

DEPARTMENT OF THE SENATE
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PRESENTED
J.R. Odgers
Clerk of the Senate



**PINK PAGES ADVERTISING
CONTRACT FOR THE
VICTORIAN TELEPHONE
DIRECTORIES**

**REPORT FROM THE
JOINT COMMITTEE ON PUBLICATIONS**

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

**PINK PAGES ADVERTISING
CONTRACT FOR THE
VICTORIAN TELEPHONE
DIRECTORIES**

**REPORT FROM THE
JOINT COMMITTEE ON PUBLICATIONS**

AUSTRALIAN GOVERNMENT PUBLISHING SERVICE
CANBERRA: 1972

JOINT COMMITTEE ON PUBLICATIONS

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Standing Order 36 of the Senate reads, in part:

36.—(1.) A Publications Committee, to consist of seven Senators, shall be appointed at the commencement of each Parliament, with power to confer or sit as a Joint Committee with a similar Committee of the House of Representatives.

* * * * *

(3.) When conferring with a similar Committee of the House of Representatives, the Committee shall also have power:

- (a) to inquire into and report on the printing, publication and distribution of Parliamentary and Government Publications and on such matters as are referred to it by the relevant Minister, and
- (b) to send for persons, papers and records.

Standing Order 28 of the House of Representatives reads, in part:

28. A Publications Committee, to consist of seven Members, shall be appointed at the commencement of each Parliament with power to confer with a similar committee of the Senate In addition, when conferring with a similar committee of the Senate, the Committee shall have power—

- (a) to inquire into and report on the printing, publication and distribution of Parliamentary and Government Publications and on such matters as are referred to it by the relevant Minister, and

(b) to send for persons, papers and records.

Personnel of the Committee

Chairman: Hon. G. D. Erwin, M.P.

Deputy Chairman: Senator G. S. Davidson

Members: Senator N. T. Bonner	Mr J. Corbett, M.P.
Senator D. N. Cameron	Mr N. K. Foster, M.P.
Senator P. D. Durack	Mr D. J. Hamer, D.S.C., M.P.
Senator G. Georges	Mr L. R. Johnson, M.P.
Senator B. R. Milliner	Mr L. J. Keogh, M.P.
Senator R. G. Withers	Dr R. J. Solomon, M.P.

Clerk to the Committee: Mr R. N. Carson

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INTRODUCTION

The background

1. The Pink Pages telephone directories are published by the Post Office to provide a customer service, to encourage the use of the telephone system, and to provide a source of revenue to the Department.

2. There are two separate operations in the production of the directories: the gathering of the advertising material, and the printing and distribution of the directories. Both operations are carried out for the Post Office under separate contracts let by public tender.

3. The advertising contractor, at his own cost and expense, obtains all advertisements and advertising entries, collects all advertising accounts, and conducts all correspondence in respect of the advertisements, entries and accounts.

4. The principles to which advertising material must conform are prescribed by the Postmaster-General's Department and all advertising matter is submitted by the contractor to the Department for approval before being forwarded to the printer. The rates paid by subscribers for all advertising matter in telephone directories are also fixed by the Department.

5. The existing advertising contractors are:

<i>Advertising contractor</i>	<i>Directories under contract</i>
Edward H. O'Brien Pty Ltd	New South Wales and Victoria
Directories (Aust.) Pty Ltd	Queensland, South Australia (including Northern Territory) and Tasmania
Pink Pages Publicity (W.A.) Pty Ltd	Western Australia

6. The existing contracts are for periods of seven years and expire with the issues of the directories published during the 1972-73 financial year.

7. Public tenders for the rights for a further period, commencing with issues of the directories to be published during the 1973-74 financial year, were called in December 1971, and contracts for three year periods only have been let, as follows:

<i>Advertising contractor</i>	<i>Directories under contract</i>
Edward H. O'Brien Pty Ltd	New South Wales
Directories (Aust.) Pty Ltd	Victoria, Queensland, South Australia (including Northern Territory), Western Australia and Tasmania

The dispute

8. As a result of the new contracts let, Edward H. O'Brien Pty Ltd lost the contract for the Victorian directories which it had held since 1924. The new contractor for the Victorian directories is Directories (Aust.) Pty Ltd, a wholly-owned subsidiary of the General Telephone Directory Company of the United States of America.

9. Newspaper reports which were brought to the Committee's attention indicated that Edward H. O'Brien Pty Ltd, supported by the Amalgamated Postal Workers' Union, disputed the correctness of the Post Office's decision to award the new contract to Directories (Aust.) Pty Ltd.

The Inquiry

10. The standing orders of the Senate and of the House of Representatives empower the Joint Committee to initiate its own inquiries within its general terms of reference, viz., 'the printing, publication and distribution of Parliamentary and Government Publications'.

11. On 21 July 1972 the Committee resolved to inquire into Post Office arrangements for the printing and publication of the Pink Pages telephone directories, with special reference to the circumstances of the granting by the Post Office of the new advertising contract for the Victorian directories.

The submissions and witnesses

12. Written submissions were received from:

- Australian Post Office
- Edward H. O'Brien Pty Ltd
- Amalgamated Postal Workers' Union of Australia
- Union of Postal Clerks and Telegraphists

13. Directories (Aust.) Pty Ltd did not make a detailed submission but indicated their willingness to answer specific questions.

14. The Committee held a public hearing in Melbourne on 10 August 1972 and took evidence from witnesses representing the interested parties, viz.:

- Australian Post Office
- Edward H. O'Brien Pty Ltd
- Amalgamated Postal Workers' Union of Australia
- Union of Postal Clerks and Telegraphists
- Directories (Aust.) Pty Ltd

THE ISSUES

Conditions of tendering

15. The latest tender schedule (C.6911 Revised) for the sole right of supplying advertisements for insertion in the official telephone directories contained the following specific items on which the tenderers were required to quote:

- Estimated value of gross sales.
- Percentage of the value of gross sales to be paid to the Commonwealth.
- Minimum guaranteed payment to the Commonwealth.
- Proposed expenditure on sales promotion.

This tender schedule basically followed the principle of the previous schedule and contained the following more specific new features:

- (a) Tenderers were required to indicate the sales they expected to achieve in each year of the contract period. Previously tenderers were requested to submit only the percentage of their sales which they were willing to remit to the Department. The Post Office submitted that, by securing the tenderers' proposed sales levels and applying to them the percentage return offered by the tenderers, the Department was able to assess the offers more meaningfully in relative and absolute terms.
- (b) The opportunity was provided for tenderers to vary the return to the Department and their minimum guarantees according to the volume of sales. Tenderers were not obliged to offer increased percentages as the sales increased nor were they obliged to increase their minimum guarantees each year. But, as expected by the Post Office, both Edward H. O'Brien Pty Ltd and Directories (Aust.) Pty Ltd offered increasing percentages and minimum guarantees.
- (c) On this occasion, offers were sought on a three, four or five year basis, as against the previous five or seven year basis, because the Post Office considered that shorter term contracts (i) make it easier for future sales levels to be assessed, (ii) maintain incentive, and (iii) enable the Department to obtain the benefits of calling earlier competitive bids in the expanding market.

16. Edward H. O'Brien Pty Ltd submitted that changes in the tender requirements resulted in the level of minimum guarantees assuming a much greater significance, and that this tended to favour the large corporations with resources sufficient to allow them to take risks in setting high levels of minimum guarantees or even to sustain initial losses in order to win the contract. Edward H. O'Brien Pty Ltd, it was submitted, did not have the resources to sustain the heavy losses that could occur if optimistic sales targets on which minimum guarantees were based could not be met because of unforeseen circumstances such as economic downturns, and, therefore, were placed at a disadvantage in competing for the contract against Directories (Aust.) Pty Ltd who have large overseas financial backing.

17. The Post Office denied that the tender conditions were loaded or weighted against the *small* Australian tenderer, but suggested that the alleged advantage of the large organisation could be claimed to have been present in the previous tender conditions just as much.

Assessment of tenders

18. Three tenders were received for the contract in Victoria. The Post Office, in assessing the tenders, considered that the tender by Directories (Aust.) Pty Ltd submitted the highest estimate of gross sales, offered the best overall percentage of gross sales as payment to the Commonwealth, offered the highest minimum guaranteed payment to the Commonwealth, and proposed the highest expenditure on sales promotion. An examination of the tenders, which were lodged by the Post Office with the Committee, supports this assessment.

19. The Post Office submitted that the combination of the higher percentage return offered by Directories (Aust.) Pty Ltd and the higher gross sales proposed by that Company (which the Department considers achievable) is equivalent to a revenue gain to the Department of \$3.4m, representing a net surplus of \$1.8m to the Department after it meets printing expenses. The minimum guarantee (an expression of the tenderer's confidence in his planned sales level) offered by Directories (Aust.) Pty Ltd for a three year period was \$1.5m more than the next highest offer.

20. For these reasons, the tender submitted by Directories (Aust.) Pty Ltd for Victoria was accepted by the Post Office. In fact, the Post Office revealed that this company submitted the most attractive tender for all States for either a three or five year contract. However, as a matter of policy the Post Office considered that a contract should be allocated to the next most attractive tenderer to maintain the viability of that tenderer to provide for future competition. As a result, Edward H. O'Brien Pty Ltd were awarded the contract for New South Wales, representing some 40 per cent of the total market. The period of the contracts was also limited to three years to give the Department an earlier opportunity to again call competitive bids.

21. Edward H. O'Brien Pty Ltd criticised the Post Office assessment of the tenders on the grounds that it appeared that the Post Office had placed too much emphasis on the levels of minimum guarantees and projected sales. This tenderer held that the Post Office should have given greater consideration to the percentage bids and the proven ability to perform and meet obligations. Further, it was claimed that the minimum guarantees did not necessarily represent the ultimate benefits the Post Office would get from this kind of contract.

Ownership of tenderers and preference to Australian-owned tenderers

22. The ownership of Edward H. O'Brien Pty Ltd is wholly Australian, whereas Directories (Aust.) Pty Ltd is a wholly-owned subsidiary of the General Telephone Directory Company of the United States of America.

23. Edward H. O'Brien Pty Ltd submitted that it had been led to believe that continuation of its Australian ownership was important to the Post Office, but that, in fact, it was clear that the Post Office in assessing the tenders had disregarded the factor of the Company being Australian owned and managed.

24. The Amalgamated Postal Workers' Union submitted that it was undesirable for long term economic and political reasons to allow this activity and other Australian economic activities to be in the control of overseas commercial interests. This argument was strongly supported by the Union of Postal Clerks and Telegraphists who contended that the Post Office should always award contracts in the interest of Australian industry.

25. The Committee noted the explanation of the Post Office that it was a well-established principle that no distinction was made in letting contracts on the grounds of ownership. All resident Australian firms are treated in the same way and compete on exactly the same basis for Government business.

The growing influence of foreign-owned companies and multi-national corporations

26. There is evidence of a growing involvement by overseas interests in the Australian telephone directory advertising market: Directories (Aust.) Pty Ltd, previously an Australian-owned company, was taken over by the General Telephone Directory Company of the United States of America in 1966; the Australian contractor for Western Australia was taken over by ITT World Directories Inc. in late 1969; and Edward H. O'Brien Pty Ltd, which had been the largest operator, itself received takeover offers from both ITT World Directories Inc. and the Reuben H. Donnelley Telephone Company, a large United States advertising contractor, both of which it had rejected. This trend has now been accentuated by the award of the Victorian contract to Directories (Aust.) Pty Ltd.

27. The Union of Postal Clerks and Telegraphists submitted that the policies and working programmes of the Post Office had been directed against Australian-owned firms in favour of foreign-based corporations. This submission, and the claim by this Union that the multi-national corporations have been able to exercise great power and influence over the Post Office were not satisfactorily substantiated.

28. The Committee accepted the assurance of the Chairman of the Post Office Tender Board that the Tender Board operated without any direction or outside influence whatsoever.

Interests of the employees of Edward H. O'Brien Pty Ltd

29. The Committee was aware that the threatened unemployment of the Victorian employees of Edward H. O'Brien Pty Ltd was a related issue in the dispute over the contract. Having held this contract since 1924, and as almost the Company's sole *raison d'être*, it is understandable if both management and employees considered themselves to be an adjunct or virtual extension of the Post Office itself. In Victoria, at least, the Company had been operating solely as a contractor to the Post Office for 48 years. In these circumstances the future of the employees rightly became a matter of concern to the Post Office, which assured the Committee that it took all possible action to ensure that the rights of these employees would be safeguarded. The Managing Director of Directories (Aust.) Pty Ltd stated his interest in employing O'Brien personnel, as follows:

I had a meeting with about 100 of O'Brien's staff . . . and I intend to employ as many people as qualified into our company. We intend to start with 120 people and we would be very interested in the O'Brien personnel.

30. Under a competitive tendering system, and especially when the contract work is the sole business of the contracting firm, there can be no guarantee of continuity of employment.

Capability of the Post Office to produce the Pink Pages telephone directories

31. The Committee accepted the proposition that the Post Office might itself arrange the advertising for the classified telephone directories as a valid alternative

to the central issue as to which commercial enterprise should be awarded the contract.

32. Both the Amalgamated Postal Workers' Union and the Union of Postal Clerks and Telegraphists submitted that the Post Office has the managerial and other skills needed for the preparation and publication of the Pink Pages telephone directories. Further, the Amalgamated Postal Workers' Union held that if the Post Office did carry out this function itself in each State it could have turned its net loss of \$1.6m for the financial year 1970-71 into a net profit.

33. The Post Office view was that this type of function was more properly and satisfactorily performed on its behalf by private enterprise, there being more affinity between the work of selling Pink Pages advertising and a selling organisation in the private sector than there is between that function and the work of the Post Office in the public sector. The Post Office did not believe that there would be increased revenue and profit to the Post Office if it carried out the operation itself. It was the Post Office view that private enterprise, being competitive, would be more likely to achieve the optimum result.

CONCLUSIONS

34. The Committee's role in this Inquiry has been purely investigatory. Having no executive power, the Committee approached the Inquiry not with any intention of acting as an arbitrator in the dispute, but rather with the purpose of investigating the criticism publicly made of the Post Office, and to report its findings on the validity of that criticism and satisfy itself that proper arrangements have been made for the publication of the directories.

35. In line with this approach, the Committee makes the following observations:

- (a) In the opinion of the Committee, the decision of the Post Office to award the Victorian contract to Directories (Aust.) Pty Ltd was in accordance with accepted practice. Directories (Aust.) Pty Ltd submitted the best tender for the Victorian contract in every respect. The minimum guarantee of Directories (Aust.) Pty Ltd was 13 per cent higher than the guarantee of Edward H. O'Brien Pty Ltd in terms of the net return to the Post Office. If both tenderers were to achieve their maximum projected sales there was a net advantage of 25 per cent to the Post Office in accepting the tender of Directories rather than O'Brien's.
- (b) While smaller firms may be at some disadvantage when tendering for a contract, there is no evidence that in this tender Edward H. O'Brien Pty Ltd was placed at any special or unusual disadvantage by the tender requirements.
- (c) The Post Office Tender Board had not received any Government direction to give preference to Australian-owned tenderers.
- (d) There is no evidence to suggest that the contractor's foreign ownership will be detrimental to the production of the directories.
- (e) The dependence by a contractor on retaining one contract which is subject to periodic competition by public tender is an unfortunate aspect of this situation. There is no evidence to suggest, however, that the Post Office can be held responsible in any way for the hardship that may now be caused employees of Edward H. O'Brien Pty Ltd. But it can be envisaged that the same hardship will recur each time the contractor is changed if the contractor has been relying or specialising on the work of the contract.
- (f) Whether the national interest would be better served if a degree of preference was given to Australian-owned industry is a matter to which the Government should give its urgent attention.

G. D. ERWIN
Chairman

September 1972

APPENDIX I

EXTRACTS FROM MINUTES OF PROCEEDINGS

FRIDAY, 21 JULY 1972

at Canberra, A.C.T.

(Twenty-seventh Parliament—32nd Meeting)

Present:

Hon. G. D. Erwin (Chairman)

Senator Cameron
Senator Davidson

Mr Keogh
Dr Solomon

Apologies:

Senator Bonner
Senator Durack
Senator Georges
Senator Milliner
Senator Withers

Mr Corbett
Mr Foster
Mr Hamer
Mr L. R. Johnson

1 POST OFFICE ADVERTISING CONTRACT FOR THE VICTORIAN PINK PAGES TELEPHONE DIRECTORIES: Mr Keogh drew attention to a press report (*Financial Review*, 20 July 1972) concerning a dispute over the Post Office contract recently granted for advertisements in the Victorian Pink Pages Telephone Directories.

The Committee deliberated.

The Chairman instructed the Clerk to obtain advice on the competence of the Committee to inquire into the matter.

* * * *

3 POST OFFICE ADVERTISING CONTRACT FOR THE VICTORIAN PINK PAGES TELEPHONE DIRECTORIES: The Committee heard advice from the Clerk that it was competent to inquire into this matter.

Resolved, on the motion of Mr Keogh:

- (1) That the Committee inquire into Post Office arrangements for the printing and publication of the Pink Pages Telephone Directories, with special reference to the circumstances of the recent granting by the Post Office of a new contract for advertisements in the Victorian Pink Pages.
- (2) That the Clerk obtain a written statement from the Post Office on this matter for the information of the Committee and invite submissions from other interested parties.
- (3) That the Committee hear evidence from the Post Office and such other interested parties as the Chairman considers desirable on a date to be fixed by the Chairman.

4 ADJOURNMENT: The Committee adjourned.

THURSDAY, 10 AUGUST 1972

at Melbourne, Victoria

(Twenty-seventh Parliament—33rd Meeting)

Present:

Hon. G. D. Erwin (Chairman)

Senator Cameron
Senator Milliner

Mr Hamer
Mr Keogh
Dr Solomon

Apologies:

Senator Bonner
Senator Davidson

Mr L. R. Johnson

1 MINUTES: The minutes of the meetings held on 20 and 21 July 1972 were read and confirmed.

2 INQUIRY INTO POST OFFICE ADVERTISING CONTRACT FOR THE VICTORIAN PINK PAGES TELEPHONE DIRECTORIES: The Committee deliberated.

Press and public admitted.

The following witnesses, representing the Australian Post Office, were called, sworn and examined together:

Mr Alexander Maxwell Smith, First Assistant Director-General (Telecommunications);

Mr Francis Raymond McNamara, Deputy Assistant Director-General (Supply) and Chairman, Post Office Tender Board; and

Mr Patrick Francis Connell, Deputy Assistant Director-General (Sales).

Resolved: That the written submission of the Australian Post Office, dated 27 July 1972, be incorporated in the Minutes of Evidence.

The witnesses withdrew.

Mr Michael Ian Rollins, Company Secretary, Edward H. O'Brien Pty Ltd, was called and made an affirmation; and

Mr William Alfred Eric Nielsen, Acting Victorian Manager, Edward H. O'Brien Pty Ltd, was called and sworn.

The witnesses were examined together.

Resolved: That the written submission of Edward H. O'Brien Pty Ltd, forwarded on 27 July 1972, be incorporated in the Minutes of Evidence.

The witnesses withdrew.

The following witnesses, representing the Australian Post Office, were recalled and further examined together:

Mr Alexander Maxwell Smith, First Assistant Director-General (Telecommunications); and

Mr Francis Raymond McNamara, Deputy Assistant Director-General (Supply) and Chairman, Post Office Tender Board.

The witnesses withdrew.

The following witnesses, representing Edward H. O'Brien Pty Ltd, were recalled and further examined together:

Mr Michael Ian Rollins, Company Secretary; and
Mr William Alfred Eric Nielsen, Acting Victorian Manager.

The witnesses withdrew.

Mr Geoffrey Halstead Blunden, Assistant General Secretary, Amalgamated Postal Workers' Union, was called, sworn and examined.

Resolved: That the written submission of the Amalgamated Postal Workers' Union, dated 28 July 1972, be incorporated in the Minutes of Evidence.

The witness withdrew.

Mr John Sims Fleming Baker, General Secretary, Union of Postal Clerks and Telegraphists, was called, sworn and examined.

Resolved: That the written submission of the Union of Postal Clerks and Telegraphists, dated 4 August 1972, be incorporated in the Minutes of Evidence.

The witness withdrew.

The following witnesses, representing Directories (Aust.) Pty Ltd, were called, sworn and examined together:

Mr William Patrick Lyons, Managing Director; and
Mr Raymond Edward Wantuchowicz, Finance Director.

The witnesses withdrew.

The following witnesses, representing the Australian Post Office, were recalled and further examined together:

Mr Alexander Maxwell Smith, First Assistant Director-General (Telecommunications); and
Mr Francis Raymond McNamara, Deputy Assistant Director-General (Supply) and Chairman, Post Office Tender Board.

The witnesses withdrew.

3 PUBLICATION OF EVIDENCE:

Resolved: That, pursuant to the power conferred by Section 2 (2.) of the *Parliamentary Papers Act 1908-1963*, this Committee authorises publication of the evidence given before it at public hearings this day.

4 ADJOURNMENT: The Committee adjourned.

WEDNESDAY, 13 SEPTEMBER 1972
at Canberra, A.C.T.

(Twenty-seventh Parliament—35th Meeting)

Present:

Hon. G. D. Erwin (Chairman)

Senator Bonner	Mr Corbett
Senator Cameron	Mr Foster
Senator Durack	Mr Hamer
Senator Withers	Mr L. R. Johnson
	Mr Keogh
	Dr Solomon

Apologies:

Senator Davidson
Senator Milliner

1 MINUTES: The Minutes of the meeting held on 31 August 1972 were read and confirmed.

2 INQUIRY INTO THE POST OFFICE ADVERTISING CONTRACT FOR THE VICTORIAN PINK PAGES TELEPHONE DIRECTORIES: The Chairman submitted his Draft Report, which had been previously circulated.

The Committee proceeded to the consideration of the Draft Report.

Paragraphs 1-14, by leave, taken together and agreed to.
Paragraphs 15-17, by leave, taken together and agreed to.
Paragraphs 18-21, by leave, taken together and agreed to.
Paragraphs 22 and 23, by leave, taken together and agreed to.
Paragraph 24 amended and agreed to.
Paragraph 25 amended and agreed to.
Paragraphs 26-28, by leave, taken together and agreed to.
Paragraph 29 amended and agreed to.
Paragraph 30 agreed to.

Paragraphs 31-33, by leave, taken together and agreed to.

Paragraph 34 agreed to.

Paragraph 35 amended.

Mr Keogh moved—That the paragraph be further amended by the addition of the following words to stand as sub-paragraph (f):

“(f) The difficulty could be overcome by the Post Office undertaking to secure advertisements for the directories itself, and the Committee recommends that a more in-depth investigation be undertaken of the Post Office’s capability to undertake all of the work of the contract itself.”

Question—That the amendment be agreed to—put.

The Committee divided:

<i>Ayes, 4</i>	<i>Noes, 7</i>
Senator Cameron	Senator Bonner
Mr Foster	Senator Durack
Mr L. R. Johnson	Senator Withers
Mr Keogh	Mr Corbett
	Mr Erwin
	Mr Hamer
	Dr Solomon

And so it was negated.

Mr L. R. Johnson moved—That the paragraph be further amended by the addition of the following words to stand as sub-paragraph (f):

“(f) The Committee is of the opinion that the national interest would be better served if preference was given to Australian industry or if the work was undertaken by the Post Office.”

Question—That the amendment be agreed to—put.

The Committee divided:

<i>Ayes, 4</i>	<i>Noes, 7</i>
Senator Cameron	Senator Bonner
Mr Foster	Senator Durack
Mr L. R. Johnson	Senator Withers
Mr Keogh	Mr Corbett
	Mr Erwin
	Mr Hamer
	Dr Solomon

And so it was negated.

Further consideration of paragraph 35 postponed.

3 ADJOURNMENT: The Committee adjourned until Wednesday, 20 September 1972 at 1.00 p.m.

WEDNESDAY, 20 SEPTEMBER 1972
at Canberra, A.C.T.

(Twenty-seventh Parliament—36th Meeting)

Present:

Hon. G. D. Erwin (Chairman)

Senator Bonner	Mr Corbett
Senator Cameron	Mr Foster
Senator Davidson	Mr Hamer
Senator Georges	Mr L. R. Johnson
Senator Milliner	Mr Keogh
Senator Withers	Dr Solomon

1 MINUTES: The Minutes of the meeting held on 13 September 1972 were read and confirmed.

LIST OF WITNESSES

BAKER, J. S. F.
 BLUNDEN, G. H.
 CONNELL, P. F.
 LYONS, W. P.
 MCNAMARA, F. R.
 NIELSEN, W. A. E.
 ROLLINS, M. I.
 SMITH, A. M.
 WANTUCHOWICZ, R. E.

General Secretary, Union of Postal Clerks and Telegraphists.
 Assistant General Secretary, Amalgamated Postal Workers' Union of Australia.
 Deputy Assistant Director-General (Sales), Postmaster-General's Department.
 Managing Director, Directories (Aust.) Pty Ltd.
 Deputy Assistant Director-General (Supply), Postmaster-General's Department; Chairman, Post Office Tender Board.
 Acting Victorian Manager, Edward H. O'Brien Pty Ltd.
 Company Secretary, Edward H. O'Brien Pty Ltd.
 First Assistant Director-General (Telecommunications), Postmaster-General's Department.
 Finance Director, Directories (Aust.) Pty Ltd.

2 INQUIRY INTO THE POST OFFICE ADVERTISING CONTRACT FOR THE VICTORIAN PINK PAGES TELEPHONE DIRECTORIES: The Committee resumed consideration of the Draft Report.

Paragraph 35 was further considered.

Senator Cameron moved—That the paragraph be further amended by the addition of the following words to stand as sub-paragraph (f):

"(f) The Committee is of the opinion that the national interest would be better served if preference was given to Australian industry."

Question—That the amendment be agreed to—put.

The Committee divided:

Ayes, 6

Senator Cameron
 Senator Georges
 Senator Milliner
 Mr Foster
 Mr L. R. Johnson
 Mr Keogh

Noes, 7

Senator Bonner
 Senator Davidson
 Senator Withers
 Mr Corbett
 Mr Erwin
 Mr Hamer
 Dr Solomon

And so it was negatived.

Resolved, on the motion of Senator Withers—That the paragraph be further amended by the addition of the following words to stand as sub-paragraph (f):

"(f) Whether the national interest would be better served if a degree of preference was given to Australian-owned industry is a matter to which the Government should give its urgent attention."

Senator Milliner moved—That the paragraph be further amended by the addition of the following words to stand as sub-paragraph (g):

"(g) Obviously, however, any difficulty could be overcome by the Post Office undertaking to secure advertisements for the directories itself."

Question—That the amendment be agreed to—put.

The Committee divided:

Ayes, 6

Senator Cameron
 Senator Georges
 Senator Milliner
 Mr Foster
 Mr L. R. Johnson
 Mr Keogh

Noes, 7

Senator Bonner
 Senator Davidson
 Senator Withers
 Mr Corbett
 Mr Erwin
 Mr Hamer
 Dr Solomon

And so it was negatived.

Paragraph 35, as amended, agreed to.

Resolved: That the Draft Report, as amended, be the Report of the Committee.

Resolved: That the Minutes of Proceedings be an Appendix to the Report.

3 ADJOURNMENT: The Committee adjourned.