's office subsequently advised Senator Harradine's office. I have a copy of correspondence here that was sent to

the CEPU from John Shaw, Senator Harradine's senior adviser in which he says:

I have been advised late yesterday by Senator Alston's chief of staff that Telstra has no plans whatsoever to reduce the existing 19 staff, nor to remove the work management centre to Bendigo.

So Senator Harradine did the right thing: he went to the minister's office to seek an assurance with respect to the work management centre in Hobart, presumably a fairly delicate stage on whatever particular negotiations were being undertaken by Senator Harradine at the time. Senator Alston's office gives Senator Harradine an absolutely unequivocal commitment that the work management centre will not be closed.

So what happens next? We are advised, and the workers down there in the work management centre are advised, that the centre is to be closed. Senator Harradine—we all felt very embarrassed for him because he sought those commitments in good faith—has to go on the media in Tasmania and say he feels embarrassed and humiliated that a commitment that he had got from this government had been completely repudiated. It had either been ignored by Telstra or the commitment that was given was never actually meant.

Today we ask Senator Alston again—it is not only a rumour but a fact that the centre will close; Senator Alston has clearly misled Senator Harradine (that is the only way it can be put) and I believe Senator Harradine is of that view—you provided this commitment to Senator Harradine and to the people of Tasmania that the work management centre would remain open. What is your response now? Senator Alston, yet again, trots out this line, 'I don't make commitments. It is not up to me to make commitments in relation to Telstra. Telstra make the commitments.' That is what Senator Alston says, 'Telstra make the commitments,' which begs the question as to why Senator Alston's chief of staff advised Senator Harradine that there were no plans whatsoever to close the work management centre in Hobart.

The next thing is that we have a meeting with Telstra officials in Tasmania and we say to them, 'Senator Alston gave this commit-

ment to Senator Harradine. What plans did Telstra have in relation to the work management centre? What consultation was there with Telstra with regard to this?' Telstra officials tell us there was never any commitment given by Telstra to keep that work management centre open.

So Senator Alston says, 'Don't ask me, I'm only the minister,' having given the commitment to Senator Harradine. He then says, 'It is up to Telstra. Telstra clearly gave that commitment.' Telstra says they do not. The best you can say about this exercise is that Senator Harradine has been misled but, more importantly, the people of Tasmania have been misled with regard to this. I would say this to Senator Harradine and any other minors who are interested in negotiating with this government: you cannot trust them; they do not stick to their word; and they will not honour commitments that they have given.

Senator TIERNEY (New South Wales) (3.24 p.m.)—I think the comments by both Senator Bishop and Senator Mackay show the real problem that we have in this transition zone, as Telstra moves from being a fully public company through to various steps of privatisation. It points out very clearly this problem of Telstra being neither fish nor fowl and why we really need to move through over time to a more privatised system. They basically raised two points: first of all, Senator Bishop talked about value of the company and then Senator Mackay talked about various staffing decisions. Even in the current situation—in the current situation we have a corporation that is two-thirds government owned and one-third privatised—it is still a corporation which makes these crucial sorts of decisions. We have to let the managers manage in this situation because we are moving towards a system which is world best practice in telecommunications.

There are varying arrangements around the world: the United States has never had publicly owned telcos, they have always been private; in other situations, such as in Britain, there are fully publicly owned telcos moving through to a system of competition; and there are incredible situations in places like Cuba, a communist state, which has actually sold off

a very large section of its telco—Interests, a private company—to Mexico. Why does a communist country like Cuba do this? It is because they have realised—unlike the Australian Democrats, unlike the Australian Greens and unlike the Australian Labor Party—that government really should not be running huge businesses.

Let us give some credit to the ALP: they discovered this themselves with the Commonwealth Bank; they discovered this with Qantas. They have sold off business interests that should be in the hands of business, and quite rightly so. Having done that, they go to the election and, with absolute monumental hypocrisy, say, 'We shouldn't privatise Telstra.' As Senator Crane has pointed out, we must move in this direction because we now have a competitive market in telecommunications. Senator Crane pointed out a number of examples, particularly in Western Australia, where if you keep tying the hands of the biggest telco in Australia behind its back, if you keep tying it up on all sorts of ways in which it should be running its operations, then you are going to have a situation where its competitors are going to take more and more market share. Senator Crane pointed to the very savvy approach by Optus in taking market share away. And there will be a lot of other companies that do the same.

What we need to do is move Telstra through to a position where it is much more responsive to market signals, and the way to do that is to move it through a gradual process towards privatisation. We are proposing at this stage to move to the next step, which is 49 per cent private ownership and 51 per cent government ownership. That will set Telstra up in a much better position.

I had the opportunity yesterday at the National Press Club to listen to Frank Blount who is about to leave as the CEO of Telstra. It is interesting that, whenever you hear Frank Blount talking about Telstra, he refers to it as 'the company'. That is the term he always uses—'the company'. What Frank Blount has been trying to do over the last five or six years is to change the culture in Telstra more towards a business operation—to make decisions that are based on market signals—and

to change the culture in the work force of Telstra.

Senator Mackay laments the fact that the work force is reducing. She is trying to make out that this is because of the privatisation process. This is happening because of competition and because of changing technology. If you are moving to an optic fibre system away from the current systems, you just need fewer people to do the job. But the great news for Telstra workers who are displaced is that they are in a sector, the telecommunications sector, which is the fastest growing in Australia. *(Time expired)*

Senator GEORGE CAMPBELL (New South Wales) (3.30 p.m.)—I find amusing the contribution just made by Senator Tierney and the revelation that the Liberal Party now takes its policy direction from Fidel Castro. I do not necessarily think it will essentially be in the long-term interests of this country, but it is an amusing change in direction.

Senator Tierney—Well, the ALP is off to the left of Fidel Castro.

Senator GEORGE CAMPBELL—You do not have much policy anyway, so I suppose you have to grab it from wherever you can get it.

The DEPUTY PRESIDENT—Senator Campbell, please address the chair.

Senator GEORGE CAMPBELL—Those opposite do not have much of a policy base anyway, so I presume that they have to grab hold of whatever they can get from wherever they can get it.

The second contribution that I thought was amusing was Senator Crane's. He demonstrated in his contribution just how ignorant he is of the issues that revolve around the privatisation of Telstra. I suppose, however, you would have to say that his knowledge is on a par with the knowledge of the Minister for Communications, Information Technology and the Arts. The minister does not understand the dynamics of what is happening in the communications industry and the sorts of issues that we have been confronted with in the privatisation of Telstra.

The reality is that we have had competition in this industry since 1992, when Optus was

allowed in as the second player and when we had the creation of a duopoly environment under a Labor government. It was extended by the deregulation that came into the industry in July last year. But the reality is that, on the ground, there is still an effective monopoly of the industry. Telstra by far dominates the communications industry in this country. Competition is occurring around the edges and, in the main, in the CBDs of the capital cities. It is not occurring in regional and rural Australia, where communication services are now probably the worst they have ever been in the history of communications in this country.

There is no effective competition for communications services in regional and rural Australia. There has been no improvement in communications services in that part of the country because the big players are not interested in servicing that area. I understand from a report I heard on Saturday and a statement by the chairman of Telstra that it is not going to be bullied into providing those services to regional and rural Australia if it cannot make a quid out of them. That is in direct contravention of what the minister has continually claimed in here, which is that the government's policies will improve communications in regional and rural Australia. It is an absolute nonsense.

What we are seeing in the proposal for the privatisation of Telstra is the shift of what is in effect a public monopoly into private hands. At the end of the day, the people who will pay for that policy agenda are ordinary Australians. We are already seeing it in the decision to do away with 35 jobs in Hobart. We are already seeing it right across regional and rural Australia with the loss of a whole range of telecommunications jobs. You only have to go to some of the areas in the bush and listen to what people say about the withdrawal of those services and how important the telecommunications serviceman is in those communities. That is the real situation on the ground.

The reality is that Telstra has moved from being a very significant public corporation with a significant social responsibility for not just generating profits and earning income but

also providing essential communications services in this country and contributing to the development of this country as a nation. It was contributing to nation building. We are establishing an arrangement that will see it operate no differently from any other large national or multinational corporation whose only concern is to its board of directors and what it can return in profits to its shareholders. (*Time expired*)

Senator HARRADINE (Tasmania) (3.36 p.m.)—I enter this debate at somewhat of a disadvantage by reason of the fact that I was engaged elsewhere in Parliament House on other negotiable matters. I am not quite sure what triggered this debate, but I have heard enough of it to rise to make a couple of points. I intend to make more points when I am able to have an urgency motion considered by this parliament. In respect of Telstra and Tasmania, let me say this: I am somewhat disillusioned by the actions of Telstra. ‘Somewhat disillusioned’ is a less than fulsome expression of the way I feel. I am a bit disgusted with the way that Telstra has given assurances, through the office of the Minister for Communications, Information Technology and the Arts, in respect of the removal of the work management centre to Bendigo.

Clearly, prior to the election Telstra told the minister’s office that it had no plans whatsoever to reduce the existing 19 staff or to remove the work management centre to Bendigo. That statement was made to the minister’s office. There has been some suggestion around the place that that statement was not made. If that were the case, how come similar comments were made by officers of Telstra to a number of other people? Furthermore, I am aware—and I will be dealing with this subsequently—of the problem in Launceston. Telstra, in writing, had indicated that the jobs of the Launceston activation group would be retained in Launceston. We now have a decision by Telstra to close the Launceston activation group and transfer its functions from Launceston to Ballarat. I take exception to that sort of activity. Telstra is now saying: ‘We will

retain people in Launceston but their functions have gone to Ballarat.’

Certainly up until 30 June Telstra will say that, compared with other states, Tasmania is doing okay. Telstra has retained at least as many if not more than it employed in the previous year, whereas across the whole of Australia job losses are 20 per cent. The problem is that Telstra is cutting out skilled workers and transferring them elsewhere. We seem to be the back end of Australia.

It is very important for the Labor Party to understand the following point so that it does not fire shots which will not land on their mark. I got the library to do a study as to job losses in Telstra and what they were the result of. They are the result of the deregulation of the telecommunications industry and also of advanced technologies. As the library said, they have very little to do with the privatisation of a third of Telstra. You really have to understand the situation so that when you throw a punch it does land on its mark. (*Time expired*)

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

Question resolved in the affirmative.

DOCUMENTS

Auditor-General’s Reports

Report No. 13 of 1998-99

Senator WOODLEY (Queensland) (3.41 p.m.)—I move:

That the Senate take note of the document.

Senator WOODLEY—I very much want to take note of this report because one of the things that really disturbs me at the moment is the health of Aboriginal and Torres Strait Islanders. While I do not want to suggest that the picture is totally black, I do want to suggest that some very serious Aboriginal health issues are occurring in my state of Queensland which the Senate ought to note. Certainly I know that many senators already personally have an interest in them, but I think that the record ought to note some of the press reports of the last few weeks and particularly my own personal experience of a number of these communities.

The question I asked the minister today was not meant to score political points. In fact, I gave him notice of it. I am very pleased to say that I got a very serious answer from the minister. I was very pleased about that because even though at times the minister and I may disagree in terms of policy on this issue, I know that he also has a deep concern about what is happening in some of these communities. I particularly draw attention to some of the stories that have been in the press about the state of health of people in the communities in Cape York. There are some very tragic stories about what is happening to women and children. I think that disturbs all of us. The domestic violence and the abuse which is occurring would simply not be tolerated in any white community in this country. It is appalling.

I have worked with Aboriginal communities for 36 years. Despite some improvement over those 36 years, one wonders whether the situation in some of these communities today is even worse than it was some years ago. In Cape York I have been especially involved with the Aurukun community for over 20 years in many different ways, seeking justice and improved services for the people there.

I recall that back in 1978-79 I was in a deputation to the then minister, Mr Russell Hinze, seeking on behalf of the communities at Aurukun and Mornington Island, including the women, to make those communities dry communities. Although they were local government communities and still are today, it was not possible at that time for the state government to accede to that request. I am sure that, if I went back to the state government with the kind of evidence that is now coming forward, any minister would reconsider the possibility of those communities excluding alcohol.

I visited Aurukun last week, and I was quite devastated to see that after 20 years of struggle by a number of absolutely wonderful Aboriginal elders in the community it seems to be worse than it was 20 years ago. The minister was present at the funeral of Francis Yunkaporta, and I visited the family the day before the funeral. He was one of the last of those men who for 30 years struggled to get

justice for their community. I spoke with Gladys Tybingoompa, whom many of you will remember from the pictures on TV dancing before the High Court and then dancing with Senator Harradine. I asked her, 'What is going to happen? Where are the leaders in the community?' She said, 'The young people just don't seem interested, and I don't know where our leaders are coming from.'

I want to draw to the attention of the Senate a report in the *Cairns Post* of Wednesday and today of the trial of Richard O'Brien, who was gaoled for life for the murder of Norma Chevathun. Richard is an Aboriginal man and Norma was his partner, and she was beaten to death due to alcohol. Norma was here in this chamber in both December and April of this year. She was down at the invitation of our party room. She met the Prime Minister and she met the minister. Just a few days after going back after the debate in April she was beaten to death. I get pretty emotional about this, because we see this happening to people that we know. We really cannot allow these kinds of incidents to continue without comment and without trying to do something to restore some kind of health to these communities.

I was glad the minister said that the federal government is attempting to implement a number of programs, but I hope the minister will go beyond that. In consultation with the Queensland government and the minister there, I hope they will specifically address the problems in the communities that I am talking about. The people are at the bottom in terms of their ability to lift themselves out of what is happening to them. They have lost a lot of their hope and a lot of their confidence. The old people who led them so effectively for so many years are nearly all gone. One wonders where the new leadership is coming from.

I could read into the record some parts of the report describing how Norma Chevathun died. I do not know whether that is a little too morbid, but those who are interested should read the *Cairns Post* of Wednesday and today. It is pretty distressing to read. I will quote just this:

A forensic pathologist told the court the injuries were similar to those sustained in motor vehicle accidents and were consistent with Ms Chevathun having been stomped on several times.

We are not talking about something that can be just passed over as though it were a natural occurrence. We are talking about something which I believe has to be addressed by this Senate and by this parliament. I make an appeal that we give serious attention to this issue. I am sure the minister will, having given that assurance to the Senate today. While we have this performance audit of the Aboriginal and Torres Strait Islander Health Program, and it has some good things in it, we cannot pretend that we have cured the situations that now face these communities.

Senator BARTLETT (Queensland) (3.50 p.m.)—I would like to speak briefly to this report. I want to reinforce my support for the comments of my colleague Senator Woodley, a fellow Democrat and fellow senator from Queensland, and reiterate the very high degree of seriousness which the Democrats place upon this issue. This particular performance audit from the Auditor-General is one of a series that come down fairly frequently of various programs and various departments.

The issue of the appropriateness of expenditure on Aboriginal and Torres Strait Islander programs of a wide variety, including the health area, has received a degree of attention in recent years, with fairly frequent repetition of allegations that money is wasted; that it is soaked up by white bureaucrats; that it is thrown around with gay abandon; that it is rorted by inappropriate organisations or by indigenous people at the local level. It is important to emphasise the point—and it is one that the Democrats have continuously tried to emphasise—that, when it comes to ensuring accountability of the expenditure of public funds, programs on areas relating to indigenous people are scrutinised as tightly, and in many cases more tightly, than any other expenditure of public money in the country. There is no group of people more keen to ensure the appropriate targeting of expenditure on such areas than the indigenous peoples themselves.

It is important to emphasise that we need to speak out whenever possible to crush the myth that somehow or other money spent on indigenous people is wasted, that it is spent less efficiently than any other public money and that it is somehow rorted. That is clearly not the case, and the evidence in many reports demonstrates that.

That is not to say, of course, as Senator Woodley has just graphically outlined, that the assistance that is being provided through public moneys has gone as far as we would like in addressing some of the problems in the Australian community, particularly amongst many indigenous communities.

No-one pretends to have the single perfect answer to address some of the terrible problems that have been outlined by Senator Woodley and published in the *Courier-Mail* in recent times. But it is also important to emphasise that there are many Aboriginal and Torres Strait Islander communities throughout Queensland and in other parts of Australia that have made progress.

Part of what we need to do as a parliament is to ensure that there is an examination of those areas where progress has been made: to look at what has made them work and to try to ensure that other indigenous communities are encouraged and, more particularly, empowered to follow some of those examples so that they are able to make some of the advances that are so desperately needed.

That issue of empowerment at the local level is really one of the fundamental components that need to be addressed for the improvement of the health situation in some of those areas. In a number of Aboriginal communities women particularly are looking to have more support for what they believe needs to be done. In many cases they bear a disproportionate level of the violence that is perpetrated in some of these communities—often due to alcohol—and they are often the ones who are working most strongly to try to overcome some of the issues that need to be addressed.

It is important when we look at the expenditure of public funds for public needs—and clearly this is a public need, as has been outlined—that we do not look just at the issue

of ensuring that all the moneys are spent appropriately. As I said, I would suggest that indigenous organisations are more accountable and more scrutinised now than any other organisations in the country. We also need to ensure that the people the funds are meant to assist have an adequate say in how those funds are expended and in how the services are delivered. I think that is one area where further advances can be made.

In conclusion, I would like to reiterate the Democrats' strong commitment to ensuring that action does occur and that these problems are addressed in the near future, because it is a serious issue and an urgent issue. Unfortunately, people have been saying that for far too long. We do not suggest that we have all the answers and we do not suggest that the government or other parties are not also aware of the problem and seeking to find ways to address it, but we do believe that among the many other issues that arise every day in the public arena this is one that really must not get lost beneath the smoke and fog and heat of battle that occurs in the political arena from time to time. It is one that we all need to reaffirm our commitment to and work together to address.

Question resolved in the affirmative.

Report No. 14 of 1998-99

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General Act 1997, on behalf of the President I present the following report of the Auditor-General: Audit report No. 14 of 1998-99: *Performance audit—prescribed payments system: Australian Taxation Office.*

BUSINESS

Taxation Package: References to Committees

Motion (by **Senator Lees**)—by leave—proposed:

That business of the Senate notice of motion No. 2 standing in her name for today, relating to the reference of matters to certain committees, be postponed till a later hour.

(*Quorum formed*)

Senator HARRADINE (Tasmania) (4.00 p.m.)—I think it would be desirable that when

Senator Lees is able to move that motion, that she be given leave to do so, no matter what is coming up. Is general business on now?

The DEPUTY PRESIDENT—No, it is not on now, but at 4.30 it will be.

Senator HARRADINE—My understanding is that Senator Lees will be given leave to move the motion, even if it happens to be in the middle of a debate.

The DEPUTY PRESIDENT—The question is that the motion moved by Senator Lees be agreed to.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (4.01 p.m.)—Madam President, as I understand it, the motion before the chair is to defer Senator Lees' business of the Senate motion No. 2 to a later hour this day. It is that motion to which I am now addressing myself.

I think there are some procedural issues here that need to be clarified. I think we all accept in the chamber that a business of the Senate motion takes precedence over a range of other matters that are before the chair. However, I point out to the Senate that our colleague Senator Hutchins will be making his first speech to the Senate at 5.30, and there is an order of the Senate to that effect. My clear understanding is that that order of the Senate would have precedence over any suggestion that a business of the Senate matter have priority.

The DEPUTY PRESIDENT—Yes, that is correct.

Senator FAULKNER—Thank you, Madam Deputy President. The other issue that the chamber needs to give some consideration to is that after six o'clock on a Thursday there are no divisions in this chamber. I believe, and I seek the guidance of the Chair on this, that if a business of the Senate matter is before the chair at that time, and there is a matter on which the Senate would divide, it would be impossible for the Senate to finalise that matter.

It is my understanding of the procedural situation in relation to the standing order which precludes divisions after 6 p.m. on a Thursday that, if a business of the Senate matter was still before the chair, we could not

bring that matter to a conclusion if there was not unanimous agreement in the chamber. I am sure Senator Harradine would agree that we need to get some clarity on that particular issue before we move along. I ask for you for a ruling on that, Madam Deputy President.

The DEPUTY PRESIDENT—I am advised that after 6 o'clock there is no provision for divisions to be called.

Senator FAULKNER—Yes, I appreciate that. But the issue I raise is the circumstance where at 6 o'clock we are debating a business of the Senate motion before the chair and there is not unanimous agreement in the chamber—in other words, a division would be required to be called. I think we all understand that the standing order applies in that circumstance. Where do we find ourselves in terms of that matter before the chair?

It would seem to me that if we are still debating the business of the Senate motion standing in Senator Lees' name or, for that matter, the business of the Senate motion No. 3 standing in the name of Senator Kemp, which has also been deferred to a later hour this day, we would find ourselves in a position where the Senate would be unable to come to a final conclusion on the matter. It is that particular element of the issue, Madam Deputy President, that I think it is worth getting some clear guidance on before we move on.

The DEPUTY PRESIDENT—Standing order 57(3) says:

If a division is called for on Thursday after 6 pm, the matter before the Senate shall be adjourned until the next day of sitting at a time fixed by the Senate.

I understand that to mean that a vote would be deferred to a following day.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (4.06 p.m.)—Is Senator Lees's motion before the chamber?

The DEPUTY PRESIDENT—Yes, her motion is before the chamber.

Senator IAN CAMPBELL—I move:

Omit all words after "That", substitute "business of the Senate notices of motion Nos 2 and 3, relating to the reference of matters to certain committees, be postponed till a later hour, and that consideration of business of the Senate notice of motion No. 2 be called on at 4.30 p.m."

Clearly, we would like to facilitate the conclusion of those matters prior to the first speech by the new senator and clearly before 6 o'clock. I think you have given a very clear ruling as to what happens at 6 o'clock if we do not.

Senator Faulkner—Madam Deputy President, on a point of order: I hear what the Manager of Government Business says, so I want take a procedural point. Is it necessary in fact for such an amendment to be determined by the Senate, given that it would seem to me that these particular matters at 4.30 p.m. might have precedence, regardless? I just want to be clear that this is actually necessary.

The DEPUTY PRESIDENT—The way that it would have to proceed would be that general business would have to be adjourned or deferred.

Senator Carr—No. Not if it is started.

The DEPUTY PRESIDENT—You would have to adjourn the debate on general business to allow this one, after 4.30 p.m., to take—

Senator Carr—Madam Deputy President, the issue before us here is the question of what takes precedence. My understanding is that the matter of Senator Lees's motion being deferred prior to 4.30 p.m. would automatically take precedence before general business. However, if general business is commenced, then leave would be required. That is what I understand to be the situation. However, I understand that the government is seeking to bring this matter on before 4.30 p.m.

Senator Ian Campbell—We will bring it on at 4.30 p.m. and—

Senator Carr—If you bring it on before 4.30 p.m., it certainly is the case.

The DEPUTY PRESIDENT—We have the amendment from Senator Ian Campbell to add

'and No. 3 and bring on at 4.30 p.m.' Is everybody clear on the amendment?

Senator BROWN (Tasmania) (4.09 p.m.)—Madam Deputy President, one thing that would be helpful to the Senate—as the afternoon wears on and there is very little time left for extraordinarily important matters here—would be if either now or at 4.30 p.m. we were apprised of the options that the Senate is going to have to deal with. The Greens—and, I presume, the Labor Party—are not in the loop as to the discussions that have occurred between the Democrats, Senator Harradine and the government, but we will want to debate what the outcome of those discussions has been, if there is any variance from the motion as it stands on the *Notice Paper*.

It may be very helpful to the Senate to have at this time some report back as to what we are going to be debating at 4.30 p.m. Is it simply going to be the motion as it stands on the *Notice Paper*? Or is it going to be an amendment to motion No. 2 or No. 3, either as to the substance of the matters to be canvassed by an inquiry into the GST package or as to the time of reporting or as to which committees are going to be dealing with the matter? These are all very important matters. I, for one, will want to be contributing to a debate on any changes which have come up there; and of course it is proper that we have time to consider any proposals being put forward by the three negotiating parties together or separately.

I note that there is still some discussion occurring in the chamber to clear the air on just that matter. I am being a little helpful here by talking on the matter while that discussion takes place.

Senator Ian Campbell—As always, Bob.

Senator BROWN—Yes. I am at your service; it is goodwill. I am wanting to—

Senator George Campbell—The promise is never returned.

The DEPUTY PRESIDENT—Order! I would appreciate it if there were fewer interjections and if you would address the chair, Senator Brown.

Senator BROWN—Of course, Madam Deputy President. The Manager of Government Business himself, although he is leaving his seat now, in fact might be the person who is able to give us an insight and to report progress. That is what we want. I am sure there are many other people outside this chamber as well who want to know what the progress of talks has been since the matter was adjourned earlier in the day.

It is very fascinating, because a senator commented to me, as we were breaking earlier, that 'if there is no inquiry, there will be no GST.' I have now heard that from the Democrats and Senator Harradine. The outcome of this morning's debate looked as though there would be no inquiry. It is a fascinating stalemate, if that is going to be the outcome of deliberations this afternoon. The alternative is for us to be acquainted with what the three parties have been talking about. I have an indication from the leader of the government in here that in fact he might be going to enlighten us somewhat, and so I will end this period of assistance to the Senate in general and sit down.

The DEPUTY PRESIDENT—Thank you, Senator Brown.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (4.13 p.m.)—I understand that there is some sort of consensus, which I hope Senator Brown would join in on, to bring this matter back on at 4.30 p.m. as my amendment suggests. Clearly, once I am enlightened, Senator Brown, I will be happy to enlighten you and all other honourable senators.

The DEPUTY PRESIDENT—Are you withdrawing your amendment?

Senator Ian Campbell—No. I have fulsome support for my amendment.

The DEPUTY PRESIDENT—The question is that the amendment moved by Senator Ian Campbell to add 'and No. 3' and omit 'later hour' and substitute '4.30 p.m.' be agreed to.

Question resolved in the affirmative.

The DEPUTY PRESIDENT—The question now is that the motion, as amended, be agreed to.

Question resolved in the affirmative.

TELSTRA: SELL-DOWN

Senator MARK BISHOP (Western Australia) (4.14 p.m.)—I move:

That the Senate—

- (a) opposes any further sell-down of Telstra because of the grave risks such a sell-down would have on:
 - (i) access to advanced communications services,
 - (ii) service availability, quality and price,
 - (iii) public finances,
 - (iv) foreign ownership,
 - (v) employment, and
 - (iv) local manufacturing;
- (b) notes the refusal of the Minister for Communications, Information Technology and the Arts (Senator Alston) to back down from a commitment to the full sale of Telstra despite strident opposition from his own backbench; and
- (c) condemns the Minister for seriously undermining the reputation and standing of Telstra with his public comment on 8 September 1998 that Telstra's 'best years may lie behind it'.

General business notice of motion No. 8 is in three parts. Firstly, it restates the ALP's traditional position of total opposition to the further sale of Telstra in any form. Secondly, it notes the continuing division within the government parties over the further sale of Telstra. Thirdly, in paragraph 3 the motion condemns Senator Alston for attempting to talk down the value of Telstra during the recent election campaign.

At the outset, I cannot but emphasise the differences between the Australian Labor Party and the government parties over the last three years on the issue of privatisation of Telstra. It does not matter whether it be a sale of 33 per cent, 49 per cent, 66 per cent or 100 per cent of Telstra shares, the Australian Labor opposes any further sell-down of the Telstra Corporation.

The opposition and the Australian Labor Party, all sectors of the broad Labor move-

ment, were and are totally opposed to the sale of any further part of Telstra. We maintained strident opposition to the sale of the first one-third of Telstra and we will continue to oppose any further sell-down of Telstra in this place.

We will continue to oppose a further sale of Telstra no matter how many future inquiries or what form they might take as organised by the current government. We maintain that position for the principled reason that only a public corporation or semi-public corporation such as Telstra can offer the required degree of telecommunications service to all Australians. We should all note that caveat because it is quite critical in the context of this debate.

In the next 15 years, a whole range of traditionally separate industries will discover operating synergies, significant areas of identical operational interest and convergence. Radio broadcasting, TV transmission, Internet operation and access and on-line usage will force firms and industries in this country to merge, be taken over and eventually rationalise.

In that scenario, which is both technology and scale driven as specialist products develop the nature of commodities, it is absolutely necessary the Australian government retains a degree of sovereignty over critical industries of the future, not because the Australian government needs to own software companies, hardware companies, commercial radio or TV organisations but because these and other telecommunications, computer and technology oriented industries will determine the wealth and influence of individuals, companies, nations and peoples over the next 25 years, over the next generation.

The Australian Labor Party, for reasons outlined in paragraph 1 of the notice of motion, is not prepared to see our nation—our citizens in the remote west of this continent, in the far north of the Northern Territory and Queensland and in the poorer regions of New South Wales, Tasmania and South Australia—become divided from the big cities of Melbourne, Sydney and Brisbane. All citizens of Australia will need to access these services, and Telstra will remain a critical agent for the even distribution of a range of those services.

So far I have addressed three points: firstly, that the ALP opposes any further sell-down of Telstra; secondly, Telstra is a key government agency for delivering emerging and converging services, industries and technologies; and, thirdly, these industries are critical to the future of this nation, and there needs to be fair and equal access right across Australia. Let us consider the position of the government in this debate.

What is their position? It is one marred by inconsistency, opportunism, division and possibly deception. We say inconsistency because of the remarkable lack of uniformity in strategy on the part of the government over the last 12 months over the sale of Telstra. Firstly, they wished to sell 33 per cent and claimed the electoral endorsement at the 1996 election. Secondly, they wanted to sell 100 per cent. Thirdly, after the Queensland election, they changed that position and reduced the 100 per cent to 49 per cent. Fourthly, the issue became 49 per cent plus an inquiry over service levels. Fifthly, the 49 per cent became 49 per cent plus an inquiry over service levels with a predetermined outcome notwithstanding the June 1998 quarter reported complaints against Telstra rising. Finally, we are told in press releases today that the government wishes to sell the entire remaining 66 per cent. All of this has happened in the space of only about nine or 10 months.

We say division because there is no uniform or consistent position on the part of the government. Division in a fundamental sense exists between Liberal Party members and National Party members, between city based members of parliament and rural based members of parliament, between the government's own cabinet and its own backbench and, finally, between big city MPs and those MPs representing rural and regional areas of this nation.

This division exists and has been most apparent for all of this year. No sooner had the first one-third of Telstra been sold last December than the cracks began to emerge. National Party members in New South Wales and Queensland were given full reign to distance themselves from the position of the government, and this division grew and

spread for the reasons outlined in paragraph 1 of the notice of motion.

Regional persons in Tasmania, country people in Far North Queensland and rural businesses across Australia understood that the government parties in selling Telstra would ensure that access to advanced communications services would become cost prohibitive as markets and monopoly rates without government subsidies or CSOs. They understood that service availability, quality and price would all deteriorate as the maintenance or provision of these services became too expensive for individuals in remote areas to bear. If these fears were not bad enough, the Australian Telecommunications Authority said on 5 October:

Complaints against Telstra are rising with more gripes about billing, mobile and payphone services.

The ATA went on to say:

Telstra's country customers received the worst service with 81 per cent of faults taking up to two days to fix.

This argument over inconsistency and division comes in sharp focus when one looks at the continuing divide between Senator Alston and his own backbench. Let us look at what the backbench of the Liberal Party is saying on the further and full privatisation of Telstra.

Senator Watson in this place had made the position of the Liberal Party backbench crystal clear. Senator Watson's views command respect in this chamber. He is a very senior government member in this place. He brings a fine mind to most policy issues in this place and is rarely, if ever, attacked publicly or privately by members of the opposition. Speaking to party faithful last weekend in Tasmania, Senator Watson reacted to community and regional concerns in his own state. These concerns are spelt out in the first paragraph of the motion—access to advanced communications services; service availability, quality and price; public finances; foreign ownership; employment; and local manufacturing. The *Financial Review* of Monday, 9 November states:

In a further embarrassment to the Government, Senator Watson also cast doubt on whether Telstra would be fully privatised in the foreseeable future. He said his position against a full sale had suffi-

cient support from his government colleagues to ensure it did not go ahead.

This is despite Mr Howard being committed to a full sale of Telstra.

The article continues:

On Telstra, Senator Watson said he saw no reason to move from the 49 per cent sale of Telstra, saying this position had enough support among his colleagues to ensure there was no full sale in the foreseeable future.

But he also sympathised with Telstra chief executive Mr Frank Blount, saying it would be difficult to manage a partially privatised Telstra.

He went on to say:

"At the moment I see no reason why we should move above 49 per cent, I'm not suggesting that in 10 years' time it may change, but in the foreseeable future I'd be supporting proposals to keep our election undertaking to 49 per cent."

Asked whether he had any support from his colleagues to keep the sale of Telstra to 49 per cent, he replied—

quite succinctly—

"Sufficient to change it from full-scale privatisation to 49 per cent.

So there we have it: the Liberal Party membership and faithful are told by a senior government member that the government backbench opposes privatisation of Telstra in excess of 49 per cent. Senator Watson wants to ignore the views of his own Prime Minister and ignore the views of Minister Alston. He ignores the commitment of Senator Alston on 23 July when he told Australian Associated Press:

But we are still committed to a full privatisation—that is what makes policy sense.

Having noted the division and inconsistency between the government and his own backbench, let us look at the role of Senator Alston in recent months. Telstra is currently capitalised at about \$28 billion if one takes share prices at today's price. If the other two-thirds were sold, the market capitalisation would be \$A84 billion or \$A85 billion. It would be the largest corporation in Australia, bigger by far than BHP, Commonwealth Bank, News Corporation, NAB or Rio. It would be a world-class corporation whether tested by market share, profit levels or capitalisation. It would fit very comfortably into the United States Fortune 500 index. Millions

of Australians hold shares directly, through investment vehicles or simply as taxpayers of this country. This corporation, whether in public or private hands, has the capacity to advance the industrial and technological interests of this country. It is a corporation competing in a difficult and highly competitive market and apparently doing so well that overseas bidders are still forcing up the share price on a daily basis.

So in understanding a bit of basic background about Telstra, Senator Alston goes out of his way to pick up a piece of four-by-two and give Telstra a free whack around the head. On 8 September 1998, Senator Alston gave a press conference on his assessment of the future of Telstra. Remembering that this is potentially an \$80 billion-plus corporation, two-thirds owned by taxpayers of Australia and one-third currently owned by shareholders of which 65 per cent are resident in this country, Senator Alston tried to talk down the value of Telstra, the future of Telstra and the dividend returns of Telstra. Mr Lewis and Michelle Grattan reported for Reuters on 8 September under the heading 'Alston puts a damper on Telstra':

The Howard Government has seriously undermined its Telstra Corp sale plans with a damaging assessment of the group's future growth prospects.

The Minister for Communications, Senator Richard Alston, yesterday declared Telstra's "best years may lie behind it"—a move that has infuriated executives at the telecoms company.

Answering the question by Matt Peacock from the *Australian*:

... you said today that it may not be the gold mine that Labor thinks it is; that its best years may lie behind it. What did you mean by that?

Senator Alston responded:

Well, you see, there are some very big commercial bets in there for commercial risks that need to be taken by any carrier in a highly competitive telecommunications environment. I mean, gone are the old days of the inefficient monopolies. We now have 22 new licences issued since July last year. No-one can guarantee that Telstra is going to keep on spitting out record dividends into the future.

Then Matt Peacock asked:

So, do you think its best years are behind it?

Senator Alston responded:

Well, I'm saying there's no basis at all for assuming that Telstra will continue to grow bigger and better and spit out more and more dividends.

So there we have it—the government's view, Minister Alston's view, is the best years of Telstra lie behind it, commercial risks are too difficult and it cannot maintain a dividend payout into the future.

Either way, this is a disgraceful set of comments for a minister of the crown to be making. Firstly, they are gratuitous and unnecessary. Secondly, they contradict the public position of Telstra through the annual statements and comments of its CEO. Thirdly, they damage the confidence of investors both local and overseas. Why would a minister of the crown be attacking its own corporation? Fourthly, they are wrong. They contradict continuing advice of its own department, Telstra executives, independent analysts and investors. Fifthly, they wrongly and inappropriately for a government attempting to sell the other two-thirds question the value of Telstra.

Imagine if President Clinton or Prime Minister Blair in the middle of an election campaign went out and attacked flagship national companies like Ford, General Motors, IBM or Morgan Stanley. There would be a hue and cry. Press statements would be issued demanding apologies. TV reporters would suggest encouragement and support, not knocking of a major corporation.

Debate interrupted.

COMMITTEES

Taxation Package: References to Committees

Senator LEES (South Australia—Leader of the Australian Democrats) (4.30 p.m.)—I move:

- (1) That the economic theories, assumptions, calculations, projections, estimates and modelling which underpinned the Government's proposals for taxation reform, contained in *Tax Reform: not a new tax, a new tax system*, be referred to the Economics References Committee for inquiry and report by the last sitting day in February 1999.
- (2) That, in conducting its inquiry, the committee examine the following matters:

- (a) the estimated levels of revenue to be generated or foregone due to the proposed changes, including the estimated level of revenue to be generated by imposing a goods and services tax (GST) on the basic necessities of life (such as food, clothing, shelter and essential services) and books;
 - (b) the effects of the proposed changes on:
 - (i) national Gross Domestic Product,
 - (ii) national export performance and national debt,
 - (iii) the national Consumer Price Index, and
 - (iv) the distribution of wealth in the Australian community;
 - (c) the effects of the package on future federal budget revenues, expenditures and surpluses, including a critical assessment of the economic assumptions underpinning the Treasury's projections in this regard;
 - (d) the effects of the taxation and compensation package on disposable income and household spending power for a range of 'cameo profiles', including but not limited to those presented in the proposals, under the following scenarios:
 - (i) a GST extended to the necessities of life (such as food, clothing, shelters and essential services), and
 - (ii) a GST not extended to the necessities of life (such as food, clothing, shelters and essential services);

with the aim of identifying families and groups who may be disadvantaged by the Government's proposals, focusing on lower and fixed income individuals, families with dependent children or adult members, groups and organisations, and those with special needs, such as people with disabilities;
 - (e) the assumptions made as to consumption and saving patterns and the cost of living for the various 'cameo profiles';
 - (f) whether the stated objectives of the package can be met by using an alternative and fairer approach; and
 - (g) such other matters as the committee considers fall within the scope of this inquiry.
- (3) That the following matters be referred to references committees in accordance with the schedule below, and that in undertaking these inquiries the committees have regard to the report of the Economics References Committee referred to in paragraph (1) and consult widely, holding hearings in all states and territories. The committees will report by the last Thursday of April 1999, with the exception of the Economics References Committee,

which will report by the last Thursday of May, which will have regard to the reports of the other references committees, and will integrate the findings of all committees wherever relevant in its final report. The Economics References Committee may also issue other interim reports on completion of discrete areas of its reference:

Committee	Matters for Inquiry
Economics	<p>The broad economic effects of the Governments' taxation reform legislation proposals with regard to the fairness of the tax system, the living standards of Australian households (especially those on low incomes), the efficiency of the economy, and future public revenues, including:</p> <ul style="list-style-type: none"> (a) the effects on equity, efficiency and compliance costs of including, or not including, food or other necessities of life in the GST, together with any related adjustments to the package if food or other necessities of life were GST zero-rated; (b) the effectiveness of the package in easing the poverty traps facing people on low incomes, and reforming and streamlining tax and income support for families with children, taking into account the static and life-cycle impacts on families with children; (c) options for amending the income tax schedule to make it more equitable; (d) the findings of the Tax Consultative Committee chaired by David Vos; (e) options for improving the effectiveness and fairness of the tax system and reducing inequitable or unreasonable tax avoidance and minimisation, including consideration of the following areas: <ul style="list-style-type: none"> (i) taxation of foreign companies operating in Australia, including the relative merits of resource rent taxes, royalties or land taxes as compared to company tax in securing a fair compensation to Australia for use of its resources; (ii) the use of trusts; (iii) negative gearing; (iv) the use of private company structures by individuals to minimise personal income tax on labour or investment income; (v) artificial income splitting and whether spouses should be able to elect for partnership taxation; (vi) work related income tax deductions; and (vii) reducing the concessional treatment under the Fringe Benefits Tax on company cars; (f) the potential for tax avoidance and evasion, including an examination of the effects on the cash economy, and the potential impact of electronic commerce on the future viability of a GST; (g) the effects on compliance costs (h) the potential for reducing payroll tax, including by providing incentives to create long-term employment and by replacing payroll tax with a carbon tax; (i) restoration of the 150 per cent tax concession for research and development; (j) whether there are other means available for rebating or reducing the indirect taxes or excessive user charges embedded in exporters costs; (k) Capital Gains Tax, including the implications of the suggested 30 per cent cap on the CGT rate;

Committee	Matters for Inquiry
	<ul style="list-style-type: none"> (l) excises, including those on fuel, tobacco and alcohol—identifying the industries which benefit, and to what extent, from the proposed changes to taxes on fuels; (m) the effects on interest rates; (n) the effects on investment, in both physical and human capital formation; (o) the effects on small business; (p) the effects on the non-profit sector, including the total amounts of money contributed by the sector, administrative costs, impacts on the viability of the organisations, and the consequent effects on the wellbeing of the community; (q) the effects of the GST on particular industries, including: <ul style="list-style-type: none"> (i) key service industries such as tourism; (ii) the Australian automobile and related industries, having particular regard to the effects of changes to fuel excises; (iii) other ‘invisible’ export industries, such as education and financial services; and (iv) the international competitiveness generally of Australian industries; (r) the implications of not requiring that the GST component of goods and services be itemised on receipts; and (s) options for amending the proposed legislation to improve its fairness of efficiency.
Community Affairs	<p>The impacts of the Government’s taxation reform legislation proposals on the living standards of Australian households (especially those on low incomes), including:</p> <ul style="list-style-type: none"> (a) the scope and effectiveness of the proposed arrangements on charities, child care services, aged care services, welfare services, local government human services and all not-for-profit organisations in maintaining the quality and affordability of essential community services, including the implications for the public funding of these services and the implications for the commercial activities of these organisations, and whether unconditional GST-free status should apply to <i>bona fide</i> charities; (b) a detailed examination of the zero-rating of health services, including an examination of which services should be zero-rated; (c) the effects on community sector organisations and local government of changes to their tax exempt status, and compliance costs of the proposed tax arrangements; (d) the effects of the proposed private health insurance rebate; (e) the effects on people with disabilities; (f) the effects on public and community housing, including the levels of public rents; and (g) options for amendments to improve the fairness or efficiency of the proposed legislation.
Employment, Workplace Relations, Small Business and Education	<p>The employment incentive and education impacts of the Governments’ taxation reform legislation proposals, including:</p> <ul style="list-style-type: none"> (a) the scope and effectiveness of the proposed zero-rating arrangements for education in maintaining its quality, accessibility and affordability; (b) the effects on employment;

Committee	Matters for Inquiry
Environment, Communi- cations and the Arts	<ul style="list-style-type: none"> (c) the effects of the proposed GST treatment on the quality, accessibility and affordability of employment services; (d) the effects on education of imposing a GST on, or zero-rating or exempting books and associated education resources; (e) the effects on education of imposing a GST on ancillary resources, services and commercial activities, including the effects on overseas students; (f) the effects of the proposed changes to the tax system on employment; (g) the effects on wage costs, particularly if the basic necessities of life are taxed; (h) the scope and effectiveness of changing the unemployment benefits, pensions and Newstart Allowance 'tapers'; (i) the effects of the proposed changes to the tax system on training and adult education; and (j) options for amendments to improve the fairness or efficiency of the proposed legislation.
	<p>The broad environmental effects of the Governments' taxation reform legislation proposals, including:</p> <ul style="list-style-type: none"> (a) the environmental effects, and likely impacts of changes to fuel excises, particularly but not only diesel, and the replacement of WST with GST on vehicles and other transport services including: <ul style="list-style-type: none"> (i) possible increases in greenhouse gas emissions; (ii) increases by amount and type of air pollution; (iii) the effect on public and rail transport; (iv) the effect on alternative energy use in transport including, but not limited to, compressed natural gas; (v) the effects on native forest logging or woodchipping; and (vi) the effects on mining in environmentally sensitive areas due to the taxation proposals; (b) the environmental effects of the replacement of Wholesale Sales Tax by the GST and associated changes in fuel excises on electricity and natural gas; (c) the impacts of the proposal tax changes on the prices and existing and potential use of renewable energy particularly but not only solar energy technology and energy efficiency equipment (d) the environmental effects of any changes to taxes on exports; (e) the consistency or otherwise of the proposed changes in taxation and excise arrangements with Australia's international treaty obligations, including its obligations under the Framework Convention on Climate Change; (f) options for a tax system which better achieve environmental objectives, including incentives for fuel efficiency and alternative energy sources, such as measures which promote both environmental protection and employment generation; (g) the extent to which environmental impacts such as these were considered in the drafting and final copy of the Government's tax package; (h) the scope of any consultation on environmental matters with experts in Environment Australia or any other Government departments other than the Treasury and Finance departments;

Committee	Matters for Inquiry
Finance and Public Administration	<ul style="list-style-type: none"> (i) the impact of a GST on ticket sales for the performing arts; (j) the effect of a GST on the transfer of grant monies for arts projects; (k) the effects of the tax proposals on sponsorship provided by the private sector to individual artists and arts organisations; (l) the extent to which the package will block consideration and introduction of 'ecotaxes'; (m) the effect of a GST on not-for-profit conservation and arts organisations; and (n) options for improving the environmental effects of the package. <p>The effects of the Government's taxation reform legislation proposals on state and local government administration, including:</p> <ul style="list-style-type: none"> (a) the effects of the package on future federal-state financial relations and the capacities of state and local governments to adequately finance their respective responsibilities in both the short-term and the long-term, including the effects of the proposed transfer of responsibility for local government financial assistance to the states, and whether it discriminates between states; (b) the implications for specific purpose programs; (c) mechanisms required to lock in commitments made by federal and state governments with regard to the new arrangements; (d) the implications for future federal-state financial relations of not extending the GST to the necessities of life (such as food, clothing, shelter and essential services) and books, and any adjustments to the proposed arrangements which would be required to federal-state financial relations; (e) the implications of the package for the quality and affordability of public utility services and for the public utility concessions for social security recipients; (f) the effect of application of the GST to local government activities, particularly commercial activities; (g) the implications for the delivery of Commonwealth Government services, including employment services, welfare and other social and cultural services; (h) the extent to which the proposed compensation arrangements are secure from change to below adequate levels (i) adequacy of measures to ensure that consumers fully benefit from the abolition of existing taxes; and (j) options for improving the effects of the package.

Committee	Matters for Inquiry
Rural and Regional Affairs and Transport	<p>The effects of the taxation reform legislation proposals on rural and regional stakeholders, including:</p> <ul style="list-style-type: none"> (a) the effects on particular regions; (b) the effects of rural and regional communities of different tax regimes on fuel—especially the cost of transport of goods to rural communities; (c) the effects on primary industry of replacing the current sales tax exemption on agricultural machinery with a GST; (d) the effects of imposing a GST on food and other necessities of life on remote communities, including Aboriginal and Islander communities; and (e) options for improving the effects of the package, including mitigating any adverse effects of the proposed tax reforms on rural and remote communities.
Legal and Constitutional	<p>The effects of the taxation reform legislation proposals on legal and constitutional matters, including:</p> <ul style="list-style-type: none"> (a) the constitutionality of the proposed mechanism for future changes to the GST, including whether such changes would present a significant hurdle to future increases, or reductions if deemed necessary to stimulate the economy; (b) the constitutionality of the proposed reorganisation of federal-state tax arrangements and whether the powers and functions of states and territories are materially affected by this reorganisation; (c) the effects of the proposals on the cost of access to justice; and (d) options for improving the effects of the package in these areas.

- (4) That consideration of any legislation implementing the Government's proposals for taxation reform be postponed until after presentation of all reports required by this resolution, and until after presentation of the Government's responses to these reports.

The motion I have moved is the original one that the Democrats put down—that is, with seven references committees. The amendments you have before you in my name will actually be moved by my colleague Senator Murray, who will only speak briefly because we did go through all of this this morning.

The motion I have moved includes the concerns of Senator Brown and Senator Harradine as well as the material that the ALP wanted us to make sure was in. If I can point out, however, to the ALP that we have not, as we are back on today and not Monday week, had the opportunity to talk again with Senator Cook, who has his own range of concerns. So I leave that to you as to what happens. We have had some further discussions with the government. It seems that there has been no agreement reached and we want to move the

adjournment of this debate to the next day of sitting. Is that right, Senator Campbell?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (4.31 p.m.)—by leave—It would be in the best interests of a sensible resolution of these matters to move to postpone consideration of these two business of the Senate motions until the next day of sitting. I would certainly be supportive of such a move if Senator Lees is able to do it. We have had constructive discussions. However, in the time constraints available to us, a sensible handling of it is not possible this afternoon unfortunately.

The ACTING DEPUTY PRESIDENT (Senator Crowley)—I just need to be clear, if I can. Senator Lees, you have moved the postponement?

Senator Lees—Yes, I want to move the postponement of business of the Senate notice of motion No. 2 until the next day of sitting.

Senator Faulkner—Madam Acting Deputy President, I raise a point of order. Maybe Senator Lees wants to move that now, but my point of order is that, before the chair currently, until perhaps that very last contribution from Senator Lees, is business of the Senate notice of motion No. 2, which had been formally moved by Senator Lees.

With respect, Senator Campbell sought leave, I assume, to give a public indication to Senator Lees that whatever discussions others are having—I do not involve the opposition—obviously have not come to a conclusion. It is obviously competent for Senator Lees to move deferral of her business of the Senate notice of motion that is before the chair, but I think the substantive motion was before the chair previously.

The ACTING DEPUTY PRESIDENT—Senator Lees, if you could seek leave to continue your remarks. I thought it was clear that Senator Faulkner's contribution is correct and that everybody now understands that. Senator Faulkner, it should be on the record that this time, as many other times, you are correct. Senator Lees, if you would seek leave to continue your remarks this will resolve the difficulty before the chair.

Senator Lees—Thank you. I therefore seek leave to continue my remarks later.

Leave granted; debate adjourned.

BUSINESS

Taxation Package: References to Committees

Motion (by **Senator Ian Campbell**, at the request of **Senator Kemp**) agreed to:

That business of the Senate notice of motion No. 3 standing in the name of Senator Kemp for today, relating to the reference of matters to certain committees, be postponed till the next day of sitting.

TELSTRA SELL-DOWN

Debate resumed.

Senator MARK BISHOP (Western Australia) (4.35 p.m.)—I was just coming to the end of my remarks, but imagine if President Clinton or Prime Minister Blair, in the middle of an election campaign, went out and attacked flagship national companies like Ford,

General Motors, IBM or Morgan Stanley. There would be a huge hue and cry in the American or British press. Press articles would demand instant apologies. TV reporters and TV shows would suggest that the appropriate path to follow is encouragement and support, not useless knocking.

It is time for Minister Alston to stop attacking Telstra. It is time for Minister Alston and the government to give their full support to Telstra. It is time for Minister Alston to acknowledge Telstra as a major Australian corporation that can and will advance the interests of this country. In that context, I commend the motion before the chamber.

Senator McGAURAN (Victoria) (4.36 p.m.)—I am pleased to take this opportunity to speak on this motion regarding Telstra. I will be short, Senator Troeth, because I realise you have put a lot of work into retorting the opposition's position on this matter. I have seen your material. I know it is impeccable and I know it will simply crush Senator Bishop's argument. I listened to Senator Bishop's argument. I have not done the preparation that Senator Troeth has done, but I can tell you that nothing has changed. He has brought nothing new to this debate. I can virtually pick up the debate whence we left it, and that was just before the election.

Who can forget that fateful Saturday when you came into this chamber and you and your colleagues slandered the National Party? That is probably the lowest point I have ever seen the Senate reach, but I am sure you will make valiant attempts in this term to achieve even lower levels than that. All that has changed from that particular debate to now is that the debate has been punctured by an election. Other than that, the debate is exactly the same.

We went to this last election with a policy. It was put to the people in a democratic fashion, as we did in 1996. The policy was that we would sell 16 per cent of Telstra and privatise up to 49.9 per cent, maintaining 50.1 per cent ownership in government hands. That would be as far as privatisation would go. From that point onward, the government will undertake an independent review of Telstra's customer service obligations. A benchmarking

study will be made, and it will be open to scrutiny. It will be open to scrutiny by the opposition, as it will be by the public. Should that benchmarking study show that Telstra is meeting its service obligations, then that will be another question. The matter will return to the parliament.

All we are debating here is the policy with which we went to the election—that is, a further 16 per cent sale of Telstra, privatising up to 49.9 per cent. We have twice taken this to the parliament. We have twice taken this to the people, to an election—the highest court that a government or a parliamentary party could go to, that is, directly to the ballot box. We did that in 1996, and we received a mandate. We have done it again in 1998, and we have received a mandate yet again. If we seek to sell any more, we will again return to the parliament.

On each occasion we have sought the endorsement of the people of Australia, whether through the ballot box directly or through the parliamentary process. That is in stark contrast to the Labor Party. In 1993, they went to the election on two matters: first, that they would not privatise the Commonwealth Bank and, second, that they would not lift taxes. After the election they did both. They lifted taxes on anything they could get hold of. First, they raised the wholesale sales tax—that is the one you slaughtered the most—and, second, they privatised the Commonwealth Bank. They told a lie directly after the election.

In contrast, we went to the people of Australia in the 1998 election on both issues. We have faced the ballot box. We have been up-front. We have been honest. We said that we would introduce a tax reform system, and we are going to. Nothing has changed from that. We said to the people that we would sell a further 16 per cent of Telstra. We were honest. We went to the ballot box. Nothing has changed from that. We tell the truth both sides of an election; Labor's record is that they do not.

I am very pleased to say that my Senate colleague and Leader of the National Party in the Senate, Senator Boswell, is in Roma today. He has taken leave of the Senate to

make an announcement that fulfils the government's commitment in regard to the certain stages of sale within Telstra. I would like to read from a press release issued by Senator Boswell. It states:

The bush will benefit from almost half a billion dollars worth of telecommunications reform from the next 16 per cent sale of Telstra.

Senator Boswell says:

The Nationals fought to win a big package of reforms so that the bush would not be sidelined from the new information age. That meant, firstly, that we had to get the costs of phone calls down and quality of service up. The package that goes with this further sale of Telstra, some 16 per cent, will be thus for regional and rural Australia.

The package includes \$150 million to upgrade the infrastructure to provide untimed local calls within extended zones—and that will benefit some 37,000 households.

Senator Murphy—How many?

Senator McGAURAN—Thirty-seven thousand households, and you could triple that to make it well over 100,000 people. The package includes \$70 million for 500 rural transaction centres to restore primary services to small communications, including banking, postal, Medicare Easyclaim, and phone and faxes.

Senator Mark Bishop—All the areas you cut.

Senator McGAURAN—There is more. The package also includes \$81 million of additional funding to the Rural and Regional Telecommunications Infrastructure Fund, which has been a roaring success.

Senator O'Chee—They wanted to scrap it.

Senator McGAURAN—They wanted to scrap it. They voted it down with the first one-third sale of Telstra. Here we are seeking to sell more of Telstra so we can find the funds to further inject this most successful rural infrastructure fund. It has been a marvelous success in rural and regional areas. They do not want to see it whipped away. But we have to find money to maintain and sustain these funds. We cannot go into debt over them. We cannot lift taxes to create these funds. One of the great benefits of the sale of Telstra—one-third and up to 49.9 per cent—is

that the funds can be used to upgrade telecommunications in rural and regional areas.

Of course, there has been \$120 million to improve television reception black spots and extend coverage of SBS—and, I should add, extend coverage in the City of Shepparton. Over the years I have had many constituent inquiries in regard to SBS up in Shepparton, and now it is going to happen. A further addition to the plan will be that at least two people on the board of Telstra will be required to come from the rural and regional areas who have expertise in this particular area. The appointment of Don McGauchie, former chief of the NFF who has gone onto the Telstra board, fulfils that commitment. So there is no doubt that the advantages outweigh the so-called perceived disadvantages of privatisation.

I know that Senator Troeth wants to speak in this debate. I have a great deal more to say about the sale of Telstra. I know only too well it is going to come up time and time again because what we have is an opposition running all the old arguments they were beaten senseless over in the last election. They are running the tax reform debate. They are running the Telstra debate. They have all been to the people.

Senator George Campbell—And 52 per cent of them voted for us.

Senator McGAURAN—Don't use that old argument, Senator Campbell. I think you have a distorted view of democracy. It is all called majority in the House, Senator Campbell. Senator Mackay, you are not next speaker, are you?

Senator Mackay—No. We like to listen to you.

Senator McGAURAN—No, Senator Bourne is. She is not here, nor is Senator Lundy. Someone had better call the next speakers. I will keep going in light of the fact that the next speaker is not here. They all should be woken up and brought to the chamber.

It is worth noting the benefits that have come from the one-third sale of Telstra. Regardless of the predictions of the other side that the sky was going to fall in with the one-

third sale of Telstra, it was an enormously popular move not only within the government but also within the share market. Over 1.8 million Australians took up shares in the sale of Telstra. In fact, 92 per cent of the employees took up shares in the one-third sale of Telstra.

Senator O'Chee—A few Labor senators, too.

Senator McGAURAN—Senator O'Chee, it was oversubscribed by over five times. As I have pointed out, we raised some \$14 billion with the first sale and this was used to fund such magnificent projects as the National Heritage Trust and the infrastructure fund. The fact that so many Australian mums and dads took up the share offer diminishes the argument or the concern that many have in regard to foreign ownership. Who needs foreign ownership when it is so popular within the Australian market?

Nevertheless, we have laid down five tenets of ownership of any sale of Telstra, whether it be the one-third or the next 16 per cent. Those five tenets are: that no single foreign interest will be allowed to own more than five per cent in Telstra; that the government will ensure that, by law, Telstra will remain a majority holding of Australians—I do not think we have any problem with that—with no more than 35 per cent of foreign ownership; that the chairman and majority of the board will be, by law, Australians; that Telstra headquarters will always be in Australia; and that Telstra will remain an Australian company.

Debt reduction is also a benefit of a sale of Telstra. In regard to debt reduction, it is worth remembering the legacy that this government was left. When we came to government in 1996, we had been left with a \$100 billion debt by the previous government. This had been built up from quite a manageable \$32 billion to \$100 billion over four years—from 1992 to 1996 which, coincidentally, were the Keating years. If you can say something about the Silver Bodgie, at least he was able to leave office with only some \$32 billion worth of debt. If that was what we could have picked up in 1996, the debt would have been quite manageable. But, within the four years

that the Keating cabinet got hold of government, it jumped remarkably from \$32 billion to \$100 billion. That was the debt legacy we were left with. We had to tackle it. Thank goodness we have, given the Asian crisis and the upcoming world economic crisis that pundits would have us believe will eventuate. Thank goodness we have tackled that debt, but it needs to come down further.

There are some choices. You sell some assets to raise the funds to reduce your debt or you raise taxes or you go into debt.

Opposition senators interjecting—

Senator McGAURAN—I know you would prefer to do the latter two, and that is exactly what you would do.

Senator Sandy Macdonald interjecting—

Senator McGAURAN—My colleague, Senator Macdonald, said, ‘Well, you sold all the assets.’ So, in fact, you did all three when you were in office. You sold the assets and spent the proceeds; you ran us into debt on frivolous expenditure; and you raised taxes. You did all three. What a shambles we would be in today if you were in government, given the economic crisis that surrounds this country. This government has received a good report in being able to weather that particular economic crisis.

Senator George Campbell—It is not over yet.

Senator McGAURAN—It is not over yet, but we have ridden the first waves very well.

Senator Mark Bishop interjecting—

Senator McGAURAN—We have ridden the first waves, Senator Bishop. This government has chosen to reduce its debt by way of asset sales and to take advantage of some \$40 billion that Telstra would throw up to the government.

There is one question in regard to the employment factor that I see Senator Bishop has raised in his notice of motion. The matter of employment is important and, when it comes to privatisation, that does seem to be the one particular area that people want answers on. There is the false perception peddled by the opposition that privatisation equals unemployment. But that is not the fact

at all. As they know only too well, the telecommunications industry in particular is a booming, growing industry. Those people who may be laid off by Telstra are being picked up by Optus, British Telecom, AAP or all the other players that are now coming into the market. Any downsizing that Telstra has undertaken over the past, say, five years—at least over the reign of Mr Blount—has occurred when the utility has been in full government hands.

The downsizing is driven not by ownership but by the combined effects of technology, by improvements in productivity and by competitive pressures—as shown by the fact that it began while Telstra was 100 per cent owned by the government. The point should be repeated that this is an industry that is growing, that there are other competitors in the market and that, in the main, those who have lost their jobs have been picked up by other companies like Optus—Optus, the welcome entrant into this particular industry.

I notice that Senator Bishop also raises the question of price, that somehow telephone prices in this industry are going to jump with either a fully privatised or a 49.9 per cent privatisation of Telstra. Well, the opposite has happened. What are you talking about? The opposite has happened with the great competition with Optus.

Senator Mark Bishop—Why don’t you look at the share price? You gave away \$14 billion.

Senator McGAURAN—We gave away \$14 billion?

Senator Mark Bishop interjecting—

Senator McGAURAN—I am sorry you do not get a second chance to speak. Perhaps you can get up during the adjournment debate and explain what that means. We gave away \$14 billion, did we? I cannot see how that works out.

The point is that international calls have halved because of competition in the area. We all know that, when local calls are opened up to competition, the local call market will also come tumbling down. Your motion does not stack up, Senator Bishop, including your cheapjack attack on the good minister, Sena-

tor Alston, when you say 'despite strident opposition from his own backbench'—

Senator Mark Bishop—Senator Watson?

Senator McGAURAN—You killed him with faint praise. That is all I can say. The National Party, if you happen to be launching another attack on the National Party and I notice you conveniently avoided that this time around, supports this legislation on the sale to 49.9 per cent—get that straight. The National Party backbench, and I am one of them, supports this.

You also criticise the minister for making the comment that the best years may lie behind Telstra. As I interjected to you, true or false? Here is your chance—true or false? You did not answer it during taking note of questions; you did not answer it during your speech; I am giving you an opportunity to interrupt me with the answer.

Opposition senators interjecting—

Senator McGAURAN—You haven't got an answer. Get a copy of Senator Crane's speech during taking note of answers where he fully explained the new technologies coming in regard to satellites, and that will give you the true or false answer on what Senator Alston was meaning in that regard. Madam Acting Deputy President, I have taken my full time, but we do have our big guns yet to come in Senator Troeth who has put a great deal of preparation into this. I will sit here and listen to her speech.

The ACTING DEPUTY PRESIDENT (Senator Crowley)—We will hold you to that, Senator.

Senator MURPHY (Tasmania) (4.56 p.m.)—Senator McGauran did take his full time but his speech had very little substance. Nothing like the hypocrisy from this government—they are full of it. They are just as full of it on Telstra as they are on the GST.

Senator McGauran—Full of what?

Senator MURPHY—I remind Senator McGauran that he raised the question of our position on the sale of the Commonwealth Bank and Qantas, those two public entities.

Senator O'Chee interjecting—

Senator MURPHY—There is a totally different comparison on the one hand. The hypocrisy of this government is based on this: when they put up their proposition to sell one-third of Telstra, they said, 'Not like you, we are only ever going to sell one-third. We are not going to tell the people one thing and do another.' That is what you said, but it took you a very short space of time to change that situation.

You came in here and you proposed to sell the lot. But, when you proposed to sell the lot, the message came back, 'Uh-uh.' Of course, in the cockys' corner up there it came back strong and hard because they went into panic mode. You had the Queensland election where One Nation gets up with 11 seats and strides into the state parliament. You say, 'Shock, horror, no, we can't sell all of it. Let's go back. We've got to go back. Forty-nine per cent is the maximum.'

As Senator Bishop highlighted, you sold one-third and undervalued that by \$14 billion, but then you could not rush quickly enough to get another \$40 billion for the rest. If you base the sums on the method with regard to the undervaluing of the first one-third, God only knows how much you would have robbed yourselves by selling the lot as quickly as you wanted to. And you talk about delivering returns to the Australian public.

Telstra, as we know, provides 90 per cent of the local call services in this country. That is the big difference between the Commonwealth Bank which serviced only about 20 per cent of the banking customers in this country and Qantas that serviced only around 50 per cent of the flying public of this country.

Senator O'Chee—CSL?

Senator MURPHY—Yes, you raise CSL but there are other serum laboratories in the private sector in terms of competition. Overriding all of those things is the economic benefit that Telstra actually delivers to this country in terms of the subsidised services in telecommunications that we have in this country, because we do not have—and we on this side of the chamber do not want to have—information rich and information poor.

And that is what this government is heading towards.

Telstra provides a subsidised service, as it should. We should make sure that the public of this country has access to communications services. Those on the other side often spruik about providing services such as the Internet et cetera to the public in regional areas. I will come to the comments made by Senator Ian Macdonald yesterday. Telstra also provides a major return to the government for the provision of other services. Telstra earns billions of dollars—whilst it is under majority government ownership it will continue to do so—that enables the provision of health, education and other services that are so important and valuable to our community here in Australia. Telstra is also a major employer. It supports a very significant local industry. We know that if it were 100 per cent privatised we would lose significant chunks of it.

We know that the government said, 'We will stop foreign ownership at 35 per cent maximum and limit shareholdings to five per cent in any single company,' but that is complete and utter rubbish. Even if it were 49 per cent owned, the government could not stop foreign ownership going above 35 per cent.

Senator O'Chee—That is garbage.

Senator MURPHY—It is not garbage, because your government, through your Department of Foreign Affairs and Trade and Treasury, has been negotiating a Multilateral Agreement on Investment that has placed Telstra in the exemption section which is subject to the roll-back provisions of that proposed agreement. Therefore, any restrictions on the further foreign ownership of Telstra would have to be removed over time. It is a fact, and the government knows it. I wrote to the chairman of the committee, who wrote to the minister, who acknowledges that fact. It is a fact. What you are doing will allow the 100 per cent foreign ownership of Telstra in years to come. That is where the real pressure will come for our local telecommunications industry. That is why we will not and should not support any further sale. In fact, we should not have had the first part sold.

Those opposite bought Senator Harradine's vote, which is another very important point with regard to services to rural and regional Australia. I come from a state that can be considered regional, and that is Tasmania.

Senator Quirke—They don't come more regional than Tasmania.

Senator MURPHY—That is probably true. We were given \$58 million under the Telecommunications Infrastructure Fund. We were told that it was for providing improved telecommunications services to Tasmania. That \$58 million to be spent over five years came out of a total nationally of some \$250 million. I have done my darnedest to check how much of that \$58 million has been spent and what it has been spent on. If you look through the home page of the Department of Communications, Information Technology and the Arts on the Internet and track down a few things here and there, you can get figures varying from \$2 million to \$8 million. I am continuing to track down the expenditure of that money.

It must be remembered that the money is for the provision of improved services for people in regional areas, not so much in capital cities such as Hobart. Most of the money that has been spent thus far has been spent in those areas. There has not been one real improvement in telecommunications services, such as mobile phone coverage, Internet access and SBS television, to the more remote areas of Tasmania. There has not been one improvement. This brings me back to the points Senator Ian Macdonald made yesterday. In response to a question from Senator Eggleston, he said that from the further 16 per cent sale we would allocate a further \$70 million. I quote him:

So what are we going to do about the policies we took to the election? We are going to set up some rural transaction centres, a program of \$70 million to be funded out of the sale of a further 16 per cent of Telstra. Those rural transaction centres will provide rural and regional people, for perhaps the first time, with fax and phone services; postal services; personal banking and limited business banking, including automatic tellers—

that is marvellous—

and Medicare easy claim—

et cetera. I return to the \$58 million that we got. I heard senators from other states cry foul because Tasmania got such a large chunk of the \$250 million. Let me tell you, guys and gals, that you may as well have got none, because the value of the money is simply—

Senator McGauran—Mr Acting Deputy President, I raise a point of order. I do not put much gravity on this matter, but I seek your guidance with regard to the language used by Senator Murphy. He called us guys and gals. Is it parliamentary? Should he not be calling us by our full title? I thought that I would interrupt Senator Murphy's speech because it was so low and boring. A bit of punctuation in the middle of it would never hurt. I make this frivolous point of order.

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—There is no point of order. Senator Murphy, I remind you that there are certain ways of addressing members of the chamber, and I suggest that you follow them.

Senator MURPHY—I take note of your point, Mr Acting Deputy President. Those senators may as well have got no money when you look at the \$70 million versus the \$250 million nationally. By the way, the \$70 million will provide a rural transaction centre in every town with a population of less than 3,000 people, which will affect some 500 of them around the country. That is very questionable.

The current chief of Telstra—I think he is leaving—Mr Blount, says in the *Sydney Morning Herald* today with regard to the provision of subsidised customer services that they should not continue:

Mr Blount also chastised the Federal Government for meddling in Telstra and said he had to deal with seven ministers in seven years, which did not help the running of Telstra or the telecommunications industry.

He said he did not understand the logic of how the policies were applied to Telstra, which he said, on the one hand, established a wide range of cross-subsidies for telephone services and, on the other, pretended they did not exist.

"It must be resolved, otherwise regulatory outcomes will impede industry growth and, in turn, harm customers, employees and shareholders". . .

The last part—'shareholders'—is the critical issue. Of course, we have had the government say in the past that they would legislate community service obligations into any package, that whether it was the 100 per cent level, the 49 per cent level or indeed the current 33 per cent level, they would legislate those in place. But we know that they cannot do that in the long term. Both history and examples from elsewhere around the world will show you that that cannot continue to happen. You cannot—I think rightly pointed out by Frank Blount—have a situation where you sell 49 per cent or even, as you propose to do, sell 100 per cent of Telstra. That will completely remove any capacity the government has to maintain community service obligation cross-subsidies of certain services that are currently provided. We know that. There are examples around the world of that.

Senator Calvert—Like in America.

Senator MURPHY—Yes, like in America, Senator Calvert. That is exactly right. People who live in the backblocks out there, who live in the rural and regional areas out there, cannot afford to have the telephone. When I was there recently I was asking people. I said: 'What is your phone number?' They said: 'We can't afford to have the phone.' The government says: 'Look, we won't sell any more than 49 per cent until we have had this inquiry that will establish whether or not the level of service provided by Telstra is sufficient.' No—'sufficient' wasn't the word. I think it was some other word, but something like 'sufficient'. 'Adequate', that was it. What does 'adequate' mean? Who is the judge of 'adequate'?

The fact of the matter is that in many respects the level of services currently supplied by Telstra is not adequate, let alone after we have sold 49 per cent and are trying to make a judgment as to whether they are adequate then. They are not adequate now. Senator Calvert would know it. Senator Troeth, who is going to speak next, would know that in her own state that is the case, except in Melbourne. Maybe she spends a lot of time in Melbourne and probably doesn't know it. But I know Senator Calvert knows it. In our state he knows that for the \$58

million that we are supposed to have received we have got very little return for it. I say to Senator Calvert through you, Mr Acting Deputy President, that the money is supposed to be spent in five years. It is my understanding that if it is not spent within the five year-period what is left over goes back into consolidated revenue.

I am sure that Senator Harradine would be interested in that. What a dud that would be, what a pup he would have bought, if we don't get some real value. I know, Senator Calvert, that you do travel around the state sometimes and if you have been up through the central highlands, if you have been up along the east coast, I ask: do we have mobile phone coverage? No. If you go to the west coast do you get mobile phone service? No, you don't. If you go out to where I live, which is just 35 kilometres from Launceston, have you got mobile phone service? Barely. An infrastructure fund was set up to provide increased and improved services in rural and regional areas. Of course, Cressy is a fairly rural and regional area. Most of the big Liberal Party supporters live out around there—Roderick O'Connor from Connorville. He is a very keen supporter of the Liberal Party.

Senator Calvert—Is he?

Senator MURPHY—He certainly hands out your how-to-votes at voting time.

Senator Quirke—But he doesn't do it with a mobile phone, does he?

Senator MURPHY—No. He can't use the mobile phone. The mobile phone does not quite work outside the town hall where the balloting takes place.

It is an important company and we must keep it in public hands, not only for the purposes of being able to ensure that every Australian has equal and fair access to telecommunications services but also for the benefit that is going to grow significantly in terms of return to the government, money that we need to pay for other services to the community. They are the things that we need to ensure continue. I hope that the National Party senators, at least, will come to their senses. I noted Senator Harradine's comments during the election. I hope that he will not

allow any further sell-down of Telstra simply because of the hypocrisy of the government. Mind you, hypocrisy seems to be becoming the way this government operates. It was the 'never, ever' GST, 'off the political agenda', 'off the policy agenda' 'We will only ever sell one-third of Telstra.'

Senator Calvert interjecting—

Senator MURPHY—You say that. Senator Calvert, you raise a comment made by a former prime minister. Let me tell you. When you talked about not selling any more than one third, you made those same points. So that makes your comment—through you, Mr Acting Deputy President—your government's comments and your now Prime Minister's comments even more hypocritical. You reminded us of some of the things of the past. You took the stand to say: 'We will not do that.' I think it was the Prime Minister who said: 'If there is one thing that this government will be able to be judged upon, it is its integrity and its honesty, and our record of delivering and keeping our promises.' Well, let me tell you—it is no wonder you got less than 50 per cent of the vote last time.

Senator Quirke interjecting—

Senator MURPHY—Yes, and I do not think they did on this occasion. They usually do, Senator Quirke, but I do not think they did on this occasion.

Finally, let me say that this motion before us today is worthy of support. It should be supported purely on the basis of the government's hypocrisy on this issue. You said to the Australian people that you would not sell any more of Telstra. You told the shareholders who bought shares in the one-third partial sale that you would not do it. You owe it to them and you owe it to Australia to maintain that position.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (5.16 p.m.)—I am glad that I did not speak earlier, because it has given me a great deal of time to consider the extremely hypocritical arguments that have been put forward by those senators opposite. Unlike your party, Senator Murphy, we have been totally honest with the Austral-

ian people about our policies in relation to the privatisation of Telstra. That is in stark contrast with your record on the Commonwealth Bank, Qantas and various other government instrumentalities.

We set out our policies in detail in not one but two elections. As well as doing that, by laying our plans fairly and squarely before the Australian people we have responded to concerns that have been expressed in our party room and in our parliamentary party and by people outside the parliamentary process by staging the process of selling Telstra—first by one-third and now by a two-stage process for the remainder. We have certainly stood by all our commitments.

Firstly, we needed to look at selling Telstra in one way to deal with public finances. I am very pleased that Senator Bishop saw fit to include this among his clauses of reference. One of the key benefits that the sale of Telstra offers us is a historic opportunity to better balance our national books. Floating the rest of Telstra will bring in enough money in one go to wipe out up to 40 per cent of the national debt which Kim Beazley ran up when he was finance minister. By the year 2002, if all of Telstra were sold, it would be possible to reduce Commonwealth debt to a level as low as 10 per cent of the \$10 billion debt that you left us in 1996.

I would like to ask you to think for a moment what that could mean in terms of savings in interest. In the first year of the coalition government, taxpayers were forced to pay over \$9 billion just on servicing the debt which we inherited from Labor. If a substantial portion of that interest spending could be redirected to schools, hospitals, roads and other priorities, the benefit to all of us would be substantial. Secondly, it would give all Australians another opportunity to take a direct stake in this great company. The enthusiasm with which Australian shareholders, many of whom had never owned a share before in their entire lives, embraced the sale of the first third of Telstra should give you an idea of the way in which the general public reacted to our election commitment. We told them in 1996. We succeeded in selling off very quickly one-third of Telstra. We told

them again in 1998, and again they voted for us. That is the reason why we are determined to keep on with the full sale of Telstra.

I am very pleased as a government senator to be looking at the clauses of Senator Bishop's notice of motion. To start with, the bill which our government will put forward will implement the provisions to further position Australia in the forefront of telecommunications in the world. I was interested to read in another report of Mr Blount's comments yesterday to the National Press Club the revelation that the company was likely to spend hundreds of millions of dollars in new network investment to enable the data paradigm to take place. This means that Telstra as a company will be very well positioned to take Australia to the forefront of communications technology.

Mr Blount also said that Telstra was talking with Siemens and the US Internet search engine giant Netscape on the development and trial of new Internet telephony products. Telstra cannot do this unless it is floated as a public company. My government subscribes to the philosophy that no government should own large commercial undertakings, which Telstra is set to become. For its own sake, for public debt and for public finances, a company like Telstra must move forward with commercial backing and a commercial outlook. We believe the sale of Telstra will have a dramatic influence on public finances.

Let me return to access to advanced communications services, which is clause (i) of Senator Bishop's notice of motion. The sale will complete the transition of the industry from a protected arm of government to a dynamic, competitive component of the mainstream commercial sector. We now have a leading edge regulatory regime in Australia with leading edge provisions for consumer safeguards. Under our proposed legislation, some of which has already been passed, Australians wherever they live will enjoy the best telecommunications service that it is possible to provide within a responsible commercial and economic framework.

As I said, the remainder of the funds raised by the partial sale is being used to pay off some of our national debt and free up funds

for better services, such as welfare, education and health, rather than servicing the public debt. Telstra must move forward as a commercial entity so that it can be open to the scrutiny of shareholders and marketplace scrutiny of its performance. Any private company—which Telstra one day will be—is open to the scrutiny of shareholders at its AGM. That is where questions should be asked of the board and the way in which it conducts the affairs of the company, rather than it being maintained as a protected government monopoly.

Senator McGauran mentioned the way in which we have made provision for the addition of two extra directors to the Telstra board to reflect the interests of rural and regional shareholders. Senator McGauran mentioned Mr Donald McGauchie, the very well-respected former President of the National Farmers Federation. I would like to mention the other rural and regional director, Mrs Cecilia Moar from Victoria, who is a very well-respected grain grower and a young woman who, along with a great number of rural women, is rapidly making her way to the forefront of business in Australia. I would like to congratulate her on taking her place with such a dynamic company as Telstra. We need the sale of Telstra for access to advanced communication services; we need the sale of Telstra for much better public finances.

Senator McGauran has already detailed the way in which safeguards against foreign ownership have been laid down in the legislation. Those foreign ownership limits—the 35 per cent total and the five per cent individual limits—will continue to apply to the proportion of non-Commonwealth shares following the sale of each tranche of Telstra. That is, the limits will continue to apply no matter how much subsequent share sales are structured.

We have done this for a very good reason. We do not want such a magnificent Australian company as Telstra to pass into foreign ownership, although there are some benefits of foreign investment, which I do not have time to go into today. But, certainly, the government is very mindful of the way in which we should be looking at the structure

of Australian companies, and that is why we have put these shareholding provisions in.

As I said, the men and women of Australia enthusiastically embraced the opportunity to take part in the float of Telstra, and that gave Australia the second highest share participation rate in the world, just behind that of the United States. We are continually encouraging our working and non-working population to start to save for their retirement, to start to make their own individual financial provision for their retirement instead of being dependent on government. Share ownership is one of the best ways to do that, and the government is very keen to encourage it. Not only that, share ownership has a two-way benefit, because the transfer of the ownership of Telstra from the Commonwealth to private shareholders will relieve taxpayers of the risks attached to owning a large business enterprise operating in a changing and competitive market. Private shareholders are able to assess whether and to what extent they wish to be exposed to the risk of ownership, whereas public ownership gives taxpayers no choice, and they have to wear the ebbs and flows of fortune in a government monopoly. We do not wish to have that happen.

With regard to earlier remarks about employment and the sale of Telstra, I would like to point that more downsizing occurred during the corporatisation of Telstra, again under your finance minister, Mr Beazley, than has occurred in any reductions that have been made by Telstra since we have taken government. So this has been an inevitable process which goes along with mechanisation, with automation of telephone and other communication media, and it is a natural process. There are many other avenues for employment which former employees of Telstra will no doubt take up, and to prop up a monopoly simply to provide employment for people is something that no government should be doing.

I would also like to point out that, with regard to Mr Blount's comments about the seven ministers that he had had in seven years, we have been fortunate enough to have one minister for communications in our 2½ years of government—that is Senator Alston.

I can only presume that the six ministers who operated in the previous five years were Labor ministers. So don't blame us for the continued parade of communications ministers. Most of them were yours!

I would also like to refer to Senator Murphy's remarks as to how much I move around the state. For a very long time, I lived in the far south-west of Victoria, during which time Telstra—or Telecom as it was then—operated as a monopoly. Senator Bishop mentioned that—shock horror!—consumers now have to wait two days to get their telephone fixed. All I can say to you, Senator Bishop, is that in the years when Telstra/Telecom was a monopoly, you would walk in to your local post office when your rural phone was on the blink and you would say, 'How long will it be until I can expect my phone to be working again?' and the answer was that it would be five days, six days, seven days or 14 days.

It is in comparatively recent times that we have provided a much better service regime for Australia. In fact, there were very few technicians in the far north of Queensland during the floods there, but, in a matter of days, Telstra was able to provide a much larger number of technicians to take care of any problems that occurred then. So competition and the thought that its customers may well be taken over by somebody else mean that Telstra has to lift its game. And making it lift its game means that you simply have to make it a private company influenced by shareholders and subject to market forces.

On nearly all the counts that I have demonstrated, I think we should realise that we are definitely determined to move to a further sell-down of Telstra. We have obviously taken note of community concerns, and certainly I would be the first to admit that we have had robust discussion among many of our parliamentary party members. But that has led to an improved bill with universal service guarantees, with guarantees written into the legislation that improved service will be provided. And that is what we are moving to.

We absolutely have to continue down this path for the reasons that I have outlined. Personally, I feel proud and privileged to be

part of a government that is taking such a courageous step in moving further down the route of privatisation so that many of the benefits which Telstra has delivered and many of the benefits which Telstra has developed can be passed on to the voting population of Australia.

The PRESIDENT—The item of general business will be suspended while we proceed, according to the resolution of the Senate earlier today, to the first speech of Senator Hutchins.

FIRST SPEECH

The PRESIDENT—Before I call Senator Hutchins, I remind honourable senators that this is his first speech. I therefore ask that the usual courtesies be extended to him.

Senator HUTCHINS (New South Wales) (5.30 p.m.)—Madam President, I am honoured to represent my party and my state in the Australian Senate. At the outset, I would like to acknowledge the presence in the gallery of some very special people to me. Today we have the federal committee of management of the Transport Workers Union here. All the branch secretaries from throughout the country are here. We have a number of officers of the New South Wales branch here—in particular, Tony Sheldon. I have here a number of members of the Transport Workers Union who have retired, who no longer drive trucks, as well as those who still drive trucks and carry this country—Billy Smith, President Paul Ritsch, Georgie Clarke, and Filthy and Sootie and a few other nicknames. And I have got a good personal friend here today in John Sheldon. I have got some friends from the House of Representatives in Nicola Roxon and Christian Zahra, and two lifelong friends I hoped could make it, Leo McLeay and Michael Lee.

Then there of course is my family. Four of my five children are here today—Julia, Michael, Georgia and Madeleine. I am a very proud father and love all of them very much. My eldest daughter, Lauren, who was due to be here today, unfortunately had to have her appendix removed urgently earlier this morning—she had just finished her HSC yesterday. My sister Linda, my brother-in-law Doona

and my nephew Josh are also here, and I know they love and support me. There are a number of people who I am very close to who cannot be here today—Reba Meagher, John Della Bosca, and my father, Peter. Unfortunately, my mother is dead. I also come here with a lot of goodwill and support from all of the NSW Labor movement and many good friends in the road transport industry.

I am here today because of the vacancy created by the resignation of Belinda Neal. Belinda Neal entered the Senate through the resignation of Kerry Sibraa in early 1994. Belinda progressed quickly from the back to the front bench. Belinda became the shadow minister for local government and child care after the 1996 election. She decided in 1998 to take the very brave political decision to resign a safe Senate spot and to contest the marginal seat of Robertson on behalf of her party. It was the sort of gutsy decision we have come to expect of Belinda Neal. Unfortunately, she did not get there this time. Since her defeat, she has had to put up with a degree of personal vilification that I have not witnessed for some time. By the way, I spoke to her before this speech and she said to me that she wished she had had that \$700,000 spent on her campaign. If she did, she might have been giving her maiden speech next door. Of all of this I will say a bit more later. Just let me say that I think and do believe she will be back with a vengeance.

I am a resident of St Marys in Sydney's greater west, and have been almost all my adult life. Not far from where I live, by the banks of South Creek on the Cumberland Plain in western Sydney stands a seldom noticed obelisk. It was erected by the citizens of St Marys in 1938 to commemorate the start of the first successful crossing of the Blue Mountains by colonists in 1813. The obelisk bears a small plaque, a tribute to Blaxland, Lawson and Wentworth. It states:

Here on the South Creek was Gregory Blaxland's farm. From it, on May 11 1813 he set out with William Lawson and W C Wentworth attended by four servants with packhorses and five dogs on the first expedition that crossed the Blue Mountains.

Blaxland, Lawson and Wentworth are forever remembered for their role in the crossing. Landmarks and towns on the route the expedi-

tion established bear their name in remembrance. Every primary school child knows their name and their story. These were the men who successfully crossed the Blue Mountains when all others before them had failed. These were the men that broke with tradition and crossed the mountains by following the ridge line rather than going up the valleys, as was the orthodoxy.

But the school children, let alone anybody else, are not taught about the others on the expedition—those nameless servants whose contribution was surely no less important than that of the three leaders. There were four other explorers—three of them convicts, and one a free man. Of these four, the free man, James Burns, is the only one whose identity is known. The three convicts remain nameless. To this day, the remaining three are completely anonymous, their contributions ignored as if their role in the expedition was immaterial. Who is to know if it was their help, their work or their suggestions that led to the ultimate success of the expedition? I can only surmise that in 1938 the convict stigma was still very strong. Maybe it could not be acknowledged at that point that nearly half of that historic first expedition were convicts.

As we know, history is not recorded for the inarticulate, the illiterate or the servant. There are many men and women in Australia's early history who have contributed to the colonisation and development of Australia, yet they have gone unnoticed. Their names are not recorded and are forgotten. These four servants of Blaxland, Lawson and Wentworth symbolise the countless Australians who have contributed to our nation's history. Most have not received a few sparse words on a plaque on an obelisk, nor do I think they would have wanted to. These are the modern-day truck drivers, teachers, shop assistants, clerks, labourers, metal workers, doctors, et cetera, without whom our society would grind to a halt. These are all people who contribute to our society, yet who are largely nameless and overlooked. There will not be any plaques or obelisks for these ordinary people, but what they give to our community through their work is significant indeed.

It is important that the different and varied contributions that each of us makes are known and appreciated, even if it is only to us. We must make it clear that there is value in the roles people play, the things people do. The significance of self-worth, of being recognised for what we are, cannot be underestimated. But the rapid changes that face today's society can be overwhelming. It is not hard to lose this self-worth, this recognition of the value of what we can give. Ordinary people start to feel powerless and without hope. The economy and society of yesteryear are very different to that of today and, for many, adjusting to these changes is not easy. Anger and frustration abound. People have lost faith in their institutions and in their governments to respond.

Globalisation has meant a very different economy to the economy of 40-odd years ago, when I was born. The orthodoxies of the past are no more. There is no secure job, let alone a lifelong one with one company or a government department. Companies and governments are focusing on cost cutting and re-trenching. Even those that remain still feel very insecure.

Our government is no longer the sole arbiter of the Australian dollar or of interest rates. Our country is so dependent upon what happens in the international financial markets. We are not isolated from events around us and we feel we have little control over those outside forces. The politics of international trade and agreements force tariffs down and more job losses.

People feel overwhelmed: they feel they are losing control and are finding it difficult to cope. The pace of change is quickening, leaving many people behind, and for these people there is a feeling of desperation and despondency. Just as individuals are losing control of their destiny, so too has the capacity of governments to steer the nation been diminished. The enormous changes that have occurred through the internationalisation of the Australian economy have left governments with less control over the levers of economic management.

The challenge for governments is to re-define their role. In a global marketplace

where international capital reigns supreme, governments no longer control the national economy, as was previously the case, but now must be content with tinkering with the edges, working at the margins. In confronting this challenge, we may go down the path of the present government, retreating into the neo-classical economics of the past—an approach where governments minimise their role and abrogate their social responsibilities—or, alternatively, we can seek to reconstruct an Australian society built upon the foundations of fairness and equity, achieved through selective but effective state intervention.

Experience has shown that economic markets have a capacity to deliver efficient and productive outcomes. The problem with markets is that they invariably deliver efficiency at the expense of equity. To allow the former to triumph over the latter is to abandon the pursuit of a fairer honourable society in the hope of purely economic objectives. Governments must recognise that these aspirations are not mutually exclusive. A just and cohesive society is dependent upon a healthy economy.

While our economy is at the heart of our society, to heartlessly pursue our economic objectives in isolation is to ignore the needs of our community and to undermine the social fabric of our nation. Where some seek to diminish the role of government, I say the need for good government has never been stronger. In a society grappling with the uncertainties of today's world, governments must provide reassurance and direction in the face of an increasing cynicism and disillusionment throughout our community.

When it comes to government, most people are happiest when they are left to go about their business free from government intrusion. The most important thing for people to know is that when they need it their government will be there for them. Governments need to know when to intervene and when not to intervene. Unfortunately, in recent times, government has failed to intervene when ordinary people, ordinary Australians, have needed them most.

Nowhere is this failure on the part of government illustrated more clearly than with

the appalling circumstances that the unemployed are experiencing. The transformation of the Australian economy has resulted in considerable structural unemployment, particularly amongst middle-aged males. Men in their late 40s or early 50s, who have worked hard for the last 20 to 30 years and paid their taxes all their working lives but have now been made redundant, are finding that the system has failed them.

Unemployed workers are being told that they will have no chance of finding a job if they are past a certain age; past their use-by date. What can they do? What are their options? There are not many. Do they wait until they use up their savings and then go on the dole until they reach the pension age in 20 to 25 years?

We need a government that will address the social devastation created by the phenomenon of mature age unemployment. Have there been retraining programs? Have there been strategies to encourage short-sighted companies to employ the older, more experienced workers? Instead of this, funding and assistance to unemployment programs have been slashed. The mature age unemployed find themselves confronted with ill conceived and poorly executed programs.

Providing assistance to the unemployed to help them help themselves is a prime example of an area where government intervention is clearly needed. In the case of mature age unemployed, these are often people who have asked for very little from their governments. Is it too much for them to expect assistance in their time of need?

There are many other areas where governments need to intervene on behalf of the interests of ordinary Australians. In the area of industrial relations, it should be the objective of governments to protect the rights of working men and women to collectively bargain and negotiate their wages and conditions.

The Workplace Relations Act typifies the government's preference for the pursuit of individual interests over collective good. This is epitomised by the new terminology. Whereas once the language was about industrial relations and workplace relations, the vocabu-

lary of the current federal government's legislation has moved from the collective to the individual. It is not about conciliation and arbitration anymore: it is about certified agreements and Australian workplace agreements rather than industry awards.

In an already insecure workplace, employees are being forced to negotiate their employment conditions through individual contracts. Given the obvious disparity in bargaining power, it is not surprising that these agreements are being offered to employees on a 'take it or leave it basis'. With the emasculation of the Australian Industrial Relations Commission, it is simply unjust to keep the balance of power tilted too much in the employer's favour. Too much either way leads to inequitable and unjust outcomes for both employees and employers.

It is not the role of government to divide and tear apart that sense of community that is part of the Australian way. There is something wrong when governments and employers conspire to break the law, sack workers, and cut wages and conditions. Increasing insecurity in the workplace adds to that sense of frustration and hopelessness that people are feeling. No wonder ordinary people look to those who offer simple solutions. That is why we have all failed.

We have failed to soften the impact of the enormous economic and social changes upon ordinary Australians which have taken place over the last two decades. More importantly, we have failed to recognise how tough people are doing it. We articulate one policy position after the other, always purporting to have found the panacea. We simply present change to people as an inevitability, which it may well be, but we continue to fail to show people that we understand that their lives have been overtaken by uncertainty.

Amidst all this change, people feel as though governments are out of touch and are not listening. We need to understand that this change has hurt them and we must show them that we are listening and committed to using government to alleviate their suffering. It is our duty to lift that veil of despondency from our people, to give them hope and confidence in us and to provide that beacon which says

to them that we have not abandoned them, that we have some vision and that we want them reassured.

Just as the convicts who crossed the Blue Mountains were anonymous and forgotten, ordinary men and women feel as though they too are being asked to carry a heavy load without any recognition or appreciation of their worth, contribution or value. In 1945, famous British historian Dame Veronica Wedgwood wrote in a paper entitled *Aspects Of Politics*:

For the truth is that men do not desire to be the Common Man any more than they are the Common Man. They need greatness in others and the occasion to discover the greatness in themselves.

It is up to us to provide our people with that inspiration and the opportunity to discover this greatness. That is our mandate.

TELSTRA SELL-DOWN

Debate resumed.

Senator QUIRKE (South Australia) (5.48 p.m.)—Firstly, I want to say that I think the first speech by Senator Hutchins was an excellent speech. It was very lucid. It was very interesting. It covered a number of very important topics. In many respects, it encompassed much of the view of this side of the Senate, certainly much of the view of the Labor community in Australia. I believe he should be congratulated on putting forward a complete and concise view of industrial relations, where it is going and the broad parameters. Much can be said about that speech, and I am sure he will go on in this place to make other speeches, and I hope they will all be as good as the one he just gave.

Senator Heffernan—Did you write it?

Senator QUIRKE—That interjection is in appalling taste, and I say that straight up and down. If the senator wants to interject in a moment when I am getting into Telstra, I am happy with that, but to make an interjection of that kind is absolutely abysmal.

The debate before us here this afternoon is the future sale of Telstra. There have been a few comments and a few good points made by some of the senators here today. I rather find it interesting that Senator Troeth made out a case that it had to be sold to meet the

debt obligations which, theoretically, were the result of the last Labor government. I find the argument that Telstra has to be sold for debt reasons curious because each year Telstra pays a substantial dividend stream into government.

There are a number of ways of tackling debt. One of those is to pay it off by selling a particular asset. The other way of doing it is to have the income stream service the same amount of debt. As I understand it, that is exactly what Telstra is currently doing. So, at the end of the day, the equation is minimal.

I would have thought that the argument for the sale of Telstra would be a poor one if it relied on debt, but I will say that telecommunications is going to be one of the most important industries of the 21st century. A number of other speeches have been made here this afternoon and senators have talked about the importance of optic fibre infrastructure and how that is bringing to areas in Australia, particularly regional areas in Australia, the provision of telecommunications services that they have not seen that in fact people take for granted in Melbourne, Sydney, Adelaide and the major cities. They are now only starting to be provided in regional Australia. I agree with that point.

During the start of this debate I was thinking about what has happened in the last 10 years with mobile communications in particular. Some 10 years ago, if you had seen somebody using a mobile phone, you may have done what I have seen others do—that is, take your shoe off and talk into it to take the mickey out of them. But you cannot do that to 90 per cent of the community who now have access to mobile communications.

In terms of telecommunications, they have become a much more significant and important part of not only our working life but also our home life. I imagine that in the next 10 to 20 years we will see the extensive provision of the services that we in the large cities take for granted now into all regions of Australia, and that will influence our working life in particular in a way that we at this time cannot really imagine.

Having said that, if this industry is as important as people in this place have made

out today and as I hope my argument has made out, then I believe the government needs to have a fairly strong and controlling hand on the direction in which this is moving. I do not generally hold the view that the government ought to be out there competing with other commercial enterprises, but I do hold the view that in a strategic area of the economy, as this is becoming, it is essential that we do have as a community, as a society, a fairly strong hand controlling how that economy is developing and unfolding.

I tend to find somewhat hollow the arguments which say that we can sell this off because that will just wipe out the debt, we do not really care too much about the direction in which this going and we have a blind faith that a totally privately run Telstra out there in the marketplace will develop the best opportunities for all Australians and for Australia as a whole. I think a time may well come in the future when further sell-downs and so on could well be argued—I will probably argue against them—when we are more sure of which way telecommunications are going. I think it would be short-sighted to take the view that we might as well sell this now on the basis of projections that have come from the first sell-down, that we can make X number of dollars—and figures of \$40 billion to \$50 billion are talked about—that this is the way that our community should go forward and that we should take that important hand off the lever (namely, the government of this country) that can determine the direction of the telecommunications industry well into the next century.

I think it is interesting that the government bowled up this bill in the Senate just before we went off for the winter break, the election break or whatever we want to call it. That particular night, 11 July, when Senator Colston made the statement that he did, was one of the great moments that I have been in here for. I was glad I was in the chamber at that time because seeing Senator Alston's jaw drop to the floor was an absolutely fascinating experience and one that I will remember for a long time. He was not the only one who got Senator Colston's undivided attention; there were a large number of senators that night

and particularly those opposite. What happened that night was that the big tart shop that was going to be used for the election fell through the floor. That is what this is really about. It is establishing enough money in what I call the tart shop so that the government can spend a couple of hundred million dollars every day of the election campaign without anybody saying, 'Where are they getting the money for that?'

Quite frankly, I think the future of the telecommunications industry in Australia is too important for those sorts of considerations. If ever there was an area in Australia in which we have to be very careful about how we proceed in the future, it is in telecommunications. If ever there was an area that is going to be very significant to a country such as Australia, with a population of 18.6 million and a land mass of more than five million square kilometres, as I understand it, and if ever there was a concept of telecommunications where we really need to have a very strong and firm community hand on the lever and a vision for where it is going in the future, it is in this very important sector of our economy. To reduce it simply to a sale, when we have the income stream from it already, I think is very narrow-sighted and may lead to a number of outcomes that we are not going to be all that happy about.

I do not have that much more time in this debate, but I want to make a few other comments. I note with interest that every time the sale of Telstra comes up we have some comments from Mr Blount. There are people who would argue that Mr Blount as the chief executive officer ought to make some comments about the sale and future direction of the company which he leads, and I do not have too many qualms about that. Mr Blount has a responsibility, and his responsibility is to the company of Telstra. I do find, however, Mr Blount's arguments for the privatisation of the rest of Telstra rather fascinating. I doubt if it has much to do with his vision of where it is to go in the future. I suspect it may have more to do with the sort of corporation that he would prefer to run.

In many respects the Blount comments are the sorts of reasons why I in particular want

to hasten very slowly in this area. I suspect this is too important for a few individuals to be shoving us along as a community in an area that is going to be a very key area in the 21st century for our society. I do not want to say too much more about Mr Blount, but at the end of the day I suspect that the very argument I have developed here this afternoon—that we need a strong community hand on the levers of Telstra and telecommunications in Australia—is probably one of the reasons why the Mr Blounts of this world would prefer to see government out and indeed why they would like to see the complete privatisation of this enterprise.

In my view, that would be a very silly thing to do. We need to hasten very slowly. We need to ensure that, even with the present sell-down of Telstra, Telstra still can match those community service obligations. That is going to be absolutely essential. We are not just dealing here with any ordinary telecommunications company. Overwhelmingly this company has the market, overwhelmingly is the organisation which most Australians turn to and overwhelmingly has the volume of telecommunications traffic and the connections—mobile, land based, the optic fibre network, the satellite network and all the rest of it in this country.

As a consequence of that, I fully support the motion put by my good friend Senator Bishop today. I hope this government can lift itself above thinking about what is going to happen between now and next Tuesday afternoon and show a bit of vision well into the next century about how important this industry is going to be for Australia and for all Australians.

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—Order! The time for the debate has expired.

DOCUMENTS

The ACTING DEPUTY PRESIDENT—There are 161 government documents and 14 audit reports listed for consideration on today's *Notice Paper* and there is a limit of one hour for their consideration. To expedite the consideration of documents, I propose, with the concurrence of honourable senators,

to call the documents in groups of 10. Documents called in each group to which no senator rises will be taken to be discharged from the *Notice Paper*. Documents not called on today will remain on the *Notice Paper*. There being no objection, it is so ordered. We now move to government documents one to 10.

Aboriginal Land Rights (Northern Territory) Act 1976

Senator CROSSIN (Northern Territory) (6.00 p.m.)—I move:

That the Senate take note of the document.

Document No. 5 is what has become commonly known in the Northern Territory as the Reeves report. It is a review of the Aboriginal Land Rights (Northern Territory) Act 1976. We in the Territory believe that the way in which the federal government handles the review of the land rights act will be this government's first test on its post election commitment to genuine reconciliation. There are a number of major outcomes of this report—the effectiveness of the legislation; its social, cultural and economic impact; the operation of the exploration of mining provisions; the operation of the ABTA, including the distribution of payments; the operation of royalty associations; compulsory acquisition powers of Aboriginal land; the application of Northern Territory laws to Aboriginal land; the role and structure of land councils; and a number of other relevant matters.

But what I draw the attention of the chamber to is the fact that there are some major problems with the review of this act. There is an unacceptable attack on self-determination within the recommendations. The Northern Territory Aboriginal Council, which it is suggested be established, is to be appointed by the Minister for Aboriginal and Torres Strait Islander Affairs and the Chief Minister of the Northern Territory. Currently, the four land councils—that is, the Northern Land Council, the Central Land Council, the Tiwi Land Council and the Anindilyakwa Land Council—are chosen directly by Aboriginal people. So this recommendation is seriously a retrograde step.

The ABR, a statutory statement of what money should be spent on, takes away Aboriginal people's ability to make decisions for themselves. The loss of the permit system means loss of control over who can enter Aboriginal land. In fact, what is suggested is that the trespass act would be used, which means that, if you catch somebody on your land and you do not want them there, you have to be in a position of finding them there and you shoo them off, whereas with a permit system you have the ability of saying who can come onto your land before they even take their first step.

There is a suggestion in this report that 18 land councils will be created, which will increase the delays and burdens on industry seeking access to Aboriginal land. Less skilled and experienced staff and council members will inevitably lead to less certainty in agreements and greater possibility of legal challenges.

Throughout the review, though, of the land rights act Aboriginal people reiterated that they wanted a strong land council to represent their interests. There are, and the Senate should note, a number of regions in the Territory which are seeking to establish their own land council. It is our position that they can do that under this land rights act. There is a process for that as opposed to the current arrangement that has been set up with Minister Baldwin and the federal government in relation to trying to achieve this.

Aboriginal people have said that, no, they want no transfer of the act from the federal government to the Northern Territory government. They do not want compulsory acquisition of Aboriginal land. They do not want to break up the land councils or take away the veto, but they have said yes to participating in economic development on Aboriginal land without taking away their rights. They have said yes to the land councils' plan for regionalisation and they have said yes to a strong land council to help look after their rights and interests. The land councils acknowledge that Aboriginal people's desire for change is there, and we believe they are responding to that.

I am particularly disappointed in the Reeves report and I think it would be fair to say that

I reiterate that on behalf of quite a number of my fellow Territorians whom I represent, particularly those who are indigenous Australians. It is based on very poor research, dubious anthropology and economics and arrives at recommendations which ignore the overwhelming responses from Aboriginal people. The recommendations are based on very selective use of information and advice. It is not a balanced report and confirms the concerns which we have—that is, that it threatens to take away Aboriginal people's rights and ignores the potential for a bipartisan approach to change.

In finishing, I would like to add that the review recommends taking control over land use and financial management and taking this away from Aboriginal land owners and giving them to a new body hand-picked by the Chief Minister and the federal minister. It is with some interest that we wait to see what will happen with this report. I understand that the minister made a commitment prior to the election to send this off to a committee in the House of Representatives.

Question resolved in the affirmative.

Department of Social Security

Senator WEST (New South Wales) (6.06 p.m.)—I move:

That the Senate take note of the document.

The opposition clearly recognises that there are people in this world who do do the wrong thing and attempt to get entitlements for which they are not eligible, but I do have concerns about Centrelink and the running of it. This report, which is a short report in terms of volume, does not make clear the number of people who have had to make repayments to Centrelink where the mistakes that have caused them to have to make repayments are actually administrative faults of Centrelink or a failure of Centrelink and its staff to accurately transcribe information—a failure of the computers linking Centrelink and the employment agencies to talk to one another. I think that is a very important issue that must be disclosed when we are looking at any compliance activity in Centrelink.

From talking to a number of employment services, I know that the computer link

between Centrelink and employment services is not working. It is of major concern. I have had complaints from employment services that the referrals to an agency, particularly an agency that has a tender for only FLEX 1 or FLEX 2, coming from Centrelink have been inappropriate. For example, a woman went to an employment agency to fill a job position that they were able to offer and she was eight months pregnant.

Another example is that one morning a gentleman was rung up by an agency to be offered a job and he was at that time under a surgeon's knife in one of the major Sydney teaching hospitals undergoing coronary artery bypass surgery. Centrelink had given information to an employment agency which tended to let the employment agency think this person had no history of any coronary artery disease and no history of any longstanding illness, when in fact this gentleman's health history was one of longstanding illness. It was not the first time that he had required hospitalisation for coronary artery disease. It was the first time he had had coronary artery bypass surgery, but he had a history of longstanding illness.

When evidence like that is given to you by reputable organisations about the problems they are experiencing with the information coming from the Centrelink computer, one has to wonder how accurately Centrelink is keeping its computer up to date. One has to wonder about the transcription of the information that is given to employment agencies. That is why I keep asking—and I have asked the question in estimates and will continue to do so and do so at every opportunity—for a breakdown within these compliance figures of what percentage of the people who have had to make repayments to Centrelink was for faults and mistakes made by Centrelink?

This government changed the legislation. Previously, if the overpayment was a mistake that the department made, the client was not forced to repay. This government changed that. So now it does not matter how many mistakes the department makes; it is the poor old client who has to make the repayment. I think that is a very important point for people to remember. This government is an uncaring

government as far as people on lower incomes are concerned.

We know that there were many compliance tests and reviews conducted. We know that there was quite a considerable amount of money repaid. But when you look at some of the details of individual cases that have been cited you will see that one person incurred a debt of over \$300,000, another one over \$20,000 and another one nearly \$50,000. When you take the sum of money for those three people, nearly \$390,000, out of the total cost you start to accurately reflect what the situation is, what the graph really looks like.

We need to have more in-depth figures so that we can know just how much money is having to be repaid by clients every quarter because of Centrelink mistakes. It is a very major issue, and it is something I think people need to be very conscious of. We saw the mistake the department made with the mail-out of a letter to people telling them that they had to register with employment services. That letter went to people to whom it was not appropriate.

Senator BARTLETT (Queensland) (6.12 p.m.)—I would also like to speak briefly to this report about compliance activity in Centrelink. This is one of a number of reports that have been brought down with some frequency by the government. I endorse many of the comments that Senator West has just made about other issues that need to be addressed in terms of the accuracy of payments being made by Centrelink, particularly in cases where amounts less than what people are entitled to are being paid.

It is important to emphasise that Centrelink now has an elaborate range of measures in place designed to ensure that only those people eligible for payments actually receive those payments and that they receive their correct rate of payment. That is quite an enormous task given the size of the system and the complexity of the legislation—social security legislation in particular that Centrelink is involved with—and the ever changing nature of that legislation.

I think something like six million Australians, maybe more, are receiving some type of payment from Centrelink. Trying to keep

track of all those is an enormous task. It is important to put on the record that, by and large, Centrelink is doing a good job of ensuring the integrity of its payment system, despite some of the problems, in terms of funding inadequacies, that have been highlighted in the debate on other issues related to Centrelink in recent days.

When many people are unable to get through to Centrelink on the basic teleservice line—the most common form of contact—clearly you will have a situation where people are not sure what their reporting requirements are, what they are supposed to report, what change in circumstances they are supposed to report, or they may be unable to get through to report them.

In those circumstances it is not surprising that you get a situation where Centrelink can fine people who are being paid more than what their entitlement is. Often people are not aware that they are supposed to have reported something or they have not been able to get through quickly enough to be able to report that. I think that again highlights the need to increase the amount of services and resources that are available to Centrelink to service their clientele—or their customers, as I think they call them these days—and also to ensure that, when these compliance reports are tabled, every single payment cancellation or reduction is not portrayed, as unfortunately often happens, as the result of some sort of deliberate dishonesty or fraud.

This particular report that I am addressing at the moment outlines 237,000 payment cancellations and reductions over the nine-month period July to March which resulted from 2.2 entitlement reviews—that is, over 10 per cent of the reviews found a mistake in the payment. To suggest that a majority of those people are somehow deliberately trying to defraud the taxpayer is, I think, an outrageous affront to many people who are simply unable to cope with the complexity of the system or who are unable to get the sort of service from Centrelink that they are entitled to. The Democrats believe it is important that that aspect is highlighted. The total number that constitute actual fraud is something well under one per cent; in fact, I think under 0.1

per cent of all overpayments actually end up in prosecutions for fraud.

There are a couple of case studies in this particular report which everyone here would agree, as would everyone in the broader community, are quite gross and outrageous degrees of fraud—one of them totalling over \$305,000. No-one supports that. But what is important is that everybody else who has simply got caught up in the complexity of the social security system is not tainted with that brush. As I said, there are a hell of a lot of social security recipients out there—six million-odd Australians—and it is most unsatisfactory to somehow attach to all of them the stigma of being potential fraudulent claimants. I would urge the government to do more to redress that public perception that they have allowed to occur.

In closing I would say that it is unfortunate that the Senate agreed yesterday to remove the ability for future checking of the data-matching program, which is the basis of a lot of what happens here. Unfortunately, I think we will have to now rely on second-hand type material such as this to try to keep track of some of the activities of the government departments.

Senator FORSHAW (New South Wales) (6.18 p.m.)—I rise to support the remarks of the two previous speakers and make some comments on this report as well. What Senator Bartlett has just said and what Senator West said is absolutely true. Unfortunately, as a result of the government's trumpeting—particularly Minister Newman's trumpeting—of the amounts recovered through various processes, be they litigation or prosecution or simply recovering amounts that may have been overpaid through no fault of the recipient, I think a stigma gets attached to many people that somehow they have defrauded the system. Of course, nobody supports fraud of the system, and we support all measures to stop that.

I would like to reiterate details of one case that was drawn to my attention where, unfortunately, an elderly pensioner couple became the victims of what I believe to be the incompetence and lack of any real concern by this ever increasing computerised system that we

are getting in to Centrelink. I raised these issues at an estimates hearing, as I know Senator West will recall. The case concerned an elderly couple in the Far North Coast of New South Wales who were in receipt of a pension. One of the couple came into property by virtue of a deceased estate and obtained a right to the property as owner of the property but subject to a life interest for occupancy being granted to other people. As a result, this person inherited the asset but, of course, did not inherit the right to immediately make use of that asset by way of sale or occupancy or whatever.

This case was drawn to my attention when this couple in a very distressed state saw me when I happened to be visiting that part of New South Wales. They were referred to me by my good colleague, Harry Woods, the member for Clarence. They were in a very distressed state because they had just received from the agency a notice to pay a total of over \$20,000 within 21 days. The notice also said, 'In default, legal action will be taken against you.' As I sought to ascertain the details, I found that what had happened was that the couple had been to their local Social Security office—this was prior to Centrelink coming into operation—and advised the office of a change of circumstances, no doubt believing that things would be sorted out. They felt they had—and I certainly believe they had—done the right thing.

However, a number of months went by. It appears that it was not until five or six months later, if not longer, that somewhere in the system someone did some calculations and determined that these people not only were no longer entitled to the pension because of a substantial increase in their assets and in certain income they were receiving but, furthermore, they had been overpaid by an amount which I think, from memory, was about \$22,000.

What happened was that there was very little personal contact. No great efforts were made to ring them up and tell them, 'Look, this is a problem. You're going to have to sort it out.' They simply received notices through the post saying, 'Pay this fine.' You can imagine elderly people, let alone any-

body—and this happened just before Christmas last year—getting a bill from Centrelink saying, 'Pay up \$20,000.' Fortunately, I was able to take the matter up. I acknowledge that, when I drew it to the attention of the minister and the Centrelink staff, they very quickly got onto it and I believe got it resolved. It highlights the problem that when you have fewer staff and too many computers unfortunately innocent people get caught and suffer as a consequence. (*Time expired*)

Question resolved in the affirmative.

Australian Defence Industries Ltd

Senator WEST (New South Wales) (6.24 p.m.)—I move:

That the Senate take note of the document.

I am particularly interested in discussing what is happening with ADI at Lithgow. It is quite obvious what is happening with ADI at Lithgow—it is about to be sold off. The sale is in the process of taking place. According to the report:

Expressions of interest in purchasing ADI were called in June 1998 and five groups have been short-listed for the Company's purchase.

This is something that the people of Lithgow have feared for a couple of years now. It is something that the local member for Calare has said he would stop. The local member for Calare is an Independent. His words are just that: no action, no ability to stop it, but he has had a lot of words to say.

Senator Sandy Macdonald—Hear, hear!

Senator WEST—Senator Sandy Macdonald is agreeing with me. ADI at Lithgow is a very important munitions plant. It builds the Steyr assault rifle, a very good rifle, that has been well received by the Army and the other forces within the ADF who use it. There have been attempts to get overseas sales. The report states:

The international market for small arms remains very competitive; however, the Company has been selected for evaluation trials for a new assault rifle for the Philippines and Venezuelan armed forces.

One wonders why the government feels it necessary to sell off this particular part of ADI to the private sector if, as the report says, it is able to compete for evaluation trials for overseas exports. Why is it necessary to

sell it off? It is a question that the government is not able to answer.

The plant came to be many, many years ago. It was at its height during the Second World War when it was producing military weapons and armaments. It still has nearly 100 people employed there. They are highly skilled and do a very specialised job. There is also a significant military museum. I think that museum has sought funds from the Federation Fund or something. I might be wrong on that, but I have a recollection of reading in the local paper that money was being sought for that. The sale is a matter of concern.

The other area of concern that the local people have is in the downgrading of the security at the plant. The numbers of security people have been reduced and, from reports in the newspaper, reduced markedly, which does not allow for adequate supervision which the local people feel is required. I guess their sources of information would have to be from those who are actually doing the job, who are not able to offer the level of security at night that this complex requires.

It is a significant sized complex that is set over a number of acres. The perimeter at one stage runs up into some of the hills at the back of Lithgow and is obscured by trees. Certainly, there are surveillance cameras. But if there are only going to be one or two people there at night, it would be very easy to distract them and gain access to the inside of the building. That has certainly been the concern of some of the local people which the local newspaper has highlighted.

It is a very sad situation that this is up for sale. It is even sadder that the current federal member has built up expectations following the election of this government that he has not been able to fulfil. Lithgow has certainly suffered in recent times with the closure of a couple of collieries. The downturn in the coal industry has led to the closure of the Clarence colliery and a number of the smaller collieries, although some of those have reopened with smaller work forces. We also saw the closure of Berlei.

The council has been working extremely hard to attract further industry to the area.

The council, led by Mayor Gerard Martin, has been very successful in attracting other business and industry to the community. But the last thing that this community needs is to see this up for sale and with no guarantee that the organisation will actually remain as a presence in this community.

It is important that these regional and rural towns continue to maintain their industrial presence. I think this speaks volumes in opposition. It highlights the cruelty and the callous nature of this particular government in their endeavours and also the lack on the part of Independents to do anything.

Question resolved in the affirmative.

Wool International

Senator SANDY MACDONALD (New South Wales) (6.30 p.m.)—I move:

That the Senate take note of the document.

This will probably be the final report of this body, which is charged with selling down the wool stockpile that peaked, as most people interested in the industry will know, in 1991 at 4.5 million bales with a collateral debt of \$2.8 billion. The Wool Realisation Commission was set up by the previous government. The debt was first reduced when it changed the selling program in 1993 by setting up Wool International, and the stockpile was then reduced. Through government alteration to the selling program, the value of the stockpile was attempted to be enhanced.

As a result of the sell-down and present market conditions, especially with the Asian downturn and the problems evident from the stockpile continually overhanging the market, the government has now announced a freeze in Wool International sales and a full privatisation of the remainder of the stockpile. This is a valuable asset. It presently comprises around 1.2 million bales, conservatively providing a wool grower equity, even at these depressed values, at over \$500 million. Grower units held by those who grew wool between 1993 and 1996 are valued at around \$1.50 per Wool International unit. I believe that with the announcement of the privatisation this is a very conservative valuation.

The government's effort is now directed at removing the obstacles to the full commercial management of the stockpile in the interests of its owners. The government's decision to free stockpile sales through to 30 June 1999 will allow the industry some breathing space and an opportunity to focus on the real issues, such as how to increase demand for its product and how to increase farm productivity. As I have said, equity in the stockpile is now significantly higher than the wool debt. There is no ongoing justification for the government to be involved in its management.

Yesterday a bill was introduced into the House of Representatives which starts the process of privatising the stockpile. This will allow it to be managed on a purely commercial basis by a private entity in which the directors will be responsible to the shareholders who own the stockpile. The industry will then be able to take charge of managing its own affairs, a theme consistent with the government's and wool growers' objectives. The government has asked the Office of Asset Sales to examine the most efficient and effective method of transferring stockpile responsibility to Wool International equity holders and keeping costs to a prudent minimum. The government's role will be to hand over the business of Wool International to the new commercial entity, which will shape its commercial activities, including the presentation of a business plan to stakeholders—that is, the wool growers—in line with normal commercial practice.

I thank the board and staff of Wool International for carrying out their legislative duties in a professional and commendable way. I especially commend Dick Warburton and the managing director, Bob Richardson. Theirs has not been an easy task. They had to comply with legislation, and they had to deal with extremely difficult trade conditions. They had to carry on their operations in a falling market at a most difficult time when the stockpile was overhanging the market. The Asian downturn and a number of other factors have made their job particularly difficult. Nobody could have done it better under the terms of their legislative responsibilities. I commend them for it, but times have moved on. Trade

conditions that have persisted over the last nine years have broken the hearts of many wool growers. I hope that they can look forward—I am sure that they can—to a more optimistic future. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Australian Industrial Relations Commission and Australian Industrial Registry

Senator HOGG (Queensland) (6.35 p.m.)—I move:

That the Senate take note of the document.

I refer briefly to this report because peppered throughout it are the workings of the Australian Industrial Registry. In particular, it shows the high workload that the Australian Industrial Registry has had over the last 12 months. Of particular note is the issue of the termination of employment matters and the reporting of termination of employment matters throughout the report. I note, particularly at page 12 of the report, that there were 11,337 lodgments from 31 December 1996 to 30 June 1998. That is a substantial number of lodgments. Of course, it covers a period in excess of 12 months.

Nonetheless, it goes to show that people who have been faced with termination of employment have sought recourse because they feel aggrieved in the fact that they have been dismissed from their employment. It is interesting to see how those matters have panned out. Of those 11,337 matters, withdrawn, settled or otherwise discontinued prior to conciliation were 1,739. That was 15.3 per cent according to the report. Dismissed at the preliminary stage on threshold jurisdiction grounds, including out of time, were 310, or 2.37. So it shows that a very small number of actual matters that had been lodged were dismissed at the preliminary stage, whilst nearly 16 per cent had been withdrawn or settled prior to conciliation. So 18 per cent did not reach the conciliation stage.

That still leaves a substantial number of cases that proceeded to conciliation because there was a difference between the employer and the employee. 'Conciliation' in this table shows settled some 46.3 per cent of the cases,

or just over 5,200. That shows that there is a valid case for employees who feel aggrieved in their dismissal to seek redress of the position they have been placed in. One wonders what sort of regime we would have if the government, as they have announced, get their way and limit those employees who work for employers wherein 15 or less are employed are denied the right to access the same rights as they currently enjoy.

The unfortunate part about this table is that it does not break up how many of those employees who have sought redress are covered by small employers. And my quick perusal of the report does not at any stage give a break-up by smaller employer and larger employer. It nonetheless goes to show how it is important for the employee to be able to seek to challenge the right of the employer to dismiss them where they feel that they have been unfairly dismissed.

So substantially, a major number of the cases have been settled by conciliation or by withdrawal. By my reckoning of the table it is about 64 per cent. So it seems that there are a number unable to be settled, there are a number where certificates were issued and there are 15.6 per cent where conciliations were not finalised.

The other interesting aspect of the report, just turning away from the termination of employment for one moment, is the workload of the commission itself. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Privacy Commissioner

Senator COONEY (Victoria) (6.49 p.m.)—
I move:

That the Senate take note of the document.

There is an ever growing need to address the issue of privacy in the private sector. We have provisions that protect sensitive information that is held by government, but the proposition that this particular administration puts forward is that privacy in the private sector should be left to self-regulation. That is a gap in the proper protection of what we as citizens are entitled to expect.

It is interesting to note that the European Union directive on movement and trade of data came into force on 25 October this year. Now nations in the European Union will not transfer personal information to countries with inadequate privacy regulation. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to government documents were considered and not debated:

Family Law Council—Report—Parental child abduction, January 1998. Motion to take note of document moved by Senator Bartlett. Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

Family Law Council—Report—Child contact orders: Enforcement and penalties, June 1998. Motion to take note of document moved by Senator Bartlett. Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

Australian Sports Drug Agency—Operational plan 1998-99. Motion to take note of document moved by Senator West. Debate adjourned till Thursday at general business, Senator West in continuation.

Private Health Insurance Administration Council—Report for 1997-98. Motion to take note of document moved by Senator West. Debate adjourned till Thursday at general business, Senator West in continuation.

Veterans' Review Board—Report for 1997-98. Motion to take note of document moved by Senator Bartlett. Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

Social Security Appeals Tribunal—Report for 1997-98. Motion to take note of document moved by Senator Bartlett. Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

Australian National Training Authority—Australia's vocational education and training system—Report for 1997—Volumes 1, 2 and 3. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Australian Institute of Aboriginal and Torres Strait Islander Studies—Report for 1997-98. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Australian Wool Research and Promotion Organisation—Report for 1997-98. Motion to take note of document moved by Senator Conroy. Debate adjourned till Thursday at general business, Senator Conroy in continuation.

Australia New Zealand Food Authority—Report for 1997-98. Motion to take note of document moved by Senator Conroy. Debate adjourned till Thursday at general business, Senator Conroy in continuation.

Australian Institute of Health and Welfare—Report for 1997-98. Motion to take note of document moved by Senator West. Debate adjourned till Thursday at general business, Senator West in continuation.

Repatriation Commission, Department of Veterans' Affairs and the National Treatment Monitoring Committee—Reports for 1997-98, including reports pursuant to the *Defence Service Homes Act 1918* and the *War Graves Act 1980*. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Department of Primary Industries and Energy—Report for 1997-98. Motion to take note of document moved by Senator West. Debate adjourned till Thursday at general business, Senator West in continuation.

Public Service and Merit Protection Commission and Merit Protection and Review Agency—Reports for 1997-98. Motion to take note of document moved by Senator West. Debate adjourned till Thursday at general business, Senator West in continuation.

Australian War Memorial—Report for 1997-98. Motion to take note of document moved by Senator O'Chee. Debate adjourned till Thursday at general business, Senator O'Chee in continuation.

Affirmative Action Agency—Report for 1 June 1997 to 31 May 1998. Motion to take note of document moved by Senator Crossin. Debate adjourned till Thursday at general business, Senator Crossin in continuation.

National Science and Technology Centre (Questacon)—Report for 1997-98. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Immigration Review Tribunal—Report for 1997-98. Motion to take note of document moved by Senator Bartlett. Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

National Occupational Health and Safety Commission—Report for 1997-98. Motion to take note of document moved by Senator Bartlett.

Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

Department of Foreign Affairs and Trade—Report for 1997-98. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Australian Sports Drug Agency—Report for 1997-98. Motion to take note of document moved by Senator West. Debate adjourned till Thursday at general business, Senator West in continuation.

Comcare Australia, Safety, Rehabilitation and Compensation Commission and QWL Corporation Pty Limited—Reports for 1997-98, including reports pursuant to the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Royal Australian Navy Relief Trust Fund—Report for the period 1 January 1997 to 30 June 1998. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Department of Health and Family Services—Report for 1997-98, including reports on the administration and operation of the Commonwealth Rehabilitation Service and the Therapeutic Goods Administration. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Department of Immigration and Multicultural Affairs—Report for 1997-98, including reports pursuant to the *Immigration (Education) Act 1971* and the *Australian Citizenship Act 1948*. Motion to take note of document moved by Senator Bartlett. Debate adjourned till Thursday at general business, Senator Bartlett in continuation.

Health Services Australia Ltd (HSA)—Report for 1997-98. Motion to take note of document moved by Senator West. Debate adjourned till Thursday at general business, Senator West in continuation.

Insurance and Superannuation Commission—Report for 1997-98 (Final report). Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Employment Advocate—Report for 1997-98. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Department of Workplace Relations and Small Business—Report for 1997-98, including a report pursuant to the *Workplace Relations Act 1996*. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Agreement-making under the Workplace Relations Act—Report for 1997 and update: January to June 1998. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

Human Rights and Equal Opportunity Commission—Report for 1997-98. Motion to take note of document moved by Senator Hogg. Debate adjourned till Thursday at general business, Senator Hogg in continuation.

General business orders of the day nos 2, 6-11, 13, 14, 17-24, 26, 30-32, 35, 39, 41, 43-47, 49-51, 55, 56, 59-69, 71, 73, 76, 77, 79-82, 84-86 and 88-90 relating to government documents were called on but no motion was moved.

COMMITTEES

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Order! The time allowed for the consideration of government documents having expired, we will now move to the consideration of committee reports and government responses.

Economics References Committee

Report

Senator JACINTA COLLINS (Victoria) (6.52 p.m.)—I move:

That the Senate take note of the report.

Creating opportunities: promoting Australian industry is a report of the considerations of the Economics References Committee and of deliberations for a period of about 18 months in a broad-ranging inquiry into industry policy in Australia. Evidence given to the committee showed that while Australia's manufacturing output has increased in recent years, the numbers employed in manufacturing have remained stagnant. Witnesses expressed concern about the continued lack of growth in manufacturing employment. The committee, in response, proposed that industry policy should be designed to provide high growth rates in the long term for Australia's benefit.

This report was tabled out of session, and associated media reports were released at that time. The importance of today's comments is

to thank—and acknowledge the contribution of—all those involved in this inquiry: my fellow committee members, the organisations and individuals who lodged submissions, Dr Ian Marsh for his assistance in the committee's deliberations, and the secretariat for its support to the committee. This was quite a lengthy inquiry that involved significant input from the economics references secretariat. The secretary, Mr Rob Diamond, research staff, Mr Tas Luttrell, who has assisted the committee with his economics expertise, Yvonne Marsh, who left the committee in its early stages, Graeme Fawns, and executive assistant, Paula Arnts, all made a significant contribution to our concluding this inquiry in a very timely way in terms of finishing the last term of the government. It was certainly an inquiry which we wanted to make sure we concluded and did not leave hanging or indeed pass over to a new committee.

The Senate referred the inquiry into promoting Australian industry on 11 December 1996. The terms of reference required the committee to consider the necessary elements of efficient and effective industry policies, including the effectiveness of existing industry policy in key sectors. The committee also looked at several key industry sectors: pharmaceuticals, motor vehicles and vehicle components, and the wine industry. It drew several key themes from looking at those sectors. For instance, the apparent success of the wine industry took a lot of consideration from the committee in terms of what sort of support had led to that success.

The committee was also required to examine initiatives for the design, implementation and evaluation of specific industry policies, and the barriers and impediments to such policies. Finally, the committee was asked to review appropriate criteria for review and evaluation of industry policy, including any specific research and measurement systems.

The committee conducted a number of public hearings and site inspections, and received private briefings from departmental representatives but also the Metal Trades Industry Association and the Economist Intelligence Unit. As I mentioned, the com-

mittee received assistance from Professor Ian Marsh of the Australian Graduate School of Management at the University of New South Wales—both through his submission and as a consequence of how impressed the committee was with that submission in the framing and finalising of the report.

A point to note about the recommendations of the committee is that industry policy has been an area where there have been quite divergent views and a number of inquiries during this inquiry but also prior to it. In one sense, this inquiry followed much of that debate. A point that was highlighted at the time the report was released is that the committee itself was able to come to a consensus position on the recommendations that we thought were appropriate to the future of industry policy. I think that is quite a significant point in terms of the subject matter that we were considering and the issues that were covered within the broad framework of what is considered to be industry policy.

The committee proposed a national approach involving all relevant parties and seeking a consensus on major issues, with the view that a consensus and a vision for the future are what Australia needs in relation to the match of industry policy, economic issues and social issues. It found that, for Australia, a balanced approach, avoiding the extremes of outright protectionism and complete non-intervention, is most likely to be successful.

The policy mix proposed involves elements of both approaches: using intervention where appropriate but involving also extensive collaboration between industry and government. This approach led to one of the most important recommendations by the committee, which proposed that Australia should have a national policy for the manufacturing sector and that it should be developed by consensus between all relevant parties. Cooperation between industry and government is regarded as an essential feature in this process. Where industry assistance is given, the committee proposed that it should be subject to strict cost-benefit analysis and regular review.

Several recommendations relate to improving Australia's standing as an investment location. The committee noted the need to

expand the Australian venture capital market to make investment funding more readily available and to adopt policies that encourage long-term investment. The committee also considered that attracting investment should be a key focus of any tax reform package.

The committee recommended that Australia's focus for future development should be on industries with potential in a number of specific areas. They should be industries which: add substantial Australian value to the final product; have a high degree of income and market elasticity of demand; and have the capacity to provide substantial employment opportunities in medium-highly skilled occupations. This is the focus we need to have on the future.

One of the main recommendations is for the establishment of an independent agency to advise and evaluate industry policy. The agency would be independent of the bureaucracy, but accountable to parliament. Its advice would be referred to the government for decision and then to the departments for implementation.

The committee was anxious to see industry policy formulated on a long-term basis and made independent of the electoral cycle. Evidence given to the committee indicated that such an approach would provide a solid foundation for companies to undertake the long-term planning essential in the manufacturing field.

Other main issues arising from the report included the need for a process to oversee government procurement and outsourcing practices, particularly in key industries. The committee noted that practices in these areas should not disadvantage local industries, particularly in regional Australia. The committee believes that government policy should give preference to Australian products when other things are equal. It believes that these areas should be used as a tool of industry policy to the extent permitted by the WTO and of course by cost effectiveness.

The other main factor considered by the committee was the question of government encouragement for research and development. Evidence given to the committee made it clear that the ability of firms to compete in

the marketplace is directly affected by their ability to be innovative in areas such as production methods, marketing and the provision of services. Recommendations on this topic covered the desirability of suitable tax concessions, maximising the likelihood of commercialisation of new products and processes, continuation of technology transfer programs, and encouragement of industry research consortia.

I conclude my comments by saying that this inquiry was a very productive one, particularly given that it followed the committee's inquiry into the workplace relations bill, which we will all recall was a very contentious inquiry. I wish the committee success, particularly with the future projections that it may well be dealing with the GST inquiry.

Senator FERGUSON (South Australia) (7.02 p.m.)—I want to support the remarks made by the chair of this committee, Senator Collins, and particularly to thank her for her efforts in the conduct of this inquiry. I want to say a word or two because I understand Senator Collins may not be chairing this committee with the reallocation of portfolios that is happening at this time. Although the final decisions have not been made, it is just possible that Senator Collins may not be chair of the Economics Reference Committee for this parliament, and I would like to thank her, particularly for her cooperation and the manner in which we were able on many occasions to come to agreements and adopt a bipartisan approach to many of the issues that were involved in this particular report. When she first took over the chairmanship of this committee, it is fair to say she was thrown to the wolves is a bit with the industrial relations inquiry being, I think, the first inquiry that she—

Senator Jacinta Collins—Outworkers.

Senator FERGUSON—Sorry, she was there for the finalisation of the outworkers inquiry, and then for the industrial relations legislation inquiry. It was certainly not very easy for a reference committee to take a bipartisan approach to many of the issues that came under consideration with this piece of legislation. Of course, I made my views quite clear that I thought it was a piece of legisla-

tion that should have gone to a legislation committee rather than a references committee. But, in fact, throughout the conduct of that inquiry, which was a difficult one, Senator Collins learned the ropes very quickly as chair of that committee. Since that, on other inquiries we have done and particularly on this industry inquiry, I have found it a pleasure to work with her. I wish her well if she does move to another committee which more suits the reallocation of portfolios and her interests.

This particular inquiry into industry was brought about, I think, by the enthusiasm of Senator Bishop and some others, who at that stage wanted an inquiry into the future of Australian industry and the role that government should play in matters relating to industry. We had a considerable number of submissions. From the outset we were determined to look at why it was that some industries were successful without any or with very little government support while others seemed to require government support in order to survive or to succeed.

I think, to that end, this report, which took a long time for us to eventually finalise, does say a lot of good things about what should happen to industry in Australia. It is one I know the government will take notice of and will take care when responding. While of course there was not a unanimous view amongst the committee as to the direction we should take, there were a number of issues and recommendations on which the committee worked at length to make sure that we had a bipartisan approach. In fact, government senators, opposition senators and the Democrat member, Senator Murray, came to an agreement on many of the issues that were raised during this inquiry.

It was very interesting. Senator Collins I know has raised the issue of the wine industry around Australia and how it has been a great success. It has been a success with less government support than perhaps many other industries get. It is not without support, but I think it has grown because of its own particular strengths and maybe the idiosyncrasies of the market that we are in at present. I well remember a couple of memorable visits that

we made during that inquiry to the Barossa Valley in my home state and the generous hospitality that we received. In fact—if it is not wrong for me to say this—Senator Collins was introduced to some very fine quality red wine by some of our very excellent wine-makers in South Australia. I certainly remember that part of the inquiry as one of the pleasurable times.

Once again, the secretariat staff did an outstanding job on this industry inquiry and on the report that they have produced with some professional help. The work has been done by the outstanding secretariat staff on the economics committee, with Rob Diamond as the secretary and other members of the staff, who I will not mention by name. I have been involved with this secretariat over a number of inquiries in the last six years. I think their work is probably as good as any that I have ever seen done by any of the secretariats of the Senate committees that I have ever worked with. I hope that they will accept those words in the way that they are meant, because it can be very difficult when the pressures are on to get a report out on time, to get everything in that everybody wants and to cater for the different requirements or the different views of sometimes eight different senators—because some of us within our own parties have differing views as to just how a report should finally read when it comes to be presented to the Senate.

Can I say that this was a very interesting and important inquiry. I look forward to the government's response to the recommendations that have been made and to its reaction, particularly to the bipartisan areas of this report. When we do get that response, we will read it with interest. I hope that the work that has gone into this inquiry will be well worth while. Once again, I thank Senator Jacinta Collins, as chair, for her input, and also the secretariat staff and all the members on the committee, who worked so cooperatively to get to the final stage that we did.

Question resolved in the affirmative.

**Migration Committee
Report**

Senator BARTLETT (Queensland) (7.10 p.m.)—I would like to speak on the Joint

Standing Committee on Migration report into immigration detention centres inspection, which was tabled in August this year. I move:

That the Senate take note of the report.

This report is from a committee that performs a valuable role. Given the complexity and importance of migration issues and also the current level of interest within the community, there is a lot of potential for the committee to do a lot more of this valuable work. The committee is ably chaired by Mrs Chris Gallus, the member for Hindmarsh, and the deputy chair from this chamber is Senator McKiernan. They both put a lot of work into this, and I accompanied them to three of the four detention centres that were inspected by the committee.

The rationale for making these inspections was that many criticisms had occurred in recent times of existing practices with detention centres, probably most notably from the Human Rights and Equal Opportunity Commission in its report, *Those who've come across the seas: detention of unauthorised arrivals*, which is critical of aspects of the present system. Also, the National Audit Office has released a report on the management of boat people. As I understand it, the Attorney-General has not yet responded to the HREOC report. Certainly, the Democrats would be very interested to hear the response of the Attorney-General to many of the issues that were raised in that report.

Obviously, it is a difficult issue for government to address the need to ensure that people who are detained are adequately treated, while also recognising the difficulties in terms of budgetary constraints. Perhaps one of the interesting points in terms of the timing of the inspections of the committee was that they were conducted not long after the Australian government entered with Australasian Correctional Services into a contractual arrangement that related to the provision of detention, transfer and removal services at detention centres around Australia, and the service delivery arm of ACS had not too long before assumed control of those functions. So it was probably an opportune time to inspect in a bit of detail the actual operations of the centres.

It is fair to say that the committee, broadly speaking, was not overly dissatisfied with the nature of the facilities that were provided to people. There are issues that need to be addressed in terms of access to legal services in particular. The Department of Immigration and Multicultural Affairs states that requests from newly arrived detainees for access to lawyers are adhered to, but that this is not a proactive operation, in the sense that newly arrived detainees are not necessarily made aware of all their potential legal rights and the services that may be available to them. According to the department, that befits its legal responsibilities—which it may well do, but I guess one of the things there is whether or not the department could be a bit more proactive in that regard.

Overcrowding is another issue that is relevant, particularly at the time of inspection of the Perth facility, which is actually at Perth airport. It is a very small facility, possibly suitable for a short-term stay, but any stay over a month or so is very problematic. It is not really suited for that. At the time that the committee inspected it, it was pretty much at its limit. By contrast, Port Hedland, which in the past has had some attention drawn to it because of crowding there, was actually almost deserted. Obviously, an issue there is ensuring appropriate filling of the various centres, with people not being in places that are not appropriate for excessive periods of time.

One of the big issues, of course, is the length of detention. The report does have some figures in relation to that. Whilst a quarter of detainees are released within two weeks, half in less than two months and three-quarters within six months, obviously those who are there for longer than that—and according to the report about 11 or 12 per cent are in detention for more than a year—are in a problematic situation which obviously needs to be addressed.

There is some interesting material in the report in terms of the estimated length and composition of overstayers. It was interesting to note that, in terms of actual numbers, the country with the most overstayers is the United Kingdom at nearly 12 per cent and

next at just under 10 per cent is the USA, which may be a bit different from some people's perceptions.

Another issue that needs to be addressed in relation to detention centres is the further exploration of the opportunities for enabling people to be out in the broader community whilst their status is determined. Obviously there are circumstances where some people do need to be detained, but there are a number of people who are not detained who are operating, have contact and are supervised out in the general community. More consideration needs to be given to exploring that option.

On a related issue, many in this situation are people who are seeking asylum or refugee status, and I briefly refer to changes that the government has recently made in this regard that make it more difficult for those people to survive while they are here trying to explore their legal rights. That is a matter for debate in the Senate when we come back in a week or so, so I will not go into it at length now, but it does link back to the reality of the people who are in these centres. They are not necessarily a whole swag of people who are cunningly trying to rot the system. It is a major step for people to try to travel to another country and potentially uproot their whole existence.

Whilst obviously I am not denying that some people do try to rot the system and sneak through—and obviously we need to be as strong as possible in ensuring that such people and organised immigration rackets are identified and cracked down on, and I was arguing earlier about social security issues and the tarring of everybody with the potential fraud brush—it is important not to tar all the overstayers and all the people who are seeking refugee status as people who are out to deliberately rot the system. In terms of trying to address what I do acknowledge is a real issue of people trying to rot the system and deliberately overstay, I hope the government does not scoop up other people who are not deliberately doing the wrong thing.

So I do commend the report to the Senate and also the work of the joint standing committee as it does do a lot of valuable work. It has a useful contribution, and hopefully it will

be an ongoing contribution to examining the conditions and the operations of detention centres around Australia and ensuring that some of those problem areas such as overcrowding and access to legal services are continually monitored and improved. I do look forward to the government's response to some of the more specific concerns raised by the Human Rights and Equal Opportunity Commission report.

Question resolved in the affirmative.

Information Technologies Committee

Report

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (7.19 p.m.)—I move:

That the Senate take note of the report.

I rise briefly to comment on the report of the Senate Select Committee on Information Technologies entitled *The need for the committee in the thirty-ninth Parliament*. The chair's report certainly concludes that the committee should continue, and Senator Jeannie Ferris proposes that the Senate re-establish the Senate Select Committee on Information Technologies during this parliament. I support that recommendation with condition, as I have outlined in an additional report to that committee.

Briefly, I strongly supported the establishment of a Senate select committee to deal with the rapidly expanding issue of information technology. Previously in the Senate we have not been necessarily constrained but we have not necessarily undertaken reports into and examined some of the issues facing the information society.

I note that the government has looked at the information economy in some detail in recent months, especially with the appointment of a minister with that portfolio responsibility. But I have been very concerned that as the community and also specifically as legislators we have not undertaken an examination of some of those vital ethical, community, social, economic as well as technical issues in relation to IT.

It is an area in which it is very easy to leave people behind in some of these debates.

Technological advances are taking place in leaps and bounds. It is an extraordinary development. There are a number of issues that we should be examining in relation to those changes such as who in our community has access to information technology, how we can use the electronic technologies and information technologies to benefit our community as a whole both economically and socially and in relation to education.

That is why during the early life of this committee I put forward a number of suggestions for committee inquiries. They included looking into issues like e-commerce, encryption and related issues—be it the need for uniform minimum standards or the impact on our consumer society of e-commerce and encryption—the international electronic community, what is it, what role do we play in it, and the opportunities for Australia to expand its role, or certainly its role in the beneficial aspects of this economy.

I also put forward as a possible area for inquiry the domination of the information society, again relating to access but also questions as to whether or not the information society is being dominated—certainly an issue being grappled with in the United States and something that Microsoft and Mr Bill Gates are having to deal with in a legal context at the moment.

There was also equity and justice, again relating to access. I think the Internet, for example, is an amazingly democratic medium. For that reason I am particularly proud to have been the first person to have put forward an electronic petition in the federal parliament in 1997. That was a great honour, but I think it should be almost a thing of the past now. We as members of parliament should be increasingly using IT for the work that we do and also for increasing our accountability and our accessibility to those people who elect us, our constituents. Going home to emails is a nightly, if not laborious, occurrence these days, but I suspect that economically literate members of our community will increasingly contact their elected members through such processes. So there is a very clear role for a committee to examine the democratic aspect of information technology.

Intellectual property law is something that we deal with on a regular basis in this parliament. How is that going to be affected by rapidly expanding technologies? What role is there for the parliament in organising education of our community? What role is there for the parliament in determining some kind of legislative framework for the Internet? Conversely, there may be no role. We may decide that self-regulation is appropriate for information technology. I suggest that regulation to a degree is appropriate to deal with issues like e-commerce, encryption and access. However, I am a very small liberal in my views when it comes to censorship. I believe the Internet is a wonderfully democratic medium for many reasons and one of them is that it cannot necessarily be censored or controlled. That is not to say that the Democrats support minors having access to information that is currently illegal or censored, for want of a better word, in other environments. Of course we do not want minors to have access to information that is X- or R-rated, as the old categories would have it.

Intellectual property laws and the possible adverse effects of the information society—for example, the detriment of introducing new technologies into the community—are issues that I put up for possible investigation. That would mean examining some of the fears, some of the apprehensions, that members of the community have about IT, its role in the workplace, its role in the community generally and whether it would mean job losses and whether it would mean in an education context that the face-to-face benefit of tutorials or lectures would be replaced by information or IT modes in the future.

So these are some of the information technology issues that I would have liked to have seen examined by the committee. As I note in my additional report to the select committee, these are value judgments. Everybody who participates in a committee has different ideas as to what priorities should be undertaken by a committee and clearly mine were not the same as some of the other members of the committee or, if they were, they certainly did not find their way to the top of the agenda on this occasion.

We did pursue the issue of regulation in relation to privacy and specifically the media and the communications sector. My problem with the committee pursuing this agenda was not the issue of privacy and self-regulation because, as I will outline in the adjournment debate tonight, I have very strong views about privacy—in fact, I feel very strongly that the Privacy Act should be extended to ensure that people's information is protected specifically in the private sector as well as in the public sector—but my concern was the definition of information technologies as the media. We seem to almost duplicate something that is already occurring. I note—and certainly Senator Eric Abetz, who is in the chamber tonight will be able to confirm this—that the Senate Legal and Constitutional Committee is presently investigating the rights and obligations of the media and in particular the right to privacy and the right to know. It is a very worthy inquiry and one befitting the legal and constitutional committee. It is not one that should be pursued by a select committee on information technology.

I conclude my remarks by saying that I am really excited—I was more excited with the advent of this committee—that we were showing the community that the Senate in particular has a keen eye to the future, that we are particularly interested in looking at what legislative framework should be developed by the Australian parliament in relation to IT, that we want to examine those beneficial and adverse social, economic and other effects of information technology in our community. But I am a little concerned at the direction that the committee has taken. I conclude by stating that my support for the continuation of such a committee is conditional upon the fact that the committee actually pursues information technology, as was its brief. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to committee reports and government responses were considered and not debated:

Public Accounts and Audit—Joint Statutory Committee—Report 363—Asset management by

Commonwealth agencies. Motion to take note of report moved by Senator Hogg. Debate adjourned till the next day of sitting, Senator Hogg in continuation.

Rural and Regional Affairs and Transport Legislation Committee—Interim report—Matters relating to Australian Quarantine and Inspection Service and Integrity Rural Products Pty Ltd (Messrs D & H Hewett). Motion to take note of report moved by Senator Forshaw. Debate adjourned till the next day of sitting, Senator Forshaw in continuation.

Rural and Regional Affairs and Transport References Committee—Interim report—The effects of pricing and slot management arrangements at Kingsford Smith Airport on regional airlines and communities. Motion to take note of report moved by Senator Forshaw. Debate adjourned till the next day of sitting, Senator Forshaw in continuation.

Legal and Constitutional Legislation Committee—Interim report—Genetic Privacy and Non-discrimination Bill 1998. Motion to take note of report moved by Senator Bartlett. Debate adjourned till the next day of sitting, Senator Bartlett in continuation.

Legal and Constitutional References Committee—Interim report—Commonwealth privacy legislation. Motion to take note of report moved by Senator Bartlett. Debate adjourned till the next day of sitting, Senator Bartlett in continuation.

Employment, Education and Training Legislation Committee—Report—Provisions of the Education Services for Overseas Students (Registration of Providers and Financial Regulation) Amendment Bill 1998. Motion to take note of report moved by Senator Bartlett. Debate adjourned till the next day of sitting, Senator Bartlett in continuation.

Employment, Education and Training References Committee—Interim report—Inquiry into the effectiveness of education and training programs for Indigenous Australians. Motion to take note of report moved by Senator Bartlett. Debate adjourned till the next day of sitting, Senator Bartlett in continuation.

Orders of the day nos 3, 4, 6-8, 11, 13, 15 and 19-21 relating to committee reports and government responses were called on but no motion was moved.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Knowles)—Order! It being 7.28 p.m., I propose the question:

That the Senate do now adjourn.

Sinclair, Rt Hon. Ian

Senator SANDY MACDONALD (New South Wales) (7.28 p.m.)—I cannot miss the opportunity this week to say something about Ian Sinclair, who left this parliament on 3 October after 35 years as the member for New England. Under the convention of Westminster parliaments, he remained Speaker of the House of Representatives until midnight on Monday of this week. Ian Sinclair's political career has spanned nearly four decades from Prime Minister Menzies to Prime Minister Howard. His time here has been well documented since he entered the ministry a mere 18 months after entering the parliament. I think I can say with some legitimacy that, at a different time or with a different party structure, he would have become Prime Minister.

The impression he left and created wherever he went in the world is the same. In 1995 I went to the European Parliament and I sat beside a German member of the European Parliament who had been in the Bundestag and his father had been in the Reichstag. He said to me, 'That leader of your party, the leader of the national agrarians, if he had been in Germany, he'd have been the Chancellor.' I think that was an impression that Ian Sinclair created wherever he went.

To most of us on our side of politics, and a surprising number on the other side, he has been a friend, an adviser, a confidant and a mentor. He is simply a remarkable Australian. Throughout his 35-year career in public life, where he has endured a fair amount of turbulence, it will be the good and creative things he has done for which he will be thanked and remembered, always with the style and dignity we all know. Ian was an outstanding school boy. He was head boy at Knox Grammar, the school with which he maintains contact. He was a fine sportsman and pianist and, throughout his life, he has been lucky enough to have a natural intelligence that few can better.

I have known Ian for 32 of his 35 years in parliament, but I have known of him for a little longer. I shared this otherwise unrecorded anecdote with the National Party room the other night. When Ian sought preselection for

New England over 35 years ago—in fact, in 1962—so did my late father. I was only about eight at the time and I could not understand the comings and goings of my parents for many nights in a row and the tenseness and whispering that ensued. My childhood mind was concerned that maybe my parents were under some sort of marital stress. It was much later that I realised that they were going through the difficult Country Party preselection, which history shows was won by Ian Sinclair. My father had never been beaten by anything before, or since for that matter. He went on to make a good contribution in public life in another way, and he and Ian remained good friends for the rest of his life.

I met Ian when my primary school went to Old Parliament House in 1967. Ian took us around and I later got to know him well as my political involvement grew. We have shared at least one flight to or from Tamworth each week during the last 5½ years of my time in the Senate and we have developed a unique comradeship that only close political allies understand. I shall miss him and Rosie, both of whom command such charm that they can lift a room whenever they enter it. To have had one terrific wife is more than most of us can hope for, but Ian has had two. His late wife Margaret, Rosie and all their children are fine people who have all been contributors in a way that is making Australia a better place. No parents can have a better judgment than that.

Spending a little time with Ian as I have over the years has given me the opportunity to assemble what I might call his ten commandments for political success. I guess I have used a little licence in these. I think it is probably appropriate that I share some of them with the Senate tonight. Firstly, always be pleasant and well mannered. Even in politics it will get you a long way. Secondly, do not ever commit anything to paper. Say it in diamonds, say it in mink but never, ever say it in ink. This was a particular favourite with the CWA ladies. Thirdly, never explain, never complain and never resign. Fourthly, never talk about your overseas trips and never say where you have been or where you are

going. Fifthly, never tell people how busy you are. They expect politicians to be very busy.

Sixthly, always make a very big entry into a function but leave as unobtrusively as good manners permit. Seventhly, forgive but do not forget. Senators needing explanation to that rule can perhaps take the time to ask Neville Wran or Frank Walker. Eighthly, always remember that in politics tomorrow is another day. Certainly, you can never say never. There are more, but I have probably revealed enough of his secrets.

Ian has an undying love of politics. However, he said to me a couple of times, 'Sandy, there are many things I would like to do outside politics,' to which I have always replied, 'If that's the case, Ian, you would have done them by now.' Now he has that chance and I wish him and Rosie all the very best for the next exciting chapter of their lives. Australia is fortunate indeed to have had their contributions so far.

Regional Forest Agreements

Senator MURPHY (Tasmania) (7.35 p.m.)—Tonight I want to dwell on an issue that has been somewhat of a perennial issue for me, and it relates to forestry. What draws me to this is an announcement I have read about in the Tasmanian papers relating to a forest plan for the future. As we in this place know, we had a national forest policy statement that was to lead to the formation of regional forest agreements in respective states and regions. That, in effect, was to resolve much of the heartache that had occurred over forestry related issues and the differences between commercial forestry activity and the environment. The RFA process itself was supposed to create many jobs.

I want to deal more specifically with my own state, but I will make reference to at least Victoria and New South Wales in this context. The regional forest agreement that has been signed in Tasmania was supposed to deliver a number of jobs, and it has not. With the regional forest agreement being signed, there was a removal of export woodchip controls, the argument being that, once the agreement was in place, it would designate particular uses for the commercial wood taken

from the forests and we would therefore see greater downstream processing in this country leading to a lessening of export woodchips. That has not happened either. The reality is quite the opposite.

We had those export controls initially so that we would not allow an industry, which was very short-sighted and very inward looking, because its focus primarily was servicing the domestic building industry, to destroy forests just for the purpose of shipping them offshore in the form of woodchips only to see them come back in the form of paper. As I said, the RFA process was supposed to give rise to downstream processing. Let us just deal with that in terms of sawmillers. When a sawmiller takes a log from a forest and cuts it up into timber there is some residual waste. That is subsequently chipped and the sawmiller will endeavour to sell that as export woodchips or woodchips for the purposes of domestic use. In the main, they are sold to woodchip exporters.

There are about four or five export licences in Australia at the moment that have reasonable size contracts to export woodchips to various companies overseas, primarily to Japan, which is one of the biggest buyers of Australian hardwood woodchips. What happens in my state is that sawmillers, who are really the ones trying to downstream process, do endeavour to sell their residue in the form of woodchips or in the form of residual offcuts to the woodchip mills, which then chip them and put them into woodchips. You would think that any forestry corporation or any state forestry authority would take a view that it would be an obligation for those companies that have the export licences to take that residual waste, but not so. It was not so before the RFA, and it is not so now. In fact, it is less so now than it was before we had a regional forest agreement.

The forestry minister in the new Labor government in Tasmania—the first time we have had a majority government for four years—has announced a new plan. In reading that plan I had hoped that we would see some significant changes. But the Forestry Corporation's plan does not read too much different from the ones I have read for the

past 10 years. Indeed, I am very disappointed in the Forestry Corporation and what they propose. Unless they change their ethos, unless they take the steps to instigate the changes that are necessary, as has been the case up until now, no plan announced by them or any government will be worth the paper it is written on.

I want to give an example of a company that came to Tasmania in 1992 with a proposition to establish three wood flitching mills around the state in association with existing woodchip mills. Before I give that example, I want to refer to this plan that has been announced. It says:

Advertisements will be placed in local and national newspapers calling for expressions of interest in developing integrated merchandiser flitch mills within state forests in the north-west near Smithton and in the south near Huon.

They are going to call for expressions of interest. Let me remind the Forestry Corporation of Tasmania that in 1992 they had an expression of interest, but what did they do with that expression of interest? The person to whom the company belonged sought to purchase around 500,000 cubic metres of logs that were currently being woodchipped. Initially, the Forestry Corporation said, 'Yes, we will sell you that wood.' Indeed, they wrote to the person and said, 'Yes, we will sell you the wood, but there are some conditions that will apply. You will be responsible for selling residue.'

For senators who do not know, when you produce wood flitches—it is a piece of square long wood—you produce significant amounts of residue from low grade logs. So the Forestry Corporation said to this person, 'You must accept responsibility for selling the residue'—which could have been as high as 65 per cent to 70 per cent of the wood cut—to the export woodchippers. But, in doing so, you cannot interfere or impact upon the contractual arrangements that we have with those exporters.' That is, any contract that exists between the Forestry Corporation of the state and the woodchippers, in terms of the purchase of round logs, cannot be interfered with. So the person went to the woodchip companies and sought an agreement to sell the wood. They said, 'Yes, we will buy the wood.' They

wrote a letter and said, 'Yes, we will buy the wood, but the wood must form part of the Forestry Corporation's volume that they sell to us.'

What does this person do? What does this company do when it is being told by the Forestry Corporation, the manager of the public wood resource in my state, that it cannot sell the wood if it interferes with its contractual arrangements with the wood supplier for the company that is turning wood into woodchips. The company says, 'We will buy the wood, providing it forms part of the tonnage that we buy from forestry.' Any responsible corporation or government would have said, 'Listen, you are going to take this wood and it will form part of the tonnage we sell.' That was the whole intent of the national forestry policy statement. That is the intent of the regional forest agreement. That has not occurred. It gives the appearance at this point in time that that is not going to occur under the new government.

I have done a lot of filming in recent times in the Tasmanian forests, the video footage of which will be made public. I expect any responsible government—even at the national level—to take a very serious look at what is really happening in the forests of our state because it is being repeated in at least two other states. It is a very serious matter. It is one that we should not accept—no government of any political persuasion should accept what is happening. It is just not good enough and we need to make proper change.

Sinclair, Rt Hon. Ian

Privacy

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (7.46 p.m.)—First, on behalf of the Democrats, I would like to add to Senator Sandy Macdonald's words this evening when he was paying tribute to our former Speaker, and now, indeed, former member, Ian Sinclair. I should add that not only was he a head boy at his school, he was also one of the head boys of the Constitutional Convention in February this year. I think everyone joined in complimenting him on the dignified and witty manner in which he conducted proceedings.

On a lighter note, he is also a delightful *Good News Week* guest and, on occasions, a panel member. Did you also notice that Senator Macdonald broke one of those cardinal rules not to talk about overseas delegations when he talked about how well-received Mr Sinclair was in the German parliament!

Tonight, I rise to talk about the issue of privacy. This issue has come a long way in the last couple of years, but the government has been left a long way behind. In these travels, of course, the Australian Democrats have had a place in making privacy an issue and we are going to continue to pursue privacy as an issue of fundamental human rights.

Back in the days of the Australia Card debate, the Labor government tried to introduce a universal and unique identifier for every Australian. Despite several attempts, this policy was never introduced. In its place, the Labor Party introduced tax file number legislation and the Privacy Act in 1988. The Privacy Act was a slow response to legislated privacy rights that feature in the now 50-year-old Universal Declaration of Human Rights, as well as in the Convention on Civil and Political Rights, and in a range of Australian state laws from the early 1970s onwards.

When the government's privacy bill arrived in 1988, the Democrats moved amendments which would have extended the operation of the bill to all sectors of the Australian community. These amendments also would have brought the bill up to the standards set by the OECD in 1982. Unfortunately, these amendments were rejected by the government of the time and by the opposition. Ten years on, we have the Labor opposition now supporting private sector privacy. I note that Senator Barney Cooney made that point in his comments tonight on government reports. Indeed, I have heard Labor members complaining that the Australian law does not meet OECD standards and they have chastised the government for the slow pace of change or reform on privacy legislation.

While this government, the coalition government, made an election commitment back in 1996 to introduce a comprehensive privacy scheme, they have backflipped on that

and they now rely on self-regulation. It is only a matter of time before they will frontflip and support further privacy legislation—here's hoping!

The Democrats continue to provide both the government and the opposition with a lead on privacy. We are trying to ensure that debate is brought about and we will continue to canvass the broader perspectives. We have attempted to initiate a broad ranging Senate committee of investigations to address the government's concerns about red tape and compliance costs of privacy law extending to the private sector. Of course, our initial attempts to do so were defeated by a combined Labor and coalition vote. But I am delighted to say that eventually, after considerable delay, the Labor Party joined the Democrats and other senators in having this inquiry conducted. We look forward to commenting on the report and any recommendations therein.

We have also introduced private members bills to provide the parliament with good ideas and initiate debate. After the Australia Card was defeated, former Senator Michael Macklin introduced a private members bill in relation to privacy. It set out the basis for comprehensive privacy regulations through clearly stated principles and placed personal information privacy clearly on the federal agenda.

A former leader of the Democrats, Senator Janine Haines, proposed a referendum to gauge the opposition to a national identification scheme. Since their efforts, I have also been able to introduce a privacy amendment bill which would see the extension of privacy laws to the private sector. I have also introduced a genetic privacy and non-discrimination bill, which would protect the privacy of genetic information.

However, until we have uniform and nationally comprehensive schemes of privacy regulation our work is not finished. I have not yet talked about the privacy issues following the convergence of broadcasting and telecommunications: smartcard, self-regulation, medical records and a whole host of other privacy issues. But without a comprehensive scheme from the government we are going to

have to have legislation in all these areas. We really need a uniform, comprehensive national scheme to satisfy many of these issues and concerns.

I have been pleased to see the state and the territory governments initiating, and in some cases implementing, much needed privacy reforms of the state and territories. Jeff Kennett—to give him his due—and certainly Bob Carr have not only investigated but implemented some reform in this area. I do not often agree with Jeff Kennett but, indeed, Victoria has set the agenda for electronic commerce, and the Queensland parliament has recently produced a comprehensive review of privacy in its move toward introducing privacy laws.

However, each of these initiatives is flawed, not by virtue of the efforts made at that state level, but because we need a nationally uniform scheme. I think a lot of the people operating at state and territory levels have acknowledged that they would prefer the federal government to take a leading role. They do not necessarily want a mismatch of territory and state laws in relation to privacy, compliance and regulation. It really is up to the federal government to lead the way. It is only the federal government that can do this and we should be doing it soon.

The scheme proposed by the Attorney-General for a co-regulatory approach was a good start. This scheme proposed sectoral codes of practice supervised by the Privacy Commissioner, which are enforceable and retain the essential complaints and investigation mechanisms. The Democrats would welcome such an approach together with a basic minimum standard of privacy for everybody. The broad policy has merit. We can look at the fine details when the legislation is eventually presented, because I think the legislation clearly is inevitable now.

For the Democrats, this is a rights issue. Privacy is a right, and our laws should respect this right. However, there are a number of other important considerations, including a foundation for interaction online. To participate online, we as a community must be sure that our personal information is safe. It must be protected. Once this is achieved, we will

be able to confidently use the online world to do business, access education and entertainment, et cetera, and participate without fear that our personal information is going to be used or misused in some way. This confidence should not be underestimated or undermined by claims of privacy self-regulation or unenforceable codes.

Self-regulation does not provide the necessary certainty as it relies on the goodwill of the particular sector, and you can never be sure when the alleged privacy abuser will choose to ignore the regulation. It is not about having codes that are better or increasing participation; the philosophy of privacy self-regulation is wrong. As a minimum, privacy demands nationally uniform mechanisms backed by legislation for complaints, investigation and enforcement.

The present privacy reference to the Legal and Constitutional References Committee should provide the necessary evidence to refute the arguments that the Prime Minister put forward for rejecting the extension of privacy to the private sector. Compliance costs and red tape were two of the issues that he brought up, but it is really a furphy when the industry requires privacy regulation to gain the confidence of future users. You will find that surveys and research show that many in the industry would like to see uniform standards applying. It encourages best practice.

I was interested to see an article in the *Australian* yesterday by Bernard Lane reporting Justice Kirby's comments about the Internet. This is significant news, because there is a recognition of the untold level of disclosure every time the Internet is used and the need for awareness and privacy protections. Bernard Lane also draws the readers' attention to the *University of New South Wales Law Journal* which sets out a number of other articles law makers should be reading. Senator Alston and NOIE should be commended for their patronage of this journal issue and the forum it addresses. There you go: I have complimented Jeff Kennett and Senator Alston in one speech.

However, we also welcome the commitment by Senator Alston to develop a strategy for the information economy with broad consulta-

tion. We expect to see results in legislation and to avoid the experience of the ABA, the Australian Broadcasting Authority, which still awaits its legislation to put measures into effect. Strategies and consultation are not for time wasting. They require time, and their outcomes should be action in the form of legislation.

Madam President, I seek leave to incorporate the rest of my remarks in *Hansard*. I have two more paragraphs. I have not shown it to the whips on either side. It is more of the same, senators.

Leave granted.

The speech read as follows—

I want also to note changes in the *Data-matching Program (Assistance and Tax) Act 1990* which remove further Parliamentary scrutiny for data matching using Tax File Numbers. My concern has been the increasing use of personal identifiers and the awesome power of computers to match disparate pieces of information to build profiles. The Democrats *Privacy Amendment Bill 1997* specifically addressed this concern. I am now very sceptical of the Government, supported by the Opposition, increasingly relying on Tax File Numbers to oversee our everyday activities. This is not advocating fraud, but it is saying we should *not* justify widespread use of personal identifiers like Tax File Numbers when the detriment outweighs the social costs. The Tax File Number scheme must *not* become a de facto Australia Card, and its use for other than tax matters should be rejected in the same way we all rejected the Australia Card. Yesterday was a disturbing development for the right to privacy in Australia, and I hope this will not be expanded by the Government or Opposition in the future.

Finally, privacy is an issue being dragged along by technology developments. We should also look to other areas where technology has an impact and make the appropriate changes there. Along with privacy, technical issues of encryption, defamation, authentication, intellectual property, etc. require attention, as well as the broader social impacts. I would like to see some examination of issues like information poverty, access, education, etc. The recent Senate Select Committee of Information Technology has been a missed opportunity to examine some of these broader social issues, and this has been unfortunate.

Bauer, Professor Francis

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (7.55 p.m.)—I

would like to take this opportunity to make mention of the sad passing of a man who had a great impact on academic research and, through that research, the lives of many people in the Northern Territory. This man was Professor Francis 'Slim' Bauer, the first Director of the North Australia Research Unit of the Australian National University in Darwin. He passed away last June in Queensland. Slim and his wife June had only moved from the cold of Canberra six weeks previously, but Slim had had his fair share of time in the sun.

Dr Bauer came from a small rural community in New York State, and this may have contributed to his affinity with the bush and its people. He served in World War II as a medical corpsman in the South Pacific. After the war, and with a degree, courtesy of the United States GI Bill of Rights, he moved to Australia where the Australian National University accepted Dr Bauer into its geography department as one of its earliest PhD candidates. He subsequently became the second person to complete a doctoral degree from the geography department.

His thesis was published in 1959 and examined the physical geography of Kangaroo Island in South Australia. Its title is *The regional geography of Kangaroo Island, South Australia*. He then moved on to Townsville and became a lecturer at the University College. During his travels around Queensland, he met a young lady in Toowoomba. She, of course, later became his wife. Her name was June and she was a local school teacher.

He then spent several years working on a project for the Division of Land Research and Regional Survey of the CSIRO. It was a large project that involved Professor Bauer travelling to the Top End of the Northern Territory examining the pastoral, agricultural and mining industries. He published his findings in a fascinating account titled *Historical geography survey of part of northern Australia*. Part I of this two-volume work describes the Eastern Gulf region and part II the Katherine-Darwin region. The work is also known as *Historical geography of white settlement in part of northern Australia*.

It was during this time that Slim Bauer got to know the Territory so well and laid the foundation for much of his later work. The North Australia Research Unit, now known as NARU, was established in 1973. Nugget Coombs, who was then Chancellor of the Australian National University, was encouraged by the success of the New Guinea Research Unit and felt that there was a need and many opportunities for research in the Northern Territory.

Slim Bauer was the first director of NARU. He arrived in Darwin in July 1974 and began the process of setting up the unit out of temporary premises with five staff. I got to know him during that period on a personal basis. Before Christmas 1974, Slim Bauer and June went to visit his parents-in-law in Toowoomba. Most people would consider this quite a lucky break as it meant they were out of Darwin when Cyclone Tracy struck with all its fury.

But apparently Slim was not one of them. The field manager of NARU from 1973 to 1994, Mr J.B. Toner, describes Slim as feeling cheated at missing out. He says that Slim, as a professional geographer, yearned to have been a witness to this unique natural phenomenon. However, on hearing of the disaster, Slim raced to Brisbane, purchased a caravan and, loaded with supplies, drove with great haste to Darwin and the devastation that awaited him. He arrived about four days after Tracy and began the arduous job of repairing the house that he and June had purchased a fortnight before.

There was also the matter of nurturing the fledgling North Australia Research Unit through such a difficult period. He did a superb job in what were unique circumstances and played a large part in developing the unit into the superb research institute it is now. He and Nugget Coombs and the university had recognised the importance of establishing a research agenda in the north and set about facilitating that research in the most expedient way. Slim Bauer himself wrote in 1980:

There was a genuine concern within the University for the future of a part of the nation often ignored but increasing in importance. This expressed itself in a feeling that the University could, and should, attempt to make a contribution to northern research.

He showed foresight with this remark about the increasing importance of the north. NARU has since made a great contribution to research on north Australia. It is now internationally recognised.

In 1977, Slim initiated what has become a resounding success, the first of NARU's annual seminars. The conference titled 'Cropping in north Australia: Success and Failure' is credited with being the first major academic conference held in Darwin. There have, of course, been many since on a wide variety of topics, all of them contributing greatly to our economic and social knowledge of the north.

It was also Slim Bauer who drew my attention as a young politician in the 1970s to a report by Payne and Fletcher on land and land industries of the Northern Territory that was authored in 1937-38. That was the year my mother migrated to the Northern Territory, so it has symbolic reference for me. I go back to it and refer to it often. It is peppered with a number of unacceptable and racist remarks, but it also has some very unique and special insights into land, land policy and development. Many of them are recurrent themes to this day. Many of them were built up by Slim Bauer in his unique studies as the director of the North Australia Research Unit.

I am very proud that I have in recent years participated in several of the NARU seminars. I have always found them to be stimulating, with robust discussion, insightful views and a 'can-do' attitude with regard to the Territory that was so reminiscent and typical of Slim Bauer.

Dr Christine Fletcher is the current director of NARU and is continuing the fine tradition established by Professor Bauer. He spent nearly seven years at NARU and finished his period as director on 31 March 1981. He remained in the Territory until later that year. He then moved to Canberra to take up a position as a senior fellow attached to the ANU Department of Economic History. He is the author of many books and papers. Out of nine publications published whilst he was the director of NARU, he was the editor of seven.

Slim Bauer would be particularly proud of a scheme that he initiated which involved bringing honours undergraduates to the

Northern Territory to conduct thesis field-work. This scheme is still under way and has proven extremely successful. I am pleased and privileged to have known, worked with and been influenced by a man such as Professor Bauer and his wife, June Bauer, in all that they have done. I salute a true Territory pioneer in the academic field and a man who stimulated much discussion and research in many aspects of life in northern Australia.

Senator Crossin—Given the shortness of time, I will leave my adjournment speech until the next sitting day.

Senate adjourned at 8.05 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—

Amendment of sections 20 and 82, dated 31 October 1998.

Exemptions No. CASA 41/1998.

Corporations Act—Accounting Standard AASB 1016A—Amendments to Accounting Standard AASB 1016.

Financial Management and Accountability Act—Determination under section 20—

Australian Childhood Immunisation Register Reserve—Determination 1998/7.

Commonwealth/State Disability Agreement Reserve—Determination 1998/9.

Federation Fund Reserve—Determination 1998/10.

Strategic Intergovernmental Nutrition Alliance Reserve—Determination 1998/8.

National Health Act—Determinations under Schedule 1—HIG 7/1998 and HIG 8/1998.

Parliamentary Entitlements Act—Parliamentary Entitlements Regulations—Advice of decisions under paragraph 18(a).

Taxation Determination TD 98/25.

Telecommunications Act—Carrier Licence Conditions (28 GHz and 31 GHz Bands) Declaration 1998.

Therapeutic Goods Act—Determination under section 19A—Imo/No. 2/1998.

Indexed Lists of Files

The following documents were tabled pursuant to the order of the Senate of 30 May 1996:

Indexed lists of departmental and agency files for the period 1 January to 30 June 1998—

Austrade.
Comcare Australia.
Commonwealth Ombudsman.
Communications and the Arts portfolio agencies—
Artbank.
Australia Council.
Australian Archives.
Australian Broadcasting Authority.
Australian Broadcasting Corporation.
Australian Communications Authority.
Australian Film Commission.
Australian National Maritime Museum.
National Film and Sound Archives.
National Gallery of Australia.
National Library of Australia.
National Science and Technology Centre.
National Museum of Australia.
Special Broadcasting Service Corporation.
Department of Defence.
Department of Communications and the Arts.
Department of Health and Family Services.
Department of Immigration and Multicultural Affairs.
Department of Industry, Science and Tourism.
Department of Primary Industries and Energy.
Department of the Environment and portfolio agencies.
Department of the Treasury.

Department of Workplace Relations and Small Business.

Industry, Science and Tourism portfolio agencies—

AGAL, AUSLIG, IPS.
Australian Nuclear Science and Technology Organisation.
Australian Customs Service.
Australian Sports Drug Agency.
Australian Institute of Marine Science.
Australian Tourist Commission.
Australian Sports Commission.
National Standards Commission.
Commonwealth Scientific and Industrial Research Organisation.

Office of the Governor-General.

Primary Industries and Energy portfolio agencies.

Public Service and Merit Protection Commission.

Transport and Regional Development portfolio agencies—

Central Office.
Civil Aviation Safety Authority.
International Air Services Commission.

Workplace Relations and Small Business portfolio agencies—

Affirmative Action Agency.
Australian Industrial Registry.
Australian Maritime Safety Authority.
National Occupational Health and Safety Commission.
Defence Force Remuneration Tribunal

QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Department of the Environment:
Conference Expenditure
(Question No. 1253)**

Senator Faulkner asked the Minister for the Environment, upon notice, on 21 July 1998:

(1) What is the total expenditure on conferences both: (a) in-house, that is, held within the department or agency; and (b) external, held by the department or agencies within the portfolio, on a month-by-month basis since March 1996.

(2) For conferences fully funded by the department and portfolio agencies, and costing in excess of \$30,000: (a) where was the venue; (b) what was the reason for each conference; (c) how many participants registered; (d) were consultancy fees paid for the organisation of each conference; (e) to whom were the consultancy fees paid; and (f) what was the cost of each consultancy.

(3) For conferences part-sponsored or part-funded by the department and portfolio agencies and costing the Commonwealth in excess of \$30,000: (a) what was the cost to the department or agency; (b) what was the proportion of Commonwealth

funding as against the total cost of the conference; (c) what was the rationale for the sponsorship or part-funding; (d) what was the venue; (e) how many participants registered; (f) did the Commonwealth contribute to any consultant organising the conference; if so, who was the consultant; and (g) how much was the Commonwealth's contribution.

Senator Hill—The answer to the honourable senator's question is as follows:

On advice from the honourable senator's office, the word 'conference' has been interpreted as meaning 'a special purpose gathering of experts or departmental officials to which guest speakers would be invited'.

(1)(a)-(b) Details of total expenditure on a month-by-month basis on in-house and external conferences held by the portfolio since March 1996 are provided in the following table. (It should be noted that the total expenditure for each conference is shown against the month in which the conference was held, not the month in which the expenditure was incurred. The expenditure figures do not reflect any costs recovered and also do not include salary expenditure for officers participating in or organising the conferences, or training courses.)

Date	Name of Conference	Total Expenditure on In-house Conferences \$	Total Expenditure on External Conferences \$
Feb 96	Clean Air Society of Australia & New Zealand		5,000
Mar 96	OECD International Conference on Incentive Measures for Biodiversity Conservation and Sustainable Use		52,779
May 96	Interpretation of the Term "Anthropogenic" in Determining Sources of Greenhouse Gas Emissions	29,942	
May 96	Contribution to Differentiation Workshop by Royal Institute of International Affairs		5,000
Jun 96	Australian Environmental Management Seminar—Shanghai		38,000
Oct 96	Vegetation Thickening Workshop (ANU-RSBS)	28,770	
Oct 96	1996 Australia & New Zealand Solar Energy Society Conference		5,000
Oct 96	Seminar by the Secretary-General of CITES		1,140
Nov 96	8th Annual Bureau of Meteorology Research Centre Modelling Workshop—Symposium on climate prediction and predicability	11,300	
Nov 96	Great Barrier Reef Science, Use and Management Conference		5,000
Feb 97	Madrid Protocol Seminar	200	
Apr 97	2nd Asia-Pacific Roundtable on Cleaner Production		20,000
Apr 97	Workshop on the fate of material from the Fly River in the Torres Strait and Gulf of Papua	5,728	
Apr 97	Global Program of Action—East Asia Seas Regional Conference		29,748
May 97	Closing the Communication Gap Workshop (Climate Impacts Centre, Macquarie University)	9,340	
May 97	Department of Primary Industries & Energy/Activities Implemented Jointly Conference—Indonesia		20,000
May 97	The Larsemann Hills: an Antarctic microcosm	10,000	

Date	Name of Conference	Total Expenditure on In-house Conferences \$	Total Expenditure on External Conferences \$
Aug 97	Living Cities Conference		10,000
Aug 97	Healthy People, Healthy Wildlife and International Symposium on Traditional Chinese Medicine & Wildlife Conservation		12,500
Aug 97	Abbotts Booby Forum		15,403
Sep 97	Intergovernmental Panel on Climate Change Expert Meeting on Biomass Burning and Land Use Change and Forestry	41,611	
Sep 97	Protection of Wetlands adjacent to the Great Barrier Reef	13,766	
Sep 97	Wetlands in a Dry Land		12,000
Oct 97	Australian Environment Management Conferences Hanoi, Ho Chi Minh City and Bangkok		88,184
Oct 97	9th Annual Bureau of Meteorology Research Centre Modelling Workshop—Improving short-range forecasting	11,550	
Nov 97	Environmental Reporting Roundtable		20,000
Nov 97	Fenner Conference: Ethics of Manipulative Research and Management in World Heritage and Environmentally Sensitive Areas		1,834
Dec 97	Oceans Policy Forum		53,780
May 98	Australian Bureau of Agriculture & Resource Economics Conference on Emissions Trading		10,000
Jun 98	National Carbon Accounting System Experts Workshop	34,861	

(2)—(3) The details sought are contained in the accompanying tables. It should be noted that conferences have been included in part (3) where total Commonwealth expenditure exceeded \$30,000. (Similar to the response to part (1), the expenditure figures do not reflect any costs recovered and do not include salary expenditure for officers participating in or organising the conferences, training courses, or officers from the portfolio attending conferences which were not organised by the portfolio.)

QUESTION 2 (a)-(f)

DETAILS, FROM MARCH 1996 UNTIL 21 JULY 1998, FOR CONFERENCES WHICH WERE FULLY FUNDED BY THE PORTFOLIO AND COST IN EXCESS OF \$30,000

Name of Conference	(a) Venue	(b) Reason	(c) No. of Participants Registered	(d) Were Con- sul- tants Fees Paid Yes/N o	(e) If Yes, to whom were they paid	(f) Cost of Consul- tancy
Australian Environ- mental Management Seminar	Shanghai	Promote Australian environment manage- ment capability.	80	Yes	Austrade	\$2,000
Australian Environment Management Confer- ences	Hanoi, Ho Chi Minh City and Bangkok	Promote Australian environment manage- ment capability.	190 for two seminars	Yes	Austrade	\$2,000
OECD International Conference on Incentive Measures for Biodiversity Conser- vation and Sustainable Use	Cairns Hilton	. Take stock of the work of the OECD Ad Hoc Expert Group on Economic Aspects of Biodiversity;	66	No		

Name of Conference	(a) Venue	(b) Reason	(c) No. of Participants Registered	(d) Were Consultants Fees Paid Yes/No	(e) If Yes, to whom were they paid	(f) Cost of Consultancy
		. Give practical guidance to OECD countries in their implementation of the Convention on Biological Diversity and contribute to and discussion on incentive measures in the 1996 Conference of the Parties; and . Identify topics for further work by the OECD and/or for other international fora.				
Oceans Policy Forum	Parliament House	To discuss issues on Oceans Policy before finalising the draft policy document for public comment.	130	Yes	Professor Frank Talbot, Graduate School of the Environment, Macquarie University, NSW	\$6,934
Intergovernmental Panel on Climate Change (IPCC) Expert Meeting on Biomass Burning and Land Use Change and Forestry	Rockhampton, Qld	To host an expert workshop as part of the IPCC's review of inventory guidelines in the area of Land Use Change and Forestry.	Delegates: 48 Observers: 1	Yes	Australian Convention and Travel Services Pty Ltd	\$7,500
National Carbon Accounting System Experts Workshop	Canberra, ACT	To bring together scientists, policy makers and industry groups to assist in establishment of the National Carbon Accounting System and Implementation.	Registrations: 134	Yes	ANU Cres ConSec Conference Support Secretariat Services Rydges, London Circuit Canberra	\$9,000 \$15,635 \$14,340

QUESTION 3 (a)-(g)

DETAILS FROM MARCH 1996 UNTIL 21 JULY 1998, FOR CONFERENCES WHICH WERE PART-SPONSORED OR PART-FUNDED BY THE PORTFOLIO AND COST THE COMMONWEALTH IN EXCESS OF \$30,000

Name of Conference	(a) Cost to Portfolio	(b) Proportion of Commonwealth Funding Against Total Cost of the Conference	(c) Rationale for Sponsorship of Part-Funding	(d) Venue	(e) No. of Participants Registered	(f) Did the Commonwealth contribute to any Consultant Organising the Conference	(f) If Yes/No	(g) Cost of Commonwealth Contribution
Working Together on Preventing Ship-Based Pollution in the Asia-Pacific Region	\$55,508	94.20%	Environment Australia was hosting the conference as part of its international response to meeting its obligations under the International Maritime Organisation	The Sheraton Breakwater Hotel, Townsville	58	Yes	Baird Publications	\$30,000
Mining & Environment Workshop	\$35,000	100% DFAT also	Promote Australian environment management capability	Jakarta Hilton, Indonesia	180	Yes	IPM Consultants	\$27,060
Cleaner Production Workshop	\$17,000	100% DFAT also	Promote Australian environment management capability	Beijing University, China	120			
Waterwatch Australia National Conference	\$40,000	40%	To promote and advance community water quality monitoring in Australia by providing a forum for people to work together and share knowledge and experiences and by providing professional development opportunities for Waterwatch regional coordinators	University of Adelaide, Roseworthy Campus	160	Yes	Plevin and Associates	\$9,400

Name of Conference	(a) Cost to Portfolio	(b) Proportion of Commonwealth Funding Against Total Cost of the Conference	(c) Rationale for Sponsorship of Part-Funding	(d) Venue	(e) No. of Participants Registered	(f) Did the Commonwealth contribute to any Consultant Organising the Conference	(f) If Yes/No	(g) Cost of Commonwealth Contribution
Conference on	\$10,000	Approx 42%	The meeting	Aus-	114	No		
Coast to Coast	\$63,996	42% of the	The	Shera-	209	No		
Antarctic and Global Change: Interactions and Impacts	\$30,000	20%	Symposium was a major Australian contribution to understanding Antarctica's	Wrest Point Convention Centre, Hobart	282	No		

Department of Defence: Conference Expenditure

(Question No. 1259)

Senator Faulkner asked the Minister representing the Minister for Defence, upon notice, on 21 July 1998:

(1) What is the total expenditure on conferences both: (a) in-house, that is, held within the department or agency; and (b) external, held by the department or agencies within the portfolio, on a month-by-month basis since March 1996.

(2) For conferences fully funded by the department and portfolio agencies, and costing in excess of \$30 000: (a) where was the venue; (b) what was the reason for each conference; (c) how many participants registered; (d) were consultancy fees paid for the organisation of each conference; (e) to whom were the consultancy fees paid; and (f) what was the cost of each consultancy.

(3) For conferences part-sponsored or part-funded by the department and portfolio agencies and costing the Commonwealth in excess of \$30 000: (a) what was the cost to the department or agency; (b) what was the proportion of Commonwealth funding as against the total cost of the conference; (c) what was the rationale for the sponsorship or part-funding; (d) what was the venue; (e) how many participants registered; (f) did the Commonwealth contribute to any consultant organising the conference; if so, who was the consultant; and (g) how much was the Commonwealth's contribution.

Senator Newman—The Minister for Defence has provided the following answer to the honourable senator's question:

(1) (a) (b)

The Minister has advised that he is not willing to dedicate the staff and resources required to obtain data showing the total expenditure on conferences conducted by his Department, on a month-by-month basis, since March 1996.

(2) Some areas of Defence are unable to access specific details regarding conference expenditure, however, available figures are as follows:

Exercise Pirap Jabiru

(a) UN/ESCAP Building, Bangkok.

(b) Examine strategic and operational issues related to peacekeeping activities. Supports Australia's strategic interest in close alignment with Thailand at the strategic level and developing interoperability between our armed forces.

(c) Australia: 16

Thailand: 60 (approx)

(d) No

(e) n/a

(f) n/a

Air Powers Studies Centre

(a) Camp Aguinaldo, Philippines Department of Defence, Quezom City, Manila, Philippines.

(b) Examine the impact of science and technology on force development, using maritime surveillance as a case study. Supports Australia's strategic interest in the development of effective Philippines armed forces through the ongoing Philippines modernisation program.

(c) Australia: 16

(d) Philippines: 20 (approx)

- (e) No
(f) n/a
- Acquisition Seminar
- (a) Department of National Defence, Quezon City, Manila, Philippines.
(b) Examine issues connected with major defence procurement processes in connection with the Philippines modernisation program. Supports Australia's strategic interest in the development of effective Philippines armed forces through the ongoing Philippines modernisation program.
(c) Australia: 9
(d) Philippines: 15 (approx)
(e) No
(f) n/a
- Pacific Area Senior Officers Logistic Seminar/Pacific Area Cataloguing System
- (a) RAAF Williams, Melbourne.
(b) Scheduled series of talks under Defence Cooperation Program.
(c) Indonesia: 3; PNG: 2; Malaysia: 2; Thailand: 2; Fiji: 2; Vanuatu: 2; Tonga: 2
(d) No
(e) n/a
(f) n/a
- Regional Forum for Selected Nations (14-19 June 1998)
- (a) Milton Park, Bowral.
(b) For senior officers responsible for defence planning and management in our regional countries.
(c) Indonesia: 6; Singapore: 6; Malaysia: 5; Thailand: 6; Philippines: 6 Korea: 6; Brunei: 2
(d) Yes
(e)—(f) Effective People—\$16,558.50; CP Resourcing—\$14,318.78; Prime Deal—\$30,200.00; J. Wallace—\$2,500.00
- 1996—ACDSS Conference (Dec 4-5)
- (a) The National Library.
(b) To discuss the challenges and security prospects for north-east Asia in the 21st Century.
(c) 127
(d) Yes
(e) Taylored Connections.
(f) \$11,530.15
- 1997—ACDSS Conference—Twenty years from now, the outlook for Asia and the Pacific (Dec 1-2)
- (a) National Convention Centre.
(b) To explore the main economic, technological, environmental, social and political trends and developments that will alter the size, capabilities and nature of the Asia-Pacific region in the next twenty years.
(c) 117
(d) Yes.
(e) Taylored Connections.
(f) \$8,047.40
- Chief Defence Scientist/Vice Chief of the Defence Force Conference (21-21 May 1996)
- (a) RAAF Glenbrook, New South Wales.
(b) "Technology and the Future of Warfare"
(c) 81
(d) No
(e) n/a
(f) n/a
- Chief Defence Scientist/Vice Chief of the Defence Force Conference (3-4 September 1997)
- (a) DSTO Salisbury, South Australia.
(b) "The Knowledge-Based Battlefield"
(c) 82
(d) No
(e) n/a
(f) n/a
- Support Command Australia Annual Planning Conference (29 September—1 October 1997)
- (a) Australian Emergency Management Institute, Mt Macedon, Victoria
(b) The purpose of the conference was to develop a strategic plan for the recently raised Support Command Australia.
(c) 71
(d) There were no consultancy fees paid for the organisation of the conference, however, a consultant was engaged to address the conference.
(e) Cultural Imprint Pty Ltd.
(f) \$1,500
- (3) As with part (2) of the question, some areas of Defence are unable to access specific details regarding conference expenditure, however, available figures are as follows:
- ASEAN Regional Forum Meeting
- (a) \$44,418.60
(b) Department of Foreign Affairs and Trade 50%
Department of Defence: 50%
- (c) Both Defence and DEFAT officers make up the Australian delegation at ASEAN Regional Forum meetings.
(d) Landmark Hotel, Potts Point, Sydney.
(e) 110

- (f) No
- (g) n/a
- Defence Export Outlook Seminar, Sydney and Adelaide—March 1996
- (a) \$61,600
- (b) 20% contribution by industry, 80% Commonwealth.
- (c) Key activity to provide information to industry on Defence policy and activities relating to defence exports and to provide access to market information in order to facilitate defence exports.
- (d) Rydges, Cronulla Sydney and Stamford Plaza, Adelaide.
- (e) 144
- (f) No
- (g) n/a
- Defence Export Outlook seminar, Melbourne—March 1997
- (a) \$40,300
- (b) 46% contribution by industry, 54% Commonwealth.
- (c) Key activity to provide information to industry on Defence policy and information in order to facilitate defence exports and to provide access to market information in order to facilitate defence exports.
- (d) Bayview on the Park, Melbourne.
- (e) 140
- (f) No
- (g) n/a
- Regional Asia Pacific Defence Environment Workshop (11-15 May 98)
- (a) \$50,053
- (b) 75.65% of \$66,158
- (c) This conference was hosted by the members of the Trilateral on Environmental Security Cooperation—Australia, the US, and Canada. It was a follow up to the September 1996 Asia Pacific Defence Environmental Conference held in Hawaii. The purpose of the workshop was to provide a forum where Defence and environmental officials from Asia Pacific nations can examine the importance of Defence related environmental issues as they relate to regional stability. The workshop objectives were to promote cooperation in addressing environmental issues by providing a forum for regional views; create a database for information exchange and research; identify methods and policies to address environmental issues; and promote regional cooperation and stability.
- (d) Rydges Plaza, Darwin.
- (e) 56
- (f) Yes. Convention Catalysts International were engaged by the Department of Defence to organise the conference.
- (g) \$12,935.00
- Australia/United States Conference on Defence Signal Processing (25-27 June 1997)
- (a) \$41,658
- (b) 45%
- (c) Collaboration with United States on Defence Signal Processing.
- (d) Whalers' Inn, Victor Harbour, South Australia.
- (e) 50
- (f) No
- (g) n/a
- Asia Pacific Military Medicine Conference (co-sponsored with the United States Army Pacific)
- (a) \$86,105.46
- (b) 46%
- (c) The US Army sponsored delegates from various countries within the Asia Pacific, as did Australia. Countries sponsored by Australia were selected on advice from Strategic International Policy Division. Rather than split costs the US Army agreed to sponsor certain elements of the conference, such as the conference dinner, the administration office etc, the ADF sponsored audiovisual equipment, conference program, administration office fax and phone.
- (d) Wentworth Hotel, Sydney.
- (e) 200
- (f) No
- (g) n/a
- The 1996 Air Power Conference (11-13 June 1996).
- (a) and (b) This event was one of 23 endorsed activities in the overall RAAF 75th Anniversary Program in 1996. All 23 activities were treated as a single event for income and expenditure purposes. Therefore, the Air Force is unable to provide a break-down of costs attributable to the Commonwealth (Air Force) or the proportion of Commonwealth funding against sponsorship moneys received.
- (c) For both the 1996 and 1998 Conferences, the rationale for the sponsorship was to defray Commonwealth expenditure and to assist ongoing RAAF liaison with major suppliers of defence equipment and associated contractors, and firms involved in defence industry and Australian Defence Force support.
- (d) National Convention Centre, Canberra.
- (e) 1,100
- (f) No
- (g) n/a

No conference was held in 1997.

The 1998 Air Power Conference (30-31 March 1998)

- (a) \$100,190
- (b) 44.9%
- (c) See (2)(c)
- (d) National Convention Centre Canberra.
- (e) 1,000
- (f) No
- (g) n/a.

Aboriginal and Torres Strait Islander Commission: Conference Expenditure

(Question No. 1267)

Senator Faulkner asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 21 July 1998:

(1) What is the total expenditure on conferences both: (a) in-house, that is, held within the department or agency; and (b) external, held by the department or agencies within the portfolio, on a month-by-month basis since March 1996:

(2) For conferences fully funded by the department and portfolio agencies, and costing in excess of \$30,000: (a) where was the venue; (b) what was the reason for each conference; (c) how many participants registered; (d) were consultancy fees paid; and (f) what was the cost of each consultancy.

(3) For conferences part-sponsored or part-funded by the department and portfolio agencies and costing the Commonwealth in excess of \$30,000; (a) what was the cost to the department or agency; (b) what was the proportion of Commonwealth funding as against the total cost of the conference; (c) what was the rationale for the sponsorship or part-funding; (d) what was the venue; (e) how many participants registered; (f) did the Commonwealth contribute to any consultant organising the conference; if so, who was the consultant; and (g) how much was the Commonwealth's contribution.

Senator Herron—The Aboriginal and Torres Strait Islander Commission has provided the following information in response to the honourable senator's question:

Month- Year	Expenditure
Mar-96	\$26,277
Apr-96	
May-96	
Jun-96	\$17,790
Jul-96	\$1,425
Aug-96	\$3,059
Sep-96	
Oct-96	\$54,636
Nov-96	\$53,174
Dec-96	\$4,324
Jan-97	\$5,000
Feb-97	\$80,917
Mar-97	\$76,606
Apr-97	\$21,116
May-97	\$62,707
Jun-97	\$82,735
Jul-97	\$42,811
Aug-97	\$21,609
Sep-97	\$113,463
Oct-97	\$36,763
Nov-97	\$15,155
Dec-97	\$67,184
Jan-98	\$91,988
Feb-98	\$75,035
Mar-98	\$288,468
Apr-98	\$9,414

Month- Year	Expenditure
May-98	\$24,914
Jun-98	\$88,506
Jul-98	\$62,743
Q1: Total Conference Expenditure	\$1,427,819

Q2: See Table 2

Q3: See Table 3

Notes: The above responses are based on advice from Senator Faulkner's Office that training is excluded. In addition, ATSIC has taken the view that: grant funding to organisations whereby part of/all the grant was to fund a conference was not to be included; and standard meetings/conferences between ATSIC staff where no consultant/facilitator was engaged was not to be included. Based on further advice from Senator Faulkner's Office, the response to Question 1 above shows the total amount of expenditure for each conference against the month in which the conference was held.

Date	Amount	Venue	Reason For Conference	No. Participants	Par- Fees Paid	Consul- tancy Y/N	To Whom Paid	Cost/Cons ultancy
17-18 Feb 97	\$70,525	Parliament House, Canberra	Indigenous Deaths in Custody— discuss continuing deaths in custody and over representation of Indigenous people in the criminal justice system.	100	Y		Assoc Professor Eleanor Burke	\$1,882
							Mr Phil Egan	<u>\$1,761</u>
								\$3,643
11-13 March 97	\$54,538	Jambaroo NSW	Strategic planning and review of key issues for the Commission	58	N			
13-Sep-97	\$36,600	Darwin	Northern Land Councils Women's Conference on Native Title Issues	25	N			

Date	Amount	Venue	Reason For Conference	No. Participants	Par- Fees Paid Y/N	Consul- tancy To Whom Paid	Cost/Cons ultancy
Jan-Feb 98	\$47,893	Various venues in SA NSW	Homelands Policy Development & Consultation—develop ATSIC policy on Community Infrastructure on Homelands.	131	Y	Flinders Uni of South Australia	\$47,917
17-18 March 98	\$35,929	Dubbo	NSW Regional Council Women's Advisory Committee—Addressed the issues of Indigenous Legal Services & Native Title	65	Y	Community Development	\$10,815
Mar-98	\$199,023	Country Comfort Hotel,	Indigenous National Constitutional Convention—to develop an Indigenous Position on Constitutional Reform in Australia.	94	Y	Linda Burney	\$4,000
Q2: > \$30,000							\$444,50

Month	Conference Name	Cost to Agency	Other Commonwealth Costs	Total Cost of Conference	Commonwealth Proportion	Rationale for funding	Venue	No. of Participants	Contribution to Consultant—Y/N	Name of Consultant	Commonwealth's Contribution to Consultant Costs
Nov-96	Enterprise Development Workshop Conference	\$50,000	\$141,000	\$191,000	100%	To provide young Indigenous people from Australia and the South Pacific region with the opportunity to gain the skills necessary to establish and maintain a business, enabling them to return to their communities and proceed to establish a business, or to rescue or improve one already established.	Novotel, Melbourne	55	Y	Small Business Development Service Pty Ltd & Ms Veronica Barbeler	\$12,250

Month	Conference Name	Cost to Agency	Other Commonwealth Costs	Total Cost of Conference	Commonwealth Proportion	Rationale for funding	Venue	No. of Participants	Contribution to Consultant—Y/N	Name of Consultant	Commonwealth's Contribution to Consultant Costs
Sep-97	Pathways to the Future	\$60,547	\$60,547	\$187,864	65%	Conference arose from a recommendation of a joint Australian/OECD study tour on Indigenous Economic Development, in Oct 1995. Conference aimed at bringing together representatives from government, business and Indigenous People to explore ways to improve the economic situation of Indigenous People.	Plaza Hotel,	250	Y	Carillon Conference Management	\$28,750

Month	Conference Name	Cost to Agency	Other Commonwealth Costs	Total Cost of Conference	Commonwealth Proportion	Rationale for funding	Venue	No. of Participants	Contribution to Consultant—Y/N	Name of Consultant	Commonwealth's Contribution to Consultant Costs
Feb-98	Enterprise Development Workshop Conference *	\$40,000	Unknown	Unknown	Unknown	To encourage/assist Indigenous People from Australia, NZ and South Pacific to achieve self employment as a means of economic self sufficiency for themselves & their communities.	Caloundra,	48	Y	Small Business Development Service Pty Ltd & Ms Veronica Barbeler	Unknown
Jul-98	National Youth Reconciliation Conference	\$40,000	Unknown	\$150,000	Unknown	To develop a National youth perspective on the issue of reconciliation.	QLD Darwin,	550	Unknown	Unknown	Unknown
Q3:>	\$30,000 Conferences	\$190,547									
Total											

* Report not published yet, hence final figures unknown.