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**SITTING DAYS—2016**

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FORTY-FOURTH PARLIAMENT
SECOND SESSION—FIRST PERIOD

Governor-General
His Excellency General the Hon. Sir Peter Cosgrove AK, MC (Retd)

Senate Office Holders
President—Senator Hon. Stephen Parry
Deputy President and Chair of Committees—Senator Gavin Mark Marshall
Temporary Chairs of Committees—Senators Christopher John Back, Cory Bernardi, Sam Dastyari, Sean Edwards, Alexander McEachian Gallacher, Susan Lines, Deborah Mary O'Neill, Nova Maree Peris OAM, Dean Anthony Smith, Zdenko Matthew Seselja, Glenn Sterle, Peter Stuart Whish-Wilson and John Reginald Williams
Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Deputy Leader of the Government in the Senate—Senator Hon. Mathias Cormann
Leader of the Opposition in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator Hon. Stephen Conroy
Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield
Manager of Opposition Business in the Senate—Senator Claire Moore

Senate Party Leaders and Whips
Leader of the Liberal Party in the Senate—Senator Hon. George Henry Brandis QC
Deputy Leader of the Liberal Party in the Senate—Senator Hon. Mathias Cormann
Leader of The Nationals in the Senate—Senator Hon. Nigel Scullion
Deputy Leader of The Nationals in the Senate—Senator Hon. Fiona Nash
Leader of the Opposition in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator Hon. Stephen Conroy
Leader of the Australian Greens—Senator Richard Di Natale
Co-deputy Leaders of the Australian Greens in the Senate—Senators Scott Ludlam and Larissa Joy Waters
Chief Government Whip—Senator David Christopher Bushby
Deputy Government Whips—Senators David Julian Fawcett and Dean Anthony Smith
The Nationals Whip—Senator Matthew James Canavan
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert

Printed by authority of the Senate
## Members of the Senate

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<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
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<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
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<td>30.6.2017</td>
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<tr>
<td>Back, Christopher John</td>
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<td>Brandis, Hon. George Henry, QC</td>
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<td>Brown, Carol Louise</td>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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<th>Territory</th>
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<th>Party</th>
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<td>Peris, N.M.</td>
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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.
(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice J Faulkner), pursuant to section 15 of the Constitution.
(3) Chosen by the Australian Capital Territory Legislative Assembly to fill a casual vacancy (vice K. Lundy), pursuant to section 15 of the Constitution.
(4) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Mason), pursuant to section 15 of the Constitution.
(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice C. Milne), pursuant to section 15 of the Constitution.
(6) Chosen by the Parliament of South Australia to fill a casual vacancy (vice P Wright), pursuant to section 15 of the Constitution.
(7) Chosen by the Parliament of Victoria to fill a casual vacancy (vice M Ronaldson), pursuant to section 15 of the Constitution.
(8) Vacancy created by the resignation of Senator Bullock.
PARTY ABBREVIATIONS
AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
FFP—Family First Party; IND—Independent, LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—R Stefanic
Parliamentary Budget Officer—P Bowen
## Turnbull Ministry

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<tbody>
<tr>
<td>Prime Minister</td>
<td>The Hon Malcolm Turnbull MP</td>
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<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td>Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td>Cabinet Secretary</td>
<td>Senator the Hon Arthur Sinodinos AO</td>
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<tr>
<td>Minister Assisting the Prime Minister for the Public</td>
<td>The Hon Michaelia Cash</td>
</tr>
<tr>
<td>Service</td>
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<tr>
<td>Minister Assisting the Prime Minister for Counter-</td>
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<tr>
<td>Terrorism</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>Assistant Minister to the Prime Minister</td>
<td>Senator the Hon James McGrath</td>
</tr>
<tr>
<td>Assistant Minister for Cities and Digital Transformation</td>
<td>The Hon Angus Taylor MP</td>
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<tr>
<td>Assistant Cabinet Secretary</td>
<td>The Hon Dr Peter Hendy MP</td>
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<tr>
<td>Deputy Prime Minister and Minister for Agriculture and</td>
<td>The Hon Barnaby Joyce MP</td>
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<tr>
<td>Water Resources</td>
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<tr>
<td>Assistant Minister for Agriculture and Water Resources</td>
<td>Senator the Hon Anne Ruston</td>
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<tr>
<td>Assistant Minister to the Deputy Prime Minister</td>
<td>The Hon Keith Pitt MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon Steve Ciobo MP</td>
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<tr>
<td>Minister for International Development and the Pacific</td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
<td>Minister for Tourism and International Education</td>
<td>Senator the Hon Richard Colbeck</td>
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<tr>
<td>Minister Assisting the Minister for Trade and Investment</td>
<td>Senator the Hon Richard Colbeck</td>
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<tr>
<td>Attorney-General (Vice-President of the Executive</td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td>Council)</td>
<td>The Hon Michael Keenan MP</td>
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<td>Minister for Justice</td>
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<tr>
<td>Treasurer</td>
<td>The Hon Scott Morrison MP</td>
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<tr>
<td>Minister for Small Business</td>
<td>The Hon Kelly O’Dwyer MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>The Hon Kelly O’Dwyer MP</td>
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<tr>
<td>Assistant Minister to the Treasurer</td>
<td>The Hon Alex Hawke MP</td>
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<tr>
<td>Minister for Finance</td>
<td>Senator the Hon Mathias Cormann</td>
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<tr>
<td>(Deputy Leader of Government in the Senate)</td>
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<td>Special Minister of State</td>
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<td>The Hon Dr Peter Hendy MP</td>
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<tr>
<td>Minister for Regional Development</td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
<td>(Deputy Leader of the House)</td>
<td>The Hon Darren Chester MP</td>
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<tr>
<td>Minister for Infrastructure and Transport</td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td>Minister for Major Projects, Territories and Local</td>
<td>The Hon Paul Fletcher MP</td>
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<td>Minister for Industry, Innovation and Science</td>
<td>The Hon Christopher Pyne MP</td>
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<tr>
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<tr>
<td>Minister for Resources, Energy and Northern Australia</td>
<td>The Hon Josh Frydenberg MP</td>
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<tr>
<td>Minister for Northern Australia</td>
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<tr>
<td>Assistant Minister for Science</td>
<td>The Hon Karen Andrews MP</td>
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<td>The Hon Wyatt Roy MP</td>
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<td>Minister for Immigration and Border Protection</td>
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<tr>
<td>Minister for the Environment</td>
<td>The Hon Greg Hunt MP</td>
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<tr>
<td>Minister for Health</td>
<td>The Hon Sussan Ley MP</td>
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<tr>
<td>Minister for Aged Care</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases. Assistant Ministers in italics are designated as Parliamentary Secretaries under the *Ministers of State Act 1952*. 

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<td>Hon. Julie Collins MP</td>
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Shadow Cabinet Ministers are shown in bold type.

* Senator Katy Gallagher’s appointment to the Shadow Ministry is effective from 1 November 2015. Senator the Hon. Jan McLucas will serve as Shadow Minister for Housing and Homelessness and Shadow Minister for Mental Health, and represent the Shadow Minister for Northern Australia, the Shadow Minister for Health, the Shadow Assistant Minister for Health, the Shadow Minister for Sport and the Shadow Minister for Indigenous Affairs in the Senate until 31 October 2015.
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Monday, 2 May 2016

The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 10:00, read prayers and made an acknowledgement of country.

DOCUMENTS

Tabling

The Clerk: I table documents pursuant to statute and returns to order. Lists are available from the Table Office or from the chamber attendants.

Details of the documents also appear at the end of today’s Hansard.

COMMITTEES

Meeting

The Clerk: Proposals to meet have been lodged as follows: by the Parliamentary Joint Committee on Corporations and Financial Services for a private meeting today from 4 pm, the Education and Employment Legislation Committee for a private meeting today from 1.50 pm, the Parliamentary Joint Committee on Intelligence and Security for a private meeting today from 5 pm, the Legal and Constitutional Affairs Legislation Committee for a private meeting today from 3.05 pm, and the Parliamentary Standing Committee on Public Works for a private meeting today from 4.30 pm.

The PRESIDENT: Does any senator wish to have the question put on any of those motions? There being none, we will proceed to business.

PARLIAMENTARY REPRESENTATION

Western Australia

The PRESIDENT (10:02): I have received, through the Governor-General, from the Governor of Western Australia a copy of the certificate of the choice by the houses of parliament of Western Australia of Patrick Dodson to fill the vacancy caused by the resignation of Senator Bullock. I table the document.

Senators Sworn

Senator Patrick Dodson made and subscribed the oath of allegiance.

BUSINESS

Consideration of Legislation

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (10:08): I move:

That, pursuant to standing order 136(1)(a), the following bills be restored to the Notice Paper and that consideration of each of the bills resume at the stage reached in the last session of the Parliament:

- Family Law Amendment (Financial Agreements and Other Measures) Bill 2015
- Regulatory Powers (Standardisation Reform) Bill 2016
- Social Security Legislation Amendment (Community Development Program) Bill 2015.

Question agreed to.
BILLS
Northern Australia Infrastructure Facility Bill 2016
Northern Australia Infrastructure Facility (Consequential Amendments) Bill 2016
Second Reading

Debate resumed on the motion:
That these bills be now read a second time.

Senator MOORE (Queensland) (10:08): Labor will be supporting the Northern Australia Infrastructure Facility Bill 2016. I know the people on the other side of the chamber will be pleased to hear that. We will be supporting these bills on the basis that this particular legislation contains a 'rigorous and properly structured decision making process under the direction of a competent and independent board'. It is most clear in our position that we need to ensure that this board will in fact be competent and independent. I think it is an element on which all parties can agree that it is so important that everyone is competent and that this process will be done in a rigorous fashion and completely independently. The two elements of independence and trust, which are so important in any process, must be absolutely central to any of the movements going forward.

It is important also to notice that the bill has gone to the Joint Select Committee on Northern Australia. They are the group of people in our parliament who have been most concerned about what is happening in Northern Australia. The bill has gone there and the committee has looked at it. There have been a number of recommendations out of that process. No doubt we will hear about that in the debate today as people bring forward the issues they raised in that committee.

At this stage, very early on, I want to particularly acknowledge my friend Senator McLucas, who will also be speaking on this legislation. Senator McLucas, as we know, is a strong northern Australian and Northern Queenslander and I want to put on record my respect and my thanks for the work that she has done in this area and also for her consultative process, which has been particularly effective both within this parliament and also, most importantly, in the community.

The Northern Australia Infrastructure Facility Bill 2016 will establish the Northern Australia Infrastructure Facility. It will also establish an independent Northern Australia Infrastructure Facility Board to make investment decisions under this legislation. Regarding the money on the table, NAIF will offer up to $5 billion in concessional finance to encourage and complement private sector investment in northern Australian economic infrastructure.

I think everyone in this place understands the importance of the development of northern Australia and having an effective infrastructure. We had the opportunity on many Senate committees to visit northern Australian communities across the board, looking at that concept of northern Australia reflecting not a state base but rather a geographic base. We understand what is clearly known—that there are elements of similarity and elements of concern that cross state borders. The fact that this legislation talks about the concept of northern Australia is particularly important and reinforces the already established need to ensure that those issues of regional importance are not forgotten, particularly at our level in federal government.
In relation to the geographic line, it is always very difficult to relate any particular process to geography, but I understand that there is a government amendment that will slightly change the definition of northern Australia as it was originally taken to the committee. We will have an amendment to ensure that one particular element of Western Australia is picked up in this definition. Infrastructure located outside northern Australia can be northern Australian economic infrastructure as long as it provides a basis for economic growth in northern Australia and stimulates population growth in northern Australia.

The facility was first announced in the 2015 budget. Details of the facility have been delayed a number of times and it seems that the work to develop the policy was done largely after the announcement. That in itself is not particularly peculiar, as a concept or a proposal is then backed up by much more detail. But it seems that, particularly after the budget last year, there was a lack of detail for people to understand and get their minds across. That detail has since been brought forward through the committee process and there is much more detail on the table, but it is important that we understand that this is an evolving piece of legislation and it engages the close scrutiny of all those who share the importance of northern Australia.

We know, and I put on record, some of the issues that stimulated the need for such legislation. Northern Australia faces significantly higher costs and service challenges, resulting in critical infrastructure gaps. We know—and it is something that we do talk about a lot in the electoral process—that northern Australia's low population density and smaller dispersed industry makes it difficult to capture the economies of scale that support commercially viable infrastructure at competitive prices.

The distances continue to confound people. Truly understanding the impact of distance and geography on our nation is an important element of this debate. No matter where people live, they should get a true understanding of the issues of northern Australia—the distance, the remoteness, the north's unique climate. I think many people—including Senator McLucas, I know—have great experience in the challenges of the climate across northern Australia. We need to understand. Too often, people in other areas just get immediate glimpses of some of the challenges of the climate conditions in the north when we have media coverage of such things as cyclones. It is also very important to understand the element of drought in that part of Australia. Certainly as a Queensland senator, I know the impact of drought on our northern community is something we need to really understand in the development of policy.

The NAIF, the Northern Australia Infrastructure Facility, is intended to support projects that otherwise would not be built or would not be commercially viable without an appropriate injection of public funding. Therefore, that $5 billion is an important element of the process. That is where decisions can be made that can give an injection of appropriate funding at the best possible time to encourage development of many kinds. That will be an extraordinarily important element of the process—the identification of the most effective programs and projects that can attract the funding which is so important.

The NAIF will be established as a corporate Commonwealth entity. It will provide concessional loans to enable major economic infrastructure projects to proceed on the basis that they meet specific eligibility criteria and are able to repay the Commonwealth in full and on time. That means that the relationship between the projects and the funding body will need to be maintained so that there will be that ability to report so that we will know how progress is going. So, there will not be any surprises, which is most important when actually looking at
funding projects. We do not need to have surprises at the end of the time frame. The commitment is that any funding that is provided will be able to be repaid—and I stress—in full and on time.

Concessional features of a loan may include lower interest rates—and we hear much about the attraction of lower interest rates—longer loan tenure and/or different repayment arrangements that might be provided by the private sector. The important element is to ensure that the projects brought forward meet the specific criteria and are able to prove that they will, as required by the legislation, support projects that otherwise would not be able to be built and that they will respond to those issues of remoteness and population growth. There needs to be an understanding that the projects will meet those requirements before they are eligible.

The board will make investment decisions independently, and that is—as I said at the start—so important in the consideration of the establishment of this particular entity. There must be the sense of independence. It will determine NAIF investments in accordance with an investment mandate issued by the Minister for Northern Australia. I understand there were discussions at the committee about the size and make-up of the board, which is always an interesting element. Under the legislation, the board will consist of a chair and no less than four and no more than six other members. I am looking across at Minister Canavan now—that is kind of a tight frame. No less than four but no more than six, so that actually defines how many people will be involved on the board.

Senator Ian Macdonald: It'll be four, five or six then!

Senator MOORE: Four, five or six—yes. I am just wondering—will we toss a coin there? But I understand it is just a way of expressing it. But, yes, we know how many members there will be on the board. I am sure it will be an interesting process, determining who will make up the board's membership, because we know that there is great interest in this process. Ways to fund and invest in northern Australia appropriately have been on the agenda for a while. I would imagine that being on the board will be a very important responsibility and one that will be watched closely by everybody who is interested in this area.

The minister will be unable to direct the NAIF to invest in a particular infrastructure project or in relation to a particular person. The minister will have a veto power to reject decisions by the NAIF—and I think this is important to read into the record—only if assistance would be inconsistent with the objectives and policies of the Commonwealth government, have adverse implications for Australia's national or domestic security or have an adverse impact on Australia's international reputation or foreign relations. The NAIF can grant financial assistance for states and territories for the construction of northern Australian economic infrastructure and determine the terms and conditions for those grants. Again, in any consideration of development in northern Australia it is important to have the states and territories involved in what the best way would be to develop projects.

As I said, one of the important elements of this process is that it is not limited by state border, but it would be nonsensical to believe that effective discussions around appropriate investment in projects to develop northern Australia could be done without the engagement of the states and territories. It would be difficult if not impossible to ensure that projects could be successfully completed if there were tension or conflict with states and territories. So it is there that there will be consultation and discussion but also that states and territories would be
able to have financial assistance if the projects they are putting forward meet those criteria which have already been developed.

Importantly, the mandate directs NAIF to consult with Infrastructure Australia and relevant Commonwealth departments where an investment decision is greater than $100 million. The mandate also describes the types of financial assistance that may be offered, the terms for the provision of financial assistance, objectives of the NAIF, strategies and policies to be followed, eligibility criteria, and risk and return parameters. The mandate is the core of this legislation, and the bill provides for the investment decisions of the board to be covered by the Northern Australia Infrastructure Facility Investment Mandate Direction 2016—which, I think gratefully, can be referred to in future as 'the mandate' rather than giving it the full title. It is a word I do not like. I do not like the word 'mandate' but, in terms of putting clearly what is there in the legislation, I think that, for people who are engaged in discussions about the development of our northern regions, having that clear mandate is an important element of building that trust and ensuring the independence about which I have spoken before.

The mandate covers a number of mandatory criteria, funnily enough, for an investment decision to be made. I just put on record again that the project must—these are the processes around which criteria will be developed—'involve the construction or enhancement of economic infrastructure'; 'be for public benefit'; or 'be unlikely to proceed' if not for the NAIF funding or be likely to proceed at a much later date or with a limited scope. Again, this focuses the need for the investment from NAIF—that, without the NAIF investment or the ability to get that, the project might not have been able to proceed in a timely way or might not be able to fill its total goals and might have to be limited in some way. Absolutely essentially, the particular projects must 'be located in, or have significant benefit for, northern Australia'. It is important that there be an understanding of the process. It does not necessarily have to be located in northern Australia, but, if the board believes that the project would provide effective benefit to northern Australia, it would meet that criterion.

The project must show that the finance from the NAIF will not exceed 50 per cent of the total project debt; provide comprehensive financial modelling to show that the loan monies will be able to be paid in full and on time, as I said; and provide an Indigenous engagement strategy. Again, in the roll of legislation brought before this place over the last couple of years, we have consistently talked about having in these regions an effective Indigenous strategy, because without jobs—without the opportunity for employment—there would be limited support for building population, as I said, and for acknowledging the link between this legislation and other legislation which has gone before the previous government and this one about ensuring that there are employment opportunities for Indigenous communities. No longer will these kinds of projects be able to operate by bringing in outside labour and excluding any opportunity for an Indigenous employment engagement strategy. I think that, for me, is one of the most important elements of this legislation.

One of the things that Labor raised—and I take this opportunity also to acknowledge the work of Minister Gary Gray, who is retiring at this election and in whose portfolio responsibilities this was—was the importance of having this effective consultation with Infrastructure Australia. As I have said, the mandate spells out that NAIF needs to consult with Infrastructure Australia where an investment decision is greater than $100 million. We had raised concerns at the committee level—and I put them on record today—that the
requirement to consult where the loan is greater than $100 million may not in itself be sufficient. Labor have indicated that we would like to see some integration at board level between the Northern Australia Infrastructure Facility and Infrastructure Australia. As you know, Infrastructure Australia was the author of the recent Northern Australian audit—infrastructure for a developing North in May 2015.

That report bears such relevance to the legislation about which we are having a discussion here today, because that whole report was about how you would be able to develop effective infrastructure for a strongly developing north. So the need to involve Infrastructure Australia, which is established and credible, all the way through with any project that we would be talking about under this legislation is critical. The absence of Infrastructure Australia expertise in some projects may create unwelcome duplication and waste resources across agencies and departments where NAIF projects are assessed.

The fact is that we have within the mandate an expectation—in fact, a rule—that there needs to be consultation for projects over $100 million. That is strong, but we believe that having Infrastructure Australia involved in projects in northern Australia would be a valuable element and would improve the legislation. It may well be that arrangements would be made so that those discussions could go on, but currently the mandate is particularly focused on projects over $100 million. It would be very valuable if the minister could address in his reply this issue of maintaining the expertise.

It is very important, as I said earlier in this contribution, that funding is allocated transparently and that decisions can be publicly assessed. This is an important element of funding. We need to ensure that not only the parliament but the community has strong trust that this fund will be effectively responding to the needs of the region and that it would pass any test of transparency. As we know, we would expect that to be the case. We have had occasions in the past where programs have been subjected to audits which have proven that some expenditure of government funds had not passed that element of transparency or trust.

So it is most important that in developing this new program it is clear at the start of the project that there is an open commitment that there will be transparency and also engagement so that, as projects are being assessed and when decisions are made, it is done in the public arena. People will be able to see what the basis of a decision for a particular funding allocation was and how that particular allocation meets the criteria which I spelt out in the contribution—in particular, how will it benefit northern Australia? How will it respond to the particular needs of northern Australia? We as a community and as a parliament will be able to be sure that these needs are being met and that the people who are living there are very much engaged in seeing how the project operates and will be absolutely certain that the money is well spent and effectively processed.

Again, it is important that we have the link with Infrastructure Australia. I know that that is an element that will come out in other contributions to the debate. But, as I said, Labor does support this legislation. We are optimistic and hopeful that this will be of benefit to northern Australia.

Senator SIEWERT (Western Australia—Australian Greens Whip) (10:28): I rise today to make a contribution to the debate on the Northern Australia Infrastructure Facility Bill 2016. This bill will allow the government to provide below-cost loans for infrastructure for northern
Australia. As Senator Moore has already pointed out the many aspects of the bill, I will go into some of the concerns that we have with this bill.

For years people have been dreaming about the development of the north. They see massive riches pouring out of the north. I sometimes look at it as: 'Let's circle the wagons, and let's go off and start developing the north!' I am desperately concerned that we will make the same mistakes that we have made in south, where we have seen overclearing and a massive loss of species, where Australia has had the highest rate of extinction of mammalian species in the world—not a record that any of us should be proud of. There are feral species, weeds and the destruction of our environment, all the while adding to the most destructive impact currently affecting the world—that is, climate change.

We have looked at the north. We have seen the massive amount of water, and we have said, 'All that water is wasted going out to sea.' Of course, all that water is not being wasted; it is part of the natural environment and is contributing to the ecosystem very substantially. I will come back to that point in a minute.

One of the key things that we must remember when we are talking about development in northern Australia is that a large amount of this land is owned and managed by Aboriginal and Torres Strait Islander peoples and that, to date, Aboriginal people have had very little benefit from the development that has occurred anywhere across Australia, both in the south, in massive development, and in the north. When you look at the outcomes for Aboriginal people when we are talking about trying to improve some of those key targets when we are trying to close the gap—if you look at some of the research that has come out of the Pilbara, for example, where there has been massive wealth generated—the indicators for Aboriginal and Torres Strait Islander peoples have not improved. They have not benefited from the wealth that has been generated from that area. The issues—the massive disadvantage, the gap in life expectancy, poor health outcomes, poor employment outcomes—have not substantially improved.

While there are now better training programs in some areas, noticeably it is very often Aboriginal people who come off employment first when people start retrenching workers. There have not been long-term gains for those communities, nor has employment been guaranteed. We still constantly see fly-in fly-out workers—again, not Aboriginal communities. You will get people who come in and say, 'Oh, we're going to employ a whole number of Aboriginal people in this particular project,' completely not mentioning the time lines that are needed to make sure that we have a skilled Aboriginal workforce that can participate in that particular employment. There are some exceptions—I will grant that, and very strongly—but in many cases there are not. So, once again, Aboriginal communities miss out.

When we are talking about northern Australia, although there is some disruption to our natural environment up there, it is in much better condition, by and large—and I will come back to that too—than the south of Australia. Northern Australia has incredible natural history. By some estimates, northern Australia covers around 40 per cent of Australia's land mass. It represents one of the largest natural areas remaining on earth. It is 3,000 kilometres from east to west, and it includes a landscape that varies from tropical savannas to rainforests and deserts. Wetlands in the north are spectacular, and of course the wetlands in Kakadu are internationally renowned. It also has the most beautiful coastal environment and marine areas,
which are productive and are affected, as we know, by development that occurs on land and in water—because we are also talking about aquaculture in the north as well as exploitation of oil and gas resources, which obviously occurs in the north. When we go back to the value and the beauty of the natural heritage up there, these are something that even the government's own northern Australia green paper acknowledged when it said:

The north is home to seven World Heritage Sites with outstanding natural and scientific values: the Great Barrier Reef, the Wet Tropics of Queensland, Kakadu National Park, Uluru-Kata Tjuta National Park, Ningaloo Coast, Purnululu National Park and the Riversleigh Australian Fossil Mammal Site. All of these are world renowned sites and obviously need to be protected, and they are in themselves a source of revenue for northern Australia.

We have to also remember that we are talking about an environment that can be significantly damaged by development if it is not done in a sustainable manner. We are starting to see this in northern Australia. We are starting to see mammal species being lost from environments and from ecosystems. We are starting to see species becoming endangered where they were not in the past.

And we are still getting to the bottom of what is causing the threat to these species. Is it the fact that the fire regimes have changed? Is it the feral species that we are increasingly seeing predate on native species? There is a range of issues at stake here. Is it because we are clearing more and changing the way the patterns of our vegetation are working and protecting fewer of those species? We do not want to build on our unenviable reputation and No. 1 spot in terms of loss of mammalian species—extinction of mammalian species. If we start losing these species from northern Australia, we will certainly climb even higher with that number, particularly of those critical-weight mammal species that have been lost from Australia. We will certainly soon be adding to that list.

People have been talking for years and years about developing the North. I am really concerned that what we are seeing at the moment when talking about the development of the North is largely more of the same. We only have to look at Adani and the fact that we want the road and rail infrastructure to go in there to see that we are not looking very much further than beyond the end of our nose with regard to developments in northern Australia. Largely, it is more of the same. We look up there and see water resources that we want to exploit.

If we look at Western Australia and what was happening in the fifties and sixties about developing the north, we see that we stuck a dam on the Ord River. We had stage 1 of the Ord going for a very long time. It has been well known as a white elephant, and now we are starting on stage 2. We have invited investors and we are going to start a sugar industry up there—again! Just last week, they were saying: 'We can't start that bit until we get stage 3. It's not economic.' So it is more of the same! In fact, literally all my life I have been hearing how good the Ord is going to be one day. 'One day it is going to be the food bowl, not only of Australia but it will help to be the food bowl of the world.'

We keep claiming that the North can be the food bowl of the world because it has all these water resources. Yes, there is lot of water up there but it is seasonal, for a start. It is not wasted. When it goes into those river systems, it is part of an ecosystem. The Northern Australia Land and Water Taskforce clearly showed that there is not that abundance that people keep thinking is there; that we can shove it into dams and then water half of the North. We have fragile ecosystems up there. Short-sighted development like what we have done in
the south—promoting extractive industries, particularly when they are fossil fuel extractive industries—are more of the same, and they will be redundant in the not-too-distant future.

The report from the Northern Australia Land and Water Taskforce said:

However, contrary to popular belief, water resources in the north are neither unlimited, nor wasted. Equally, the potential for northern Australia to become a food bowl is not supported by the evidence. There is evidence to suggest that there are some water resources that can be exploited. I am not denying that, but not on the huge scale that some people dream about. It is just not the right thing to be doing up there. Yes, mosaic, small-scale agriculture developments can work, and in fact are working, in some places in the North. But putting a dam on the Fitzroy is not the way to go.

Last week, the cat was let out of the bag; the government was clearly talking about wanting to exploit the Fitzroy River yet again. Some people are still dreaming of a dam on that river. I have fought that dam twice and I will be fighting it again if they start to move to put a dam on that river, because it would disrupt the ecosystem. It is not the right thing to do. Small, off-site storage—small scale and localised—may be the way to go, but not that huge infrastructure that is not sustainable, causes huge disruption to the environment and is not supported by many people. Development that does not take into account environmental constraints will be a failure.

This is a fundamental difference between the Greens and other parties, where they just see more of the same as the way to go when, in fact it is not. We do have an opportunity to get it right in the North. We have an opportunity to put in place developments that will take us through the 21st century and into the next and will put us ahead of the rest of the game, if we start investing these resources in a way that is sensitive and that sets us up for the rest of this century and for the next century; if we start picking up proposals that truly renew Australia, such as the Greens propose in Renew Australia, which develops energy sources that are renewable, will be there for a long time and will literally not cost us the earth; and when we start factoring the impacts of climate change into the decision making for the North. This is absolutely essential. If we keep proceeding with developments that contribute to climate change, for a start, that will be a disaster. If we continue to invest in such infrastructure, we are setting up a massive, basically loss-making enterprise. Not only is this contributing to climate change; it is a really dumb idea.

We need to be investing so that we are making sure the North is provided with the opportunity to take part in the new economy. As I said, we have the opportunity to make sure that Australia, and particularly the North, is fundamentally set up so that we can take a place and be leaders in the new economy. We should not be plundering our environmental resources. We do not want short-term gain here that will, in the long term, cost future generations, particularly where we can make sure we are putting in place developments that most benefit Aboriginal communities, look beyond the end of our nose and make sure that we have projects in place that are truly renewable and sustainable and will last us for the long term.

It is particularly important that we protect Australia's water resources. I noted above the findings of the Northern Australia Land and Water Task Force. I would also like to quote from a recent paper on irrigation in northern Australia, which says that the environmental characteristics of northern Australia are not suitable for irrigation. It says:
Taken together, these environmental characteristics—infertile soils, extreme heat, and highly variable and intense rainfall—suggest the north is not well suited to farming at all, let alone the temperate dryland cash crops like wheat and barley, which are grown predominantly during the southern winter and spring.

I know that there are other crops that we are talking about for the North. Again, if we are very sensitive, we can put these in certain areas, but not the massive style of developments that some people came to the Joint Select Committee on Northern Australia with. Some of those people had good ideas—they were good ideas. Some you would call carpetbaggers. That is what they are called out bush—they are called carpetbaggers. Some of them were literally carpetbaggers, and you should have heard some of them. Some of them, as I said, were good, but some were not.

That is what drives some people when they eye the North. They are there to make a whole heap of money, and they say it will be a food bowl. They have been saying this for generations. It cannot be the type of food bowl that some of these developers are talking about, with massive clearing, which not only potentially will not be sustainable because it will be affected by climate change—we are already seeing different seasons in the North, as we are in the south—but will impact, for example, on our marine environments. We are already seeing that. There is no better example than some of the impact that land development has had on the Great Barrier Reef. I am sure my colleague Larissa Waters will be talking about that shortly.

We have to be much more sensitive about the way that we look at the North and talk about its development. Because of that, we believe that the decision making needs to better reflect environmental principles. The decisions about investment and infrastructure need to take these into account. We want an economy that is driven by clean energy, because it is better for the environment and it is where the future is: a new, clean economy. We have a vision for environmentally sustainable development in northern Australia, and this approach can and should include agriculture where it can be done sustainably without causing an impact on our important water resources and also where it does not involve large-scale clearing and is done in a planned way. Our plan Renew Australia is a plan for 90 per cent renewable energy by 2030 and doubling our energy efficiency. This is an area that we should be looking at.

This proposed legislation needs to be amended, and that is why we have proposed a number of amendments. For a start, we do not agree that the facility should be allowed to be used for investment in fossil fuels or nuclear projects. These are not sustainable projects. They are the technology of the past, and in the not-too-distant future they will be dinosaur projects. They will be stranded infrastructure, basically. So why would we be investing in roads or rail or committing Australia's resources to develop technology that is of the past? We should not be. We need to make sure that these projects, under such a facility as this approach, undergo cost-benefit analysis. We think this should be an obvious step. But it needs to be a full cost-benefit analysis, not one that does not include full social cost and full environmental cost. We need to be making sure we do that.

We also do not want to see the government delegating EPBC approvals for projects funded under this facility. We have fought the government's delegations for EPBC approvals, and my colleague Senator Waters will address this issue more fully when she speaks on this bill very shortly. We have amendments to this bill to make sure that approval cannot be delegated,
because it is important that these sorts of projects have adequate scrutiny. We will also move amendments to make sure that the projects funded by this facility must be in line with ecological sustainable development principles. We believe that these amendments are critical to making sure we are protecting northern Australia from the mistakes of the past.

I will just add that while we have very strong concerns with this bill—and, as I said, we will be looking at amendments in a number of areas—we do not, despite these concerns, have objections to the amendments the government has just circulated in terms of Western Australia. We never saw why the boundary was different in Western Australia compared with other states, so we do not have objections to the government moving that amendment so that at least Western Australia is treated fairly, like the other states. Thank you.

**Senator SMITH** (Western Australia—Deputy Government Whip in the Senate) (10:47): I am delighted, as someone who travels a lot across WA’s far north, to be speaking this morning on the Northern Australia Infrastructure Facility Bill 2016. And I extend my very personal, heartfelt congratulations to Senator Dodson. There are probably few people in this place who would know northern Western Australia better than he does, so, a very warm welcome to the Senator. I am sure you will make a great contribution. I am sure we might find ourselves on differing sides of critical debates in the near future. Nonetheless, I do not doubt the sincerity with which you bring your arguments and your passions to this place.

It is important when we think about northern Australia that we are not talking about a homogeneous set of communities. Those towns and communities across northern Western Australia are very, very different from those communities that my colleagues Senator Macdonald and Senator Canavan visit regularly across northern Queensland, and they are different again from those communities across the Northern Territory. Just to demonstrate that point, I thought I would share with you some travelling statistics, just to put it in context. If you wanted to travel from Perth—my home state and indeed your home state, Mr Acting Deputy President Back—to Kununurra in the far, far north of Western Australia, it would take 32 hours; you would be required to travel 3,200 kilometres in order to get from Perth to Kununurra. And of course in Kununurra they often do not know what is worse—Perth or Canberra—but I tell them they can rest assured that Canberra is definitely worse than Perth. Indeed, if you wanted to travel east-west across the far north of Western Australia—if you wanted to travel from Derby to Wyndham—you would be travelling almost 1,000 kilometres by road. These are huge distances. These populations are very, very small in Western Australia particularly. That is why it is pleasing to hear both Minister Frydenberg and now Minister Canavan talking with great passion about northern Australia but understanding, importantly, how they are vastly different communities across each of those two states and territories.

I just want to reflect briefly on how far we have actually come. It is perhaps a poor reflection on previous governments that it has taken this long to get to where we are today. But, that said, it is a very sizeable achievement that we are talking about this morning with regard to the Northern Australia Infrastructure Facility Bill. But let me read you a media statement that was issued by a former Prime Minister of our country. The media statement says:
Today the Prime Minister and Commonwealth ministers met with the premiers of Queensland and Western Australia to discuss means of achieving closer cooperation in the development of Northern Australia.

The media release goes on to say:
It was agreed that this arrangement provided the most appropriate machinery upon which to develop closer cooperation and coordination of activities between the two states and the Commonwealth, including the Northern Territory.

It goes on to say:
The ministers agreed that appropriate Commonwealth and state ministers would meet together from time to time to review progress in northern development, to coordinate thinking and give directions to those who will be required to investigate particular proposals.

How far we have come since that media statement of May 1964! The meeting was attended by Mr McEwen, Mr Holt, Senator Sir William Spooner and Mr Barnes—names that are of course very well known to us and sit neatly in the political history of this country. Of course, the Prime Minister at the time was none other than Sir Robert Menzies.

This goes to demonstrate a very important and salient point—and that is, that the challenges that we are talking about today are not new ones. The will and enthusiasm to make the most of these opportunities is not new but, dare I say, it will require constant vigilance, and today is a very important milestone in that regard. I am sure that the work that the Joint Select Committee on Northern Australia has done—and I acknowledge the sound and solid contribution of Senator Macdonald here—will ensure that this country is off to a very strong start when it comes to realising the very real potential of northern Australia, particularly in my own state of Western Australia.

I might make this comment before I talk briefly about some contemporary issues of definitions. People talk about the possibility and the potential of northern Australia, but certainly in my own case, with regard to the far north of Western Australia, you cannot believe it unless you see it, and when you see it it exceeds all expectations. Colin Barnett, in coalition or in alliance—whatever you like to call it—with the WA Nationals and the Water for Food program in the far north of Western Australia, has done a great deal to start to unleash some of that very real potential. There are still some hurdles, of course. The most significant of those, I would argue, is the issue of land tenure reform, which I might come to briefly in my final remarks.

Touching briefly on what the Northern Australia Infrastructure Facility Bill is and what the facility itself is, you cannot go past the contribution made by officials from the Department of Industry, Innovation and Science when they remarked that the facility has been designed to provide concessional finance mechanisms for northern Australia's economic infrastructure projects that, operating in partnership with commercial and other financiers, will drive economic growth across northern Australia and, importantly, stimulate population growth across those areas which have such low population density. It is intended to enable the construction of economic infrastructure which would not otherwise proceed or would not proceed for some time without the facility.

The facility aims to be credible in financial markets and will have an independent statutory board operating on a commercial basis to make investment decisions. The board will comprise experts in a range of relevant infrastructure financing fields. The minister will have
only limited powers of direction in relation to the investment decisions of the board. The minister will not be able to direct the board to make investments and can only prevent an investment if it is against the national interest.

The facility is also working in partnership with state and territory governments, who will be responsible for delivering financing mechanisms on behalf of the Australian government. The facility will, of course, be consistent with all existing state, territory and Commonwealth regulatory approval processes. A very strong word of warning: the amendment proposed by the Greens, which seeks to extend the operation of the EPBC, will pose significant challenges for future projects over time.

I will turn briefly to an issue that is top of mind in Western Australia at the moment, and that is the very strong and necessary representations that have been made by some of the shires across the mid-north of Western Australia. Mr Tony Beard, the chair of the Gascoyne Development Commission; Lachlan McTaggart, the Shire President of the Shire of Upper Gascoyne; Karl Brandenburg, the Shire President of the Shire of Carnarvon; Chris Gilmour, the chair of the Pilbara Development Commission; Turk Shales, the Shire President of the Shire of Exmouth; and Cheryl Cowell, the Shire President of the Shire of Shark Bay, have made some very solid and coherent representations which inform the government's considerations around the definition of 'northern Australia'. In their correspondence both to Minister Frydenberg and to me and others, they argue, importantly, about why the definition that has been used to date requires some amendment.

I will explain briefly why they have no cause for concern. The legislative amendment that the government will propose will ensure that the Northern Australia Infrastructure Facility can serve Western Australian communities in the same strong and consistent way that it will support communities across Queensland and the Northern Territory.

In their submission to me, which they have made available to others, they make a couple of points which I will just share with the Senate now. They say:

The White Paper on Developing Northern Australia is a vital paper addressing critical government policy directions and priority development needs for this vast region. For these reasons it is essential that zones covered by the policy reflect State requirements and establish consistent policy parameters in each State jurisdiction.

I wholeheartedly agree with the comment. They go on to say:

WA's northwest has historically been defined as the region above the 26th parallel—not the Tropic of Capricorn. This is reflected in longstanding WA government policy and many Commonwealth policies, including the Zone A Tax Rebate Area, defined as "above the 26th parallel" in WA since 1945. The 26th parallel is also the southern boundary of the Northern Territory … and is used to define the NT's boundary in the White Paper.

They go on to say:

The Tropic of Capricorn boundary creates unnecessary problems and complications in WA and seriously disadvantages the Gascoyne region. It includes only a small portion of the Gascoyne region, leaving some towns "in" and others "out", making the State's involvement in the aspirations of the White Paper logistically difficult to achieve. In fact, only the State's Kimberley region is wholly within the boundary established in the White Paper. Similarly, the boundary conflicts with other Commonwealth policy areas, for example the Working Visa boundaries that include the Pilbara and Gascoyne in contrast to the White paper's nominal boundary.
So, quite rightly, they have expressed some concerns about the definition that has been used to this date.

Indeed, at home in Western Australia, in the *West Australian* newspaper, that issue has been given some coverage. Just recently, on 29 April, the *West Australian* reported:

The heads of all the Gascoyne councils and the development commission have written to Federal MPs to protest—

I think it is rather an inflammatory word, and I will get to that in a second—

against the region's exclusion from a Federal definition of northern Australia that favours Queensland and the Northern Territory.

But, colleagues, there is no cause for concern. There is no cause for concern at all from the shires that I mentioned briefly, because commitments from the government had previously been given to Melissa Price, who is the member for Durack—and, dare I say, a very, very hardworking and diligent member for Durack, who spends a lot of her time across those very, very vast communities. Durack, of course, Mr Acting Deputy President Back, as you know better than anyone else, is the largest federal electorate in our country, taking in the towns of Geraldton, Wyndham, Kununurra, my home town of Port Hedland, Carnarvon and the like. Melissa Price, being the diligent federal MP that she is, wrote to Minister Frydenberg way back last year raising the concerns of some of these shires, wanting to make sure that they were able to enjoy the full benefits of the economic potential that the Northern Australia Infrastructure Facility project would provide to other communities. They were keen to make sure that, where these opportunities existed, they existed for them as well.

As someone who has spent a bit of time out at Meekatharra—on a tangent—I am hoping that the Western Australian government will shortly fund the wild-dog fence that is necessary to protect the livelihoods of pastoralists, which have been neglected by their local members, up in Meekatharra and across the Murchison. But that is a debate for another time.

But Melissa Price did write to Minister Frydenberg, expressing some of the concerns that were shared by some of those local shires. The member for Durack, Melissa Price, wrote to Minister Frydenberg as far back as October last year. Some of the concerns that have been raised by people are legitimate—no Western Australian wants to miss out, and certainly Western Australian senators like Senator Back and I want to make sure that Western Australians do not miss out on their fair share. On another tangent: we are still yet to get a proper structural reform on the GST distribution model. That is a campaign that Senator Back and I will have more to say about over coming weeks and months, no doubt, and in the new parliament. But, getting back to the point: Melissa Price was very quick and very active to champion the concerns of those local shires and local communities, as early as last year. Minister Frydenberg wrote back to the member for Durack in November and said:

… the definition is first and foremost a guide for policy and decision makers, and as such will always be applied flexibly when circumstances warrant.

Senator Back, I hope you will agree with me that there is no real concern that those shires should have, but it is good, if these things are the intent, to lock them down in legislation—to make sure, dare I say it, that when the Labor Party come to government, if that should ever happen, they do not deny Western Australian communities their rightful opportunities to enjoy the Northern Australia Infrastructure Facility fund. Minister Frydenberg in his
correspondence to the member the Durack went on to say, talking about the draft criteria of
the Northern Australia Infrastructure Facility fund, that the facility will:

… specifically allow projects in regional centres which intersect with the Tropic of Capricorn—including Exmouth and Newman in Western Australia and also Gladstone in Queensland—to be
considered. Projects may also be eligible for NAIF loans even if they do not fall within the defined
boundaries, provided they produce significant benefits for northern Australia.

So it is absolutely right for regional communities to express some concern with the definition.
Their concerns are unwarranted, based on the excellent representations that Melissa Price, the
member for Durack, has made. But, that said, it is good to see—very welcome indeed—that
the government is going to lock down its original intentions by amending the legislation. That
is very warmly welcomed.

I will turn briefly to some of the challenges that northern Australia faces. They include, of
course, the great distances between communities and issues with access to health, education
and communications. Communities struggle with these things. The challenges also include the
very small population density, which goes to the core of some of the economic challenges that
projects in northern Australia face in getting agreed to.

The other critical issue, and one that is going to require a tremendous amount of effort and
calmness, is around land tenure reform. The history of the world shows us that private land
ownership is the driver for greater economic liberty and rising standards of living for people.
When we think about the future of northern Australia, I argue that having a discussion and
setting ourselves on the path of land tenure reform has to be part of that future. I want to share
some comments I made that were published in The Australian Financial Review in November
last year. I was talking about the importance of land tenure reform:

The "potential" of northern Australia to boost the nation's economic capacity has long been
ruminated upon.

Robert Menzies' policy speech for the 1961 federal election avowed that "for the sake of our national
future we must develop and use the north".

Yet, only since the 2013 election has significantly detailed work been undertaken, culminating in this
year's white paper on developing northern Australia.

The region has up to 17 million hectares of land available for cropping. The development of just 5
million hectares could boost its output by upwards of 60 per cent.

Achieving this will require infrastructure development on a massive scale. Thus, the white paper's
commitments to establishing initiatives like the $5 billion Northern Australia Infrastructure Facility,
providing $600 million for road upgrades and almost $40 million to enhance aviation infrastructure.

This blueprint also highlights the nettlesome issue of land tenure—an issue that is complex, and
attended by numerous sensitivities.

Yet, if we fail to act now, the dream of a more developed and productive north will be forever
elusive.

I went on to say—and it is a shame that Senator Dodson is no longer here to hear this, but,
being a new senator, he is attending to the learning the art of being a senator. But this is
something that I look forward to speaking with Senator Dodson about and understanding
perhaps some of the challenges that Indigenous communities face. I went on to say:
Addressing land tenure requires parallel native-title reform. After 22 years of operation, its existing framework remains complex and time consuming, best evidenced by the still significant backlog of unresolved claims acting as a handbrake on future economic prosperity.

As Aboriginal and Torres Strait Islander Social Justice Commissioner Mick Gooda himself noted, native title is "only the starting point".

Our native-title regime must place greater emphasis on unleashing economic opportunity for indigenous communities, especially young indigenous people.

In its current form, it is failing future generations of indigenous people.

That is to say that the current native title arrangements are failing future generations of Indigenous people. I went on:

Australia requires a streamlined approach to processing native title claims, with greater use of consent resolutions and a willingness to embrace less technical and legalistic approaches.

In conclusion: congratulations to Minister Canavan, who is starting his job; I am looking forward to welcoming him to WA's far north. And congratulations to Minister Frydenberg on what is a very sizeable and necessary achievement. It is interesting that it was May 1964 that Prime Minister Menzies and Deputy Prime Minister McMahon made their comments about northern Australia and of course it is 2 May 2016 today, a very important day for the development of northern Australia.

Senator McLUCAS (Queensland) (11:06): I also want to begin my contribution today by welcoming Senator Pat Dodson to the Senate. His contribution has been significant on the issues of reconciliation, native title and Indigenous affairs more generally, over many, many years. And I know that his contribution to this place will also be a significant one. I think we are a better place for his being here.

But now I go to the bill, the Northern Australia Infrastructure Facility Bill 2016. It is very interesting that here we are, in probably the last week of this parliament, rushing through a piece of legislation that the government over there says is the most important thing that it has been doing for northern Australia since the last election. We had a big hoo-ha at the last election about how this government was going to be everything for northern Australia, and here we are at five minutes to midnight putting through a piece of legislation that still has government amendments.

This government has overegged its commitment to northern Australia, because here we are still trying to work out where the boundary is. We still do not know where northern Australia is. Come on, guys. We are nearly there. It is nearly the end of this parliament, and we still do not know where the boundary is. This is a problem. Senator Smith, you said that you have had people writing to your side of politics since late last year about this, and it was only resolved, I understand, over the weekend. I really want to commend Ms MacTiernan for her engagement in this activity where she has taken up the cudgels for some of these people in Western Australia who believe they live in northern Australia. This is not good enough. It is not good enough for a government which has overegged its commitment to northern Australia.

This facility, this activity, was announced in last year's budget. I hear we are about to have another one tomorrow night. It has taken a whole year to get to this point where we work out where northern Australia is and what we are going to do about this money—which is in fact a loan scheme. Just to make sure: this is not a grant scheme; this is a loan scheme. If you live in
Melbourne and you want a big road, you just put your hand out if you are in the Liberal Party—people in Victoria actually do not want that big road, but that is by the by—but if you live in northern Australia you have to take out a loan. There is a different way that we are being treated in northern Australia.

As I said, this was announced in the budget last year. There was no detail or clarity, and that was commented on quite significantly in the mainstream media—that we did not really know what this facility was going to be. It has only been bit by bit, drip by drip, that we have learnt what this thing might do. I think it is rather funny that you have two ministers for northern Australia in the coalition. We only had one shadow minister. We could work out what was going on, but you have had two.

The expectation management has been a disaster. I concur with a lot of what Senator Siewert said. This process has allowed for people to be given carte blanche in what they might want to dream up. I agree with Senator Siewert that we heard some extraordinary proposals—proposals that defied the laws of gravity in some cases. Proposals that do not meet the basic principles of science were proposed to our committee. This government has to do a bit better in expectation management. Please do not tell the people we represent that they can do whatever they want. Give them some parameters so that we know what we are, in fact, up for.

Finally, before I go to the issues, I want to talk about what happened in the House of Representatives when this bill went through the House of Representatives at their last sitting. There was no debate on this bill. If the boundary question was so important to the Liberal and National parties, why wasn't it resolved in the House of Representatives? There was not a word spoken in favour of this bill over there. The whole of the carriage of this bill in the House of Representatives was gagged.

Let us go to some of the issues that are around this bill. The first question is the question of the boundaries. I, as a member of the Joint Select Committee on Northern Australia, asked that question when we went to the hearing. I said, 'Can you tell me?' I will not go on about where it was. But I said, basically, 'Where is northern Australia?' The officer gave a sensible answer:

The definition we used was the same as that used from the northern Australia infrastructure audit. As I understand it, it was based on those statistical classifications that you are referring to.

It was a very straightforward answer. Clearly the department has a bit of an idea about where northern Australia is. Unfortunately, it would seem that the government does not concur. Apparently we are going to have some resolution of that here today, and then it will go back to the other place.

There is something that I do not know that the business community truly understand, and that is the question of the cost recovery elements of the bill. The bill allows for the facility to charge a fee for cost recovery. I asked the officers again about what that meant. I particularly asked if there was going to be a fee for an application. The officer quite clearly said, no, there would not be a fee for an application to the facility, but:

... the facility itself will determine how it goes about doing that. It is just an expectation that, across all its operations, it recovers its costs ...
Once again, we really do not know what that truly will mean in effect. I put it to this place that we should know by this time what that really does mean.

There has been much discussion in the Queensland press about where the facility should be located. In the bill it talks about the fact that the Export Finance and Insurance Corporation will be providing the back office facilities for this. There was some expectation from some quarters that, to have the facility based with the Export Finance and Insurance Corporation, an ideal place would be Brisbane, as opposed to Sydney or Melbourne, because that is where Efic is located. That then resulted in all and sundry saying, 'No, no, it should be in'—and you can add a city in northern Australia after that sentence. They said it should be in Cairns, Townsville, Mackay, Darwin or wherever—Gladstone, perhaps—if it is in.

A big discussion ensued, and I made representations on behalf of the city of Cairns to Senator Canavan. It was on the night when we sat all night. About two o'clock in the morning, I did my duty and made my representations to Senator Canavan. I am not saying it was because of my excellent representation that the decision has been made that the NAIF will be based in Cairns, but we had a conversation about it. I did my duty on behalf of the people of Cairns; others did as well.

So the NAIF will be based in Cairns. What does that mean for my city? It means that there will be about five people located in the city of Cairns, and I welcome that. That is a good thing. But I say very clearly to this government: this does not compensate my city for the loss of the Pacific patrol boat contract, which would have brought thousands of jobs—jobs associated with apprenticeships. We have been duded by this government because we did not get the Pacific patrol boat replacement contract. Our city had the expectation that we were going to get it. Mr Frydenberg was shown on the front of our paper being kissed on the cheek by the member for Leichhardt and that made us think we were going to get it, and we did not. So we will have five jobs from NAIF. Thank you. We will take them, but it does not compensate us for missing out on the Pacific patrol boat replacement contract.

I now want to talk about the relationship with Efic, the Export Finance and Insurance Corporation. It would seem that these five or so officers who are going to be based in Cairns will be employees of Efic. I am a little unsure about whether there will be a requirement for those individuals to locate themselves in Cairns. Will it be a shingle on a building that says, 'NAIF' and having a redirected phone? I am a little concerned that that is what we might end up with.

I also have some concerns about the way that the board will be appointed. I have had conversations with the minister about this as well. I say to this government, and the minister has accepted my commentary and I thank him for that, that the last thing we want in northern Australia is more politics. I encourage the minister to appoint people who will be able to converse with and understand all sides of the political arena. We do not want people who are not recognised as being open to thoughtful consideration across the political spectrum. I thank the minister for hearing me out on that.

I now want to talk briefly about expectation management. A lot of people, including members of parliament, have talked loudly about how many dams we are going to get out of this. 'This is going to be great for dams.' I commend former minister and shadow minister Gary Gray for the work that he has done to manage expectations and tell people the truth when it comes to what we can deliver in northern Australia. There could well be dams but...
they must, in my view, be compliant with the National Water Initiative. We have to make sure that we are building infrastructure that is environmentally and economically sustainable for our community.

It troubles me that people from the south—and I do not have a big definitional thing about the north and the south; I do consider we are all Australians—often say, 'Oh my goodness, you got 2.6 metres of water this wet season.' Yes, that is pretty ordinary. People in southern Australia find that rather amazing and say: 'Why don't you capture it all? Why don't you put in dams?' To do what with it? What are we going to do with it? The soils are not that great where this rain falls. The topography of the land is flat. So when you get 38 degrees the next day after rain, it all evaporates. So, please, do not use southern Australian thinking to make decisions about northern Australia. We need to use clever and smart northern Australian thinking to make decisions about our part of Australia.

One more question and then I will go to my conclusion. Shadow minister Gary Gray wrote to Minister Frydenberg on 4 February of this year indicating that the opposition wants to support the Northern Australia Infrastructure Facility and made some comments about Infrastructure Australia. Mr Gray said, 'We are concerned that Infrastructure Australia is not embedded in the project assessment and public administration processes for the NAIF. The absence of IA expertise may create unwelcome duplication and wasted resources across agencies and departments where a NAIF project is assessed. Clarity as to how the NAIF will work with IA is desirable. Yours sincerely, Gary Gray.' I am not sure that that letter has been answered. It would be great in your summing up speech, Minister, if that issue could be addressed. If I am in error and the letter has been answered, I apologise.

I conclude by making some comments about northern Australia. I say to my colleagues and to those people who do live south of the Tropic of Capricorn, please do not think of northern Australia or North Queensland as being somehow in deficit. Please do not think that there is something wrong, something bad or something unfortunate for those people who happen to live north of the Tropic of Capricorn. That is often how people construct their commentary about where I live, where I was born and where I will die—that is, Far North Queensland. It is a marvellous place. I choose to live there. Most of us there choose to live there.

It is different to southern Australia and that is why it needs different thinking. Yes, the weather is much hotter and wetter and drier—all of those things. The distances are huge. They have always been there. The population is smaller and I do not think that the answer is to double the population. Would the land carry that population?

We have not answered that question but we do know that there are challenges—there are real challenges to living in northern Australia. But the beauty of the place, the diversity of our population, the interesting people and the human assets are certainly some of the reasons I live there, and most people who live there have made that choice as well.

We have what I think is one of the greatest opportunities. Northern Australia is in a first world country, and one of the only first world countries in what is called the Torrid Zone between the two tropics. We have the best opportunity to do research, education and export that education into the communities that are economically growing in the Torrid Zone. That is where I say focus of this facility should be. Let us grow the potential export of natural resource management, education services and health services into the tropics. We have an enormous opportunity, so let us think of that as the way that we change the economic
outcomes for people of northern Australia rather than an easy, quick dam, because that is where we are up to at the moment; we are not there yet.

Yes, we have challenges. We have poorer health outcomes than southern Australia. We have much lower levels of education than southern Australia. The cost of living in some parts of northern Australia defy belief—for example, Thursday Island is the most expensive basket of groceries in this country, and we are not doing much about dealing with that.

So, yes, there are challenges, but we have opportunities, so my final plea is: please do not think of northern Australia as being in deficit; think of the opportunities and the fact that we have more natural assets in northern Australia of international value than the rest of the country. Let's use and value those assets, and make sure that we can then turn a dollar from those assets.

In principle, we think this is a good idea. We would like to know that the government knows where the boundaries are—that would be a good thing. We would like to have some of the detail about how these loans will be decided upon, and I look forward to seeing these issues being resolved. I thank the Senate.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (11:25): I rise to speak on the Northern Australia Infrastructure Facility Bill 2016, which is known around the traps as the 'dirty energy slush fund'. It is a huge concern that this government is going to allocate $5 billion for big dams and new coalmines in our precious north, which is famed for its natural values and much loved by its inhabitants. Study after study over many decades has shown that it is not an appropriate location, either economically or environmentally, for massive, destructive infrastructure.

It is somewhat ironic that the structure of the fund that is proposed by this government, with the support of the Labor opposition, is a concessional loan facility which, as I am sure people would know, is very similar to the Clean Energy Finance Corporation model of funding in that government stumps up some funding. It is a low-interest loan. The private sector or other bidders can use that money to invest in clean renewable energy and help Australia get on board with the global transition to clean energy.

This is a model that has been working exceedingly well, and of course it is one that this government has been attacking for as many years as we have had the Clean Energy Finance Corporation. The irony is dead, it seems, when the government wants to tear down the Clean Energy Finance Corporation and set up a dirty energy finance corporation. The inherent inconsistency, if I can be generous about it, is perhaps somehow lost on this government.

Of course they have settled for funding cuts to the Clean Energy Finance Corporation in recognition that the Senate will not let them abolish this important body that is helping our economy, our environment and our climate. Nonetheless, they seem to have now embraced that funding model, and I look forward in fact to the government increasing funding to the Clean Energy Finance Corporation, although something tells me not to hold my breath.

So this dirty energy fund would be yet another fossil fuel subsidy, and we have crunched the numbers recently—it is up to $21 billion in fossil fuel subsidies that this government hands out to coal, gas and the dirty energy sector. That is over the forward estimates—$21 billion.
There was a ReachTEL poll done just last month—a few weeks ago—which found, unsurprisingly, that almost 60 per cent of people oppose giving free money, handouts, to the fossil fuel sector in a climate emergency. Unfortunately, the government, perhaps, has missed that memo and is ignoring the majority of Australians who do not want their taxpayer money going to prop up the dirty energy sector; instead, Australians want to see that transition to clean energy with all of the jobs that it provides and with the best ability to safeguard ourselves and our environment against the ravages of climate change. Unfortunately, we have the $5 billion Northern Australia Infrastructure Facility, which we know is all about big dams and coalmines.

I am particularly concerned about this, because in Queensland, where I am from, the Adani coalmine has received approval from the federal Liberal government—it has also received approval from the state Labor government. This mine would be the largest coalmine in the Southern Hemisphere—

Senator Ian Macdonald: Hear, hear!

Senator WATERS: I will take that interjection, because Senator Ian Macdonald is of course a great champion for the coal industry and appears oblivious to the science and the global transformation that is taking place that is leading us towards clean energy. However, I will not take any further interjections, because we are here to actually debate the merits of the issue.

The Adani mine, as I say, has received approval from both sides of politics and both levels of government. What it has not received is finance. Nobody wants to funds this project. There are 15 banks now—two domestic and 13 international—that have ruled out funding.

Senator Ian Macdonald: That is just a lie!

Senator WATERS: Mr Deputy President Bernardi, if I could just ask you to bring Senator Macdonald to order. I have tolerated his interjections for five years and I have had enough.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Senator Waters, thank you. If you resume your seat, just for a moment. I would ask the Senate to be respectful of Senator Waters in speaking and not to interject.

Senator WATERS: Thanks very much, Mr Deputy President. As I was saying, there are 15 banks, both international and domestic, that have said that they will not touch the Adani coalmine. They will not put a dollar of their money behind this project. They know that it is an economic loser. They know that the community does not like the fact that there might be the largest coalmine in the Southern Hemisphere opened up while we are in a climate emergency that has seen 93 per cent of reefs in the Great Barrier Reef bleached. They know that this is a deeply unpopular and unbankable project. In fact, the Queensland Treasury themselves described this very project as unbankable not a year ago. Yet we see this project is now potentially in line for funding under the Northern Australia Infrastructure Facility that this government is setting up—unfortunately with the support of the opposition.

We have amendments that would say, 'Rule out funding coal and nuclear from this fund,' and we desperately need support for those amendments. We are in a climate emergency. Our reef is suffering. We already have enough extreme weather events. The Tasmanian World Heritage wilderness area has faced more bushfires than it has ever had before. We are
seriously changing the shape of this planet. Yet we have a proposal for $5 billion worth of 
free money to the coal industry and other associated large infrastructure to worsen climate 
change. You could not think of a worse proposal right now. So, when it comes to the 
committee stage, we will be moving an amendment that rules out this fund giving taxpayer 
dollars to coal and nuclear projects.

We have a vast amount of clean energy options. Northern Australia could be a wonderful 
location for those clean energy options. That is the sort of clean infrastructure that we support 
for the north—that will actually work; that will actually generate jobs; that will help us 
protect the worst effects of climate change from wreaking more havoc on the reef. That is the 
sort of positive infrastructure plan that we would support. So I am desperately hoping to get 
support of that amendment. But, again, unfortunately, we know that, with the vast amount of 
donations that flows to both sides of politics from the coal and fossil fuels sector, sadly I think 
they have this amendment sown up as well.

As I say, it was with great disappointment that Queensland state government Treasurer 
Curtis Pitt was reported to have discussed the Adani mine being funded from the Northern 
Australia infrastructure fund. He reportedly discussed that with then Treasurer, Mr Joe 
Hockey. Mr Hockey at the time hinted then that that fund could indeed finance the Adani 
mine; that whether it is the mine, whether it is the railway, whether it is the port—whether it 
is all of those things—that fund could be something that Adani could desperately try to get 
some funding from because nobody else in the private sector wants to touch it.

Minister Frydenberg then also hinted that that particular project could receive taxpayer 
dollars under the Northern Australia infrastructure fund. He came under sustained pressured, 
including from us and from many people in the community, about what an atrocious idea that 
was. He then attempted to back away and was a little bit ‘prevaricaty’—if I can use that 
word—in a way that does not fill me with confidence about whether Adani will in fact be able 
to apply for free taxpayer money under this fund.

I do not trust the words of this government when it comes to coal. I know that they are 
great champions for the coal industry, despite the fact that coal is in structural decline, as 
many global economists now acknowledge, and despite the fact that the coal industry sacked 
16,000 of its workers in the last couple of years. We need a transition plan and clean energy is 
part of the solution to long-term employment in those regions. That is the sort of initiative and 
funding that we would like to see taxpayer support going to, not free money to the coal 
industry to keep trashing the reef and the climate on which all life relies.

So it is deeply shameful that we have a fund here that may well see that mine get some 
money—because, otherwise, it will not go ahead. No-one wants to fund it. It is a climate 
disaster. It is an economic loser. It is not going to get off the ground, except if this 
government gives it taxpayer money. This is going to be a real test for the government and, 
indeed, for the opposition. Are they going to let the Adani mega-coalmine go ahead, to further 
trash the reef when it is in its worst coral bleaching event in its history? As I say, we have 
already seen approvals issued by both levels of government and both sides of politics for that 
project. It would be an absolute insult to any thinking Australian and to the world's climate for 
taxpayer money to go to prop up that project.

Many times in this place when we talk about coal you have the government saying that 
they are actually only opening up these coalmines because they want to help out poor Indians.
If you can believe anything they say, given that this is the government that slashed the foreign aid budget to its lowest amount, apparently they ignorant of the fact that much of rural India does not have an electricity grid and that Australian coal would be one of the most expensive options for energy in that region. One of the cheapest options would be local renewable energy—that does not worsen air pollution, that certainly does not worsen climate change and that is more affordable. So, if this government are genuine about caring for poor and disadvantaged Indians—I do not think they are, but if they were—they would be investing in renewable energy. Instead, this is just the latest premise for them to be continued spruikers for the coal industry. That is why we have called for a ban on new coalmines, a ban on coal seam gas and a ban on fracking.

It is really clear that we have clean energy alternatives. As people probably have heard, we announced our plan for 90 per cent renewable energy by 2030 in the form of Renew Australia. That is where the innovation, the employment creation and the safeguard of our climate lies. That is what the reef needs. It is what our economy needs. It is what the rest of the world is already doing. It is moving in that direction, and Australia is frantically trying to say, 'Oh, no, buy our coal. Quick; we'll give you some handouts to prop it up.' It is a last century industry. This century belongs to clean energy, and it is about time that the science and the common sense of that filtered through to this place in the parliament where we make these most important decisions. That is why we will be moving an amendment to rule out fossil fuel projects and nuclear projects from receiving funding under this fund, and I beg both parties to support that amendment.

We will also be moving an amendment to call for a proper independent cost-benefit analysis of any project that wants to avail itself of these low-interest loans using taxpayer dollars to get off the ground. Sadly, our environmental laws are very weak—and I say that as an environmental lawyer that practised in the area for some years before entering this place—and there is no requirement for an independent cost-benefit analysis. There should be. This amendment would say that, if you want to get low-interest loans, essentially free taxpayer money, then you need to get an independent cost-benefit analysis done—and it should not just simply be a cost-benefit analysis on the economics; look at the social impacts; look at the environmental impacts; look at the cultural impacts; look at the climate impacts. Let's get an independent analysis of whether this project is the right thing for government money to be supporting. That is a parameter that should be applied in all of our environmental laws. But instead we see the government intent on diminishing our environmental laws rather than strengthening them.

That brings me to my next amendment. We want to make sure that any project that is seeking support under this fund is not able to be approved with state government approval only. People may recall that, over the last four years, both sides of government have proposed washing the federal government's hands of environmental approval responsibilities and just leaving that up to state governments—as if the Franklin Dam never happened, as if we never had proposals that needed the federal government to step in and say, 'Guys, this is internationally significant; don't let the state governments just sacrifice environmental values for short-term potential economic gain.'

We fought that proposal for many years. What we are calling for in this fund is; given that the state governments are likely to be the proponents for many of these projects, let us make
sure that they cannot also give themselves approval for their own projects. Surely, even on those on that side of the chamber can understand that having the fox in charge of the henhouse will not lead to positive outcomes. We will be moving an amendment that makes sure that there can be no delegation of approval powers for projects that seek funding under this fund.

For the record, of course we oppose that hand-off of approval powers for all projects. We have had many debates in this chamber on that issue. I can assure anyone listening that we Greens will continue to fight for strong environmental laws with a very central role for the federal government—and to actually improve the protection that our natural environment is given under those laws rather than simply to stop the attacks and the attempts at weakening them which have happened in the last few years.

Our final amendment goes to the fact that all of these projects, if they want to receive public support, should be consistent with the principles of ecologically sustainable development. That should not be a concept unfamiliar to people in this place. It has been on our law books for decades in some jurisdictions. Perhaps it might seem a quaint notion to the coal backers over here, but ecologically sustainable development is a thing. It has been a thing globally for decades. If a project wants public money, it should, at the very least, be consistent with ecologically sustainable principles.

That is what we will be moving when it comes to the committee stage. I want to assure anyone listening that, should those amendments pass, this could in fact be a positive fund. If we saw some genuine investment in clean energy; in some support to strengthen communities, to assist them with that small-scale horticulture and agriculture which is currently underway; in helping to get the NBN properly rolled out and invest in communications—there are many positive infrastructure proposals that the North could benefit from that will not trash the natural values of that area, that will help those local communities and that will help the economy. That is the sort of positive investment that we would like to see. But, unfortunately, all we see so far is proposals for dams, mines and railways to get more of this toxic stuff out to worsen the world's climate and to further cook the reef.

With that said, I echo the comments of my colleague Senator Rachel Siewert, who spoke beautifully about the values of northern Australia. We Greens will not be supporting this fund unless those amendments are made to rule out it being a slush fund for dirty energy; to rule out it getting a free ride through environmental laws; to rule out the state governments simply being able to tick it off without federal scrutiny; and to rule out a lack of independent cost benefit analysis so that a proper cost benefit analysis is done. If those parameters are able to be applied to this fund, it could be a good outcome. I strongly recommend those amendments to the chamber.

Senator IAN MACDONALD (Queensland) (11:41): It is with some excitement and gratitude that I welcome and support the bill now before the chamber, the Northern Australia Infrastructure Facility Bill 2016. The bill is actually almost a culmination of a dream that I have had for most of my lifetime, and certainly for all of my long term in this parliament, of the sustainable and sensible development of an area I am passionate about: northern Australia. It is an area where I, unlike most others in this chamber, actually live. It is an area where I have had my own investment in small businesses over the years, and it is where I and many of my family and friends live and work.
I think this bill today will be the seal on the government’s commitments to the sensible development of northern Australia. I want to congratulate Minister Frydenberg on putting this bill together. It is a very clever bill. As Senator Moore said, it has lots of safeguards in it. It is very, very well put together, and it was very roundly supported by the Joint Select Committee on Northern Australia, which investigated the bill.

I want to pay recognition and thanks to members of the Labor Party who participated in this whole northern Australia approach. Senator Moore’s speech this morning, I might say, was a very good one and clearly spelt out and described the parameters of this bill and the part that the joint committee played. I also want to acknowledge Mr Gary Gray, who, over a long period of time, has been a great and sensible supporter of northern Australia.

I want to recognise my only northern Labor Senate colleague, Senator McLucas, who over the years has tried to help, in her own view, northern Australia. Unfortunately, my praise for Senator McLucas was dampened a little when I heard her very ungracious speech earlier on this morning. I guess Senator McLucas, having been dropped from the Labor Party ticket for the next election, is a little bit annoyed that in her time in the Senate she has not been able to convince her party to do the sorts of progressive, forward-looking actions that the coalition has been able to achieve over the last 20 or so years.

As well, I want to recognise the constructive role that Senator Siewert played in that committee. I understand they have amendments which they have announced and which they feel passionate about. But Senator McLucas and the Greens played a very constructive part in the whole investigation into northern Australia, and I appreciate their positive contribution. I disagree with their amendments, obviously enough. I am grateful, though, that Senator McLucas has indicated that she will put her amendments but will not delay the passage of this very important bill.

It is important that the Senate deals with this today and the amendment being moved—effectively to include Carnarvon, which I and many others always thought was included, I might say—as it has to go back to the House of Representatives. It is essential that this be done today so that the bill can take effect from 1 July, as is anticipated.

As I said, I was a little sorry about the approach Senator McLucas took to something which she, as a northerner, should be very excited about—as I am. She took the opportunity to raise the patrol boat construction in Cairns. I cannot let that go without pointing out that it was the Labor Party, while Senator McLucas was in this parliament, which destroyed the shipbuilding industry in Cairns about five or six years ago, when Senator Faulkner was the defence minister. The Labor Party in Queensland and some of them down here effectively ruled that industry out. And for Senator McLucas to use this debate on an exciting new initiative to rehash—wrongly—a debate on shipbuilding in the North is very disappointing.

Success has many fathers, and I hope that when the success of the development of Northern Australia is being spoken about in the annals of history, that I will be able to have some small place in that line of fathers who will claim success for northern Australia. The push to develop northern Australia started as early, really, as the Commonwealth of Australia. I once read a report from a predecessor of the CSIRO that the CSIRO showed me—I think it was from 1904—which had all the same terminology, all the same vision and all the same approaches as we were talking about more than 100 years later. So it has been going on.
I particularly want to acknowledge Labor Prime Minister, John Curtin, who cleverly introduced the zone tax rebate scheme as one initiative to try to develop populations in the more remote parts of Australia which, of course, included most of northern Australia. Senator Smith, my colleague, who is a passionate supporter of the North—particularly the North of the West—mentioned in his speech Sir Robert Menzies's vision for northern Australia. It was a vision that did not only involve words but actually involved funding and the commencement of the Ord River Dam, which many saw as a white elephant but which some tens of years later is actually coming into its own.

The development of northern Australia is something that I mentioned in my maiden speech in this parliament. As the Minister for Regional Services I started a process at government level of a series of northern Australian forums which were planned to be the start of a detailed plan for the development of northern Australia. Unfortunately, when I moved on from that ministry the impetus for northern Australia faltered for a little while and my interests turned a bit south, as Minister for Fisheries, Forestry and Conservation. Fisheries and forestry were mainly in the south, but I should mention that in the conservation area of that portfolio we did maintain a very strong and positive interest in northern Australia.

That is where, I should mention, I met the CEO of the Northern Gulf NRM group, which the Howard government had set up. Noelene Ikin, who was the CEO of that group, was a real champion of Northern Australia. She was one who, not having ever been in parliament, probably contributed as much as anyone else to the good things that are going to happen for northern Australia. Noelene would have been the new member for Kennedy had not an horrendous illness overtaken her. But the work that the coalition government does in northern Australia to a large degree has benefited from the contribution by Noelene Ikin.

I also want to mention the Northern Australia Land and Water Taskforce and the role that Senator Bill Heffernan played in that. His role in the development of northern Australia should never be underestimated. Those of us who know Senator Heffernan and know his inimitable style also understand his passion for things that he is deeply involved in. Senator Heffernan played a very significant role in that Northern Australia Land and Water Taskforce, importantly, by going on the airwaves in Sydney and Melbourne and telling the people—the majority of voters in Australia—just how important the North was and explaining in detail what could be done. That is something that I know the minister, Mr Frydenberg, is continuing to do in those centres of larger population, which we need to take with us when we develop the North of Australia.

In our six years of opposition I was the opposition spokesman on northern Australian development. I developed the election policies we took forward to the 2010 and 2013 elections. But I do also want to acknowledge the very significant and major contribution that Andrew Robb made in putting together the 2013 policy and the white paper that eventuated, and also the then Leader of the Opposition and later Prime Minister, Tony Abbott.

The development of northern Australia took a step further forward in the 2015 budget when Joe Hockey brought forward a number of funding initiatives to support the development of northern Australia. People often say to me, ‘Well, you've talked about northern Australia for decades, almost for over a century,’ as I mentioned earlier, ‘but what is different this time?’ What is different this time is that the promises come with money—with money that was budgeted in the 2015 budget and which I am hopeful will be built upon in the budget

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tomorrow night. I do want to acknowledge the work that Joe Hockey did. Joe was certainly a friend of northern Australia—he had a farm up there, but that was almost irrelevant. He spent a lot of time out in the north-west, and he is dearly loved and recognised for his support for the development of northern Australia.  

The launch of the white paper that was promised at the 2013 election happened in June last year in Cairns amongst a large crowd of passionate northern Australians, and it was great to have Tony Abbott, as Prime Minister, and Andrew Robb there to launch that paper. The white paper contains something like 165 promises, 112 of which are for the more immediate future. Mr Abbott, in his good sense in launching that white paper, appointed a committee to oversee its implementation—something a bit new in Australian parliamentary and governance circles—and I was honoured to be appointed chairman of that committee. Those of us who have been around for a while recognise that commitments are made by governments and money is allocated by governments but other things intervene—ministers get busy, the bureaucracy gets busy, other issues become issues of the day—and it is important to make sure that the bureaucracy in particular, and ministers as well, remain focused on the commitments that have been made and the money that has been allocated. That committee has been working with ministers and the bureaucracy on the promises we have made, to make sure that the moneys we allocated have been spent.  

I am delighted to say that of the 112 immediate promises that were made in the white paper just a year ago about half have already been completed or are well in action. I will mention a few of those: the CRC on northern Australia is happening; some of the promised investment forums have been held and have been very significant in attracting foreign investment interest into Australia; the Office of Northern Australia has been set up; the single point of entry has been set up in Darwin; the airstrip upgrade and the regional access program are well underway; the Institute of Tropical Health and Medicine—a $100-plus million initiative contributed to by the Newman Queensland government, this government and James Cook University—is well underway; and the tourism initiative is well underway. I am delighted that a lot of the promises that were made are actually on the way or have been completed. That is a little bit unusual in this place—you get lots of promises at election time, but rarely do you see so many of them actually being put into effect within 12 months of being made.  

I am hopeful that the northern Australia white paper's commitment to an additional $600 million for priority roads in northern Australia will be announced before we go into the caretaker mode of government. I am equally hopeful that the $100 million beef roads initiative announced in the northern Australia white paper will have some definitive announcements made in the next few days, and I am particularly keen to hear some of the $500 million allocated for feasibilities and actual construction of water storage and water management projects in northern Australia announced within the next few days. I know that on all of those projects the work has been done, there has been a lot of consultation, there have been a lot of meetings and stakeholders in northern Australia have been fully consulted. Everyone has given the government the benefit of their local knowledge and understanding on these matters, which I am hopeful will be announced very shortly. People out there are expecting them, because it has been a very involving process that has taken with it those people who understand the north and who understand sustainable development.
That brings me back to the bill. I will not go through that in any detail, as other speakers have already done that, but suffice to say that I am again disappointed that a fellow Queensland senator, the previous speaker, could be so negative about Queensland and could so misrepresent the facts. It is not relevant to this bill, but there was a claim that banks have knocked back support for Adani. One bank that has been named is the National Australia Bank. I took that up with them and, as they said, they had never been asked, so they could not have knocked it back. They also indicated that, contrary to media reports promulgated by the Greens political party, they have made no policy decision on not funding coal in this country. The Adani group, a very significant Indian company, will fund that as it gets going—and hopefully work will start very, very shortly.

Whether Adani are interested in applying to the NAIF, I do not know. If they are then they, like everyone else, will be assessed according to the guidelines set down in this bill. As I and other speakers have mentioned previously—and I emphasise that speakers from the other side have mentioned it—this is a bill which will get the right approach and the right assessments. It will independently look at what is good for Australia by developing northern Australia. Some of the money that will be sought for development will no doubt go into sustainable and renewable energy projects; in fact, the Commonwealth government has just announced new funding for a renewable project up my way, near Townsville. That shows that this is a government that can look at all aspects of development which will help our country. I strongly support Adani; I strongly support some of these renewable projects where they are sensible, economic and can turn over a profit without subsidies from the government.

All in all, this is a good bill. It is an initiative of, I think, Mr Hockey's and, as Senator Moore rightly said—perhaps she did not know how accurate she was—when it was first announced the idea was there. Mr Hockey knew it could be done, but the detail of how to do it has taken a lot of work since then. I congratulate him, Mr Morrison and certainly Mr Frydenberg, who have put a lot of effort and a lot of work into getting this bill to the place it is. It will mean a wonderful boost to Australia.

I again say to Senator Waters that she seems to think that everyone who might be involved in any part of the development of northern Australia is a rabid destructor of all that is good about Australia, but most Australians understand our environment and where we live. Nearly everyone I know in Australia is keen to make sure development happens in a sustainable, proper way, and I am sure the people who will be appointed to that board will fill that description and we will get very sensible and forward-looking decisions from the board.

It is a wonderful bill before the Senate, as I said at the beginning. I am very excited to support this and I support it with gratitude to my country that we are taking this step that will mean real progress in the development of the place in Australia that I love the most.

Senator STERLE (Western Australia) (12:01): I look forward to making my contribution to the Northern Australia Infrastructure Facility Bill 2016, but before I do—and it is not very often Senator Macdonald and I are on the same team, agreeing on too much in this building, let alone outside it—I too agree that, when you listen to the contribution coming from Senator Waters and the Greens, it does not matter what it is but they have this warped view of the world that we can just do away with thousands and thousands of jobs in Australia and thousands of opportunities for enterprise to employ people.
We in this building all know that climate change is a prickly issue and has been for a number of years, but the Greens relentlessly talk down every opportunity for Australian jobs. You can check my first speech in this place; it was about how we have to leave it better than we found it. There is no argument about that. We have seen some ridiculous scare campaigns coming from the other side of the chamber about climate change and how it is all bulldust, it is all made up and it does not happen. It is true that it is there. But for the Greens to come in here and absolutely attack every opportunity for employment beggars belief. It would be all right if they had an alternative thought or alternative plan, but they have no alternative plan. I will get to the bill, but this has to be cleared up.

Acting Deputy President Gallacher, on Thursday last week I was at a committee hearing, as you were, and we were looking at opportunities for oil and gas exploration in the Great Australian Bight. Oil and gas exploration in this nation is not new; we have been doing it for 50-odd years. In my home state of Western Australia we are damn good at it. We have had a few unfortunate situations with spills, which are just disastrous, but we have got to learn from those spills and make sure they do not happen again. For crying out loud, we kill thousands of Australians on our roads every year, but we do not stop driving cars.

I am not trying to dumb down the argument, but this is no different from the conversation I heard the other day when we had witnesses in front of us, particularly from the Conservation Council of South Australia. Those people are not even on the same planet. They made it very clear: they don't give a darn. Nothing will appease the South Australian conservation council and whoever the other one was—another environmental mob. Senator Edwards was saying, 'How can we take in your concerns to make sure we have covered every angle to make sure this exploration is safe and provides the environmental lobby with the greatest assurance that we are doing our best while adding value to Australia and creating Australian job opportunities?' Both the council and the other mob, who I cannot remember, but it will come to me—a wildlife mob or something—made it very clear that it does not matter. Nothing is going to appease them. They do not want to see any jobs created in South Australia through oil or gas. We did not even talk about fracking or shale gas.

I wanted to clear that up. It really does irk me that the Greens act as if they are the only ones with concerns for the environment, which is just absurd. We all have concerns for the environment. They do not own the environmental argument. For crying out loud, as if all of us who have kids and grandkids want to blow the planet up?

I want to talk about this bill. This bill has had a few starts and stops on its journey. To make it very clear: the Labor Party has supported the main crux of this bill from day one. The Labor Party understands as much as the government the importance of northern Australia to our nation, to our GDP and to all opportunities. We also understand what a fantastic part of the world it is. No-one would be brave enough—I take that back; I am completely misleading the Senate. There are a number of people here who fully respect those who live in northern Australia. It is their part of the world, and we know that. Nothing infuriates northern Australians more than southern Australians coming in and telling them what they need to do and what they have done wrong.

Mr Acting Deputy President, you are a classic example. For 20-odd years in the Northern Territory you lived, worked and brought up your family. In fact, I know your family still resides in the Northern Territory with their children and I also know that you coached a very
young Senator Peris. She was not a senator then; she was young Nova running around a hockey field. So your knowledge of the north is unquestionable. When we hear from the northerners about what they want, we need to take notice, we need to listen and we need to work with them. They understand it. It is not only those who have adopted the north as their home now but those who have been there for generations—and our traditional owners, of course.

What made this bill very interesting was the experts who popped their heads up in the southern states. I never lived in the north. I cut my teeth as a young truck driver running into the north at the age of 19 until the ripe old age of 31, when I hung up my riding boots. It is well known in this building that my family is three generations of truckies running into the north. I have been the duty senator for the great seats of O'Connor and Durack when it was called Kalgoorlie for all those years and I still venture into the north and annoy the living daylights out of the locals up there, because I enjoy being in that part of the world.

But the problem that we have, unfortunately, is that a lot of people in this bubble down here in Canberra want to be experts in the North. That is fantastic—that is great—but you are not an expert in the North when you think between May and September, 'I might just pop across the Nullarbor and have a little Senate hearing or something in Broome, so let's jump on the pointy end of a Qantas flight, sit up there in business class for two hours and 20 minutes, get into Broome, do the usual suspects, meet with the shire and a few other people—whoevers around—and then go to Cable Beach and watch the sun go down.' The next day, they leave the North and they are an expert in Broome, the Kimberley and everything in between. I have no doubt that that would probably happen in beautiful places like Cairns and Darwin.

I want to acknowledge the work of the committee. I want to acknowledge the work of a very dear friend of mine, the member for Perth, Alannah MacTiernan. Those of us who know and love and have worked with Alannah all these years know that Alannah does not give up very easily when she has got hold of a bone. The reason I say that is that the map that was put out to define what is northern Australia said the whole Northern Territory is northern Australia. In Queensland it was—I have it here and I will get it right; I will use the actual words—they used the Tropic of Capricorn, but they added in a number of areas between the tropic and the 26th parallel, which is below the tropic, so it would include the big mining town of Gladstone in Queensland—and good luck to Gladstone. That is fantastic. Gladstone has a population of 32,000 people. But, you see, on the western side we also have a couple of towns that are between the Tropic of Capricorn and the 26th parallel. How do I know this? Because, as I said earlier, I did some quick sums and I worked it out from the years I was running north-west, into the North—into the Pilbara, the Kimberley and Darwin. There is a sign just past the Overlander Roadhouse, in between Wooramel and Carnarvon, and it says, 'Welcome to the North-West—26th parallel.' With some very quick sums, I worked out that I had crossed that line 832 times, and that is not made up; that is running up north twice a week, going over that, and that is taking out three years when I did penance in the Goldfields. Mind you, that was not bad either. I made a good dollar out there.

So, when you talk about the North-West for us in Australia and you look above the 26th parallel, we include a number of towns there. One is Carnarvon. None of us here are strangers to Carnarvon, and, if you are a stranger to Carnarvon, get up there and have a look around. It
is a magnificent part of the West. Carnarvon is renowned for its agriculture area. Queenslanders put up a good fight, because they say they are the centre of banana growing. Yes, that is true. There is no argument about that: Queensland leads. But in WA—it sounds insignificant, but it is not—we have about three per cent, I think, of the banana market. When you were getting whacked around by cyclones, fortunately we were not, and we were still able to supply bananas. We can supply tomatoes and all sorts of fruit and vegies. It is irrigated and it keeps that town alive. But it is not only agriculture. Carnarvon has a very active fishing industry, whether it be prawns, scallops or wet liners. It is all there in Carnarvon. So Carnarvon plays a very important role. There is another town further south. As the seagull flies, I think it is only about 100 kay at the most, but by road it is nearly 300 down to a place called Denham, which is the town on Shark Bay. It has similar tourism and fishing.

These towns, well known in the North-West, were excluded from the government's map of what would fall into the area of northern Australia which could access this $5 billion pot of money to borrow and develop. So it certainly gave us West Aussies grief. It gave Alannah MacTiernan grief and, as I have said, nothing will stop Alannah: when freight train Alannah is on the line and running, look out. Thankfully, she grabbed hold of it, but there is a little bit of history. You see, the government has said that the facility bill will establish the Northern Australia Infrastructure Facility and address gaps in infrastructure finance and marketing for northern Australia. Great! The facility was announced back in the government's 2015-16 budget—tremendous! We knew that. The government also said that it is going to complement the public sector investment in economic infrastructure that otherwise would not be built, or would not be built for some time. It is proposed that the financial assistance will be delivered in partnership with state and territory governments, as it should be. The facility will operate in partnership with other financiers, filling key gaps in the infrastructure financing market for northern Australia but supplementing private lending for projects that produce significant benefits to the region. Fantastic!

The great concern, as I said, was that the West would miss out in terms of Carnarvon and Denham on Shark Bay, which are now included. But, you see, it was a struggle to get there, and it was only today that I was happy to receive a phone call from Alannah, the member for Perth, who had got it from the minister for northern Australia, Mr Frydenberg, that the government had actually worked out that they had made a fundamental mistake. It just has to be put into context. It has taken till today. Consultations started last year. The member for Durack, Ms Price, was being hammered by the local shires up there. I know, because they wrote to all of us. Senator Smith, a government senator from Western Australia, got up, and I was listening to him; he was actually reading the letter and referring to who wrote to him from where. They had got so frustrated. Last week I received a phone call from the President of the Shire of Carnarvon, Karl Brandenburg. I had not spoken to Karl for years, and I knew Karl long before he was the shire president. Out of absolute frustration, they had gone through all the shires with the member for Durack and had no sensible outcome and no sensible negotiation—nothing. So she had tried to go through her side of government, and they had knocked her back.

I am saying it right here and right now, very clearly: if it were not for the member for Perth, it would have gone through to the keeper. The good folk in Carnarvon—5,700 of them, I think there are—and Denham would have been excluded—tough; bad luck—even though on
the other side of Australia the decision had moved across to incorporate Gladstone, for all the reasons why, I have pointed out, Carnarvon should be incorporated. So what message would that have sent to the people of Carnarvon? Thankfully, some common sense has come through.

I was also written to by the—gee whiz! What is his title? He is a local National member for the North there, Vince Catania. Even he was showing absolute frustration. He could not get it through to the government side over here, where they are in a coalition. For all intents and purposes, they are in a coalition in WA. It is only at election time they fall out of love, but they are always in a coalition. It was just absolutely ridiculous and frustrating, I have to say, because how can you face West Australians in Carnavan or Shark Bay or Devon and say, 'You are not part of the north-west?' Anyway, we will see where this all takes us.

There are a couple of other parts of the bill that I have a few little questions and concerns about. I would be interested to see how they fall out. The bill talks about putting together a board—whoever that board will be—and that is fine. There is a bit of work to do but I would urge the government to try and break away from the traditional mode of doing work around here of just putting your mates on it and actually put some hard thought into who would be the best representatives of the regions. One can only think that there would be people lined up for miles. There would be experts in the north and there would be experts in all parts of those states, whether it be Queensland, Northern Territory or Western Australia, but I would strongly urge the government to resist the desire to put ex-politicians on the board because they have to look after a mate or someone who has been a good donor to them.

I want to know from the government what consultation or investment opportunity through this fund will Indigenous enterprises get? I am a stickler for giving Aboriginal people not a token job to sell a few dot paintings on the side of the road or a boomerang, which is sadly what a lot of the jobs offered to them are, but meaningful enterprise for Aboriginal businesses. Believe me—I will talk from WA's point of view—there are some magnificently progressive Aboriginal leaders in the Kimberley in the west of the Kimberley and in the east of the Kimberley who have dreams and visions for their people that us whitefellas would not even think about. They are just bursting to have the opportunity, not just to be pampered to and given a few bob here or there but actual opportunity for enterprise, not just, 'Here is a token job; we will make you a cleaner or you can be a bus driver.' I do not know what conversations have been had there. I looked through the explanatory memorandum and could not see it anywhere.

I also strongly urge that on the board there be Aboriginal people. Why not? Why wouldn't we? Aboriginal people, as I said, have got some fantastic ideas. That is where they live, that is where they were born, that is where their families have lived for thousands and thousands of years and do not think for one minute that they do not want to progress themselves. They want to see their kids advance. I do not see that. I might be jumping the gun, and I think Senator Carnavan may be able to help me out and explain that during a break, but I hope that that is foremost in the government's mind as well.

I notice Senator Macdonald announced a $600 million road or something like that—there must be an election in the air. I do not know where that one fell out of but if there is an election and those opposite are promising $600 million of roads into the north then that is fantastic—as long as they do not fall for the stupidity of the department on the bridge building
plans or initiatives as at the last round of estimates. There was X amount of millions of dollars for bridges and former Senator Joe Bullock quizzed the department on who was chosen. He asked what was the criteria for finding out who was going to get a bridge? There was no criteria; they just picked a few. They sat in Canberra here and might have thrown darts around the board. I do not know what they did; they could not tell us. So if there is $600 million for roads, it would be nice to know where they are going to be. We will find out, I am sure, between now and 2 July.

I also want to talk about, in the short time that is left for me, the $100 million beef road project. I am talking to you now as a truckie and, let me tell you, every time a road gets bituminised in the north or every time a road gets some culverts or every time a road gets a bridge, it is welcomed. As was said earlier by previous speakers, when it rains out there, it rains—let’s not get that wrong. I know because I have spent many days stuck on the side of the road when it was still dirt between Port Hedland and Broome, still dirt between Fitzroy and Halls Creek and then single lane. It was not all weather like it is now. Every season we were stuck there.

I asked at Senate estimates which beef roads. I asked, 'What are your plans? Is it blacktop you are going to put down with that $100 million? Is it bridges? Is it culverts? Is it widening?' No-one could tell me. The department had no idea, no answers. As was said earlier on, this northern Australia white paper is not new. Senator Heffernan was working on the north when I first came in here in the Howard years. Then it just disappeared and fell apart. If you make an announcement saying you are going to spend $100 million on taxpayers' money on a beef road, wouldn't you think someone would have a plan? Where did the $100 million come from? Were they sitting around in the 'monkey pod' and just tossed-up a number somewhere? How did those opposite come to $100 million? I ask this question because when you are building roads in the Top End, as the northerners know, there is a window of time when you can work on those roads. Then there is the wet season. I have seen roads destroyed in one wet season. It only takes one road train to go through for half a kilometre or a kilometre and it is just completely muck when it is dirt.

There is a number of questions to be asked and there is a number of questions to be answered. I do show complete frustration when governments love to pluck figures. It amazes me that it always comes to a round figure. How? Does that $100 million go to the road—or are there white hands in the business all the way through, taking a little bit here and a little bit there or getting a consultancy? I thought it was more than fair, on behalf of northerners, to tell me where these roads are and what is going to be built. Sadly—I should not sound depressed and I should not sound surprised—I got no answers.

As we venture into the next eight or nine weeks, where I am sure there will be a little bit of activity around the nation, if someone else can ask the questions and find out, great. On saying that, we now know the amendments have come through so Carnavan and Shark Bay are in—I am rapt. I want to congratulate the member for Perth, Alannah MacTiernan, for her fierce work on this. On behalf of the northerners, I congratulate her. I congratulate the government for actually coming to their senses at the last minute—and thankfully they did. Obviously the pressure was brought upon them to come to their senses to include two very important towns in WA. I support the bill.
Senator WHISH-WILSON (Tasmania) (12:21): I rise to speak on the Northern Australia Infrastructure Facility Bill 2016 and Northern Australia Infrastructure Facility (Consequential Amendments) Bill 2016. The Greens support increased government investment in public infrastructure. We think this is vital to Australia’s future. If we had our plan implemented, which was only launched last Friday by myself and Adam Bandt, the member for Melbourne, we would see government spending—through debt raising and the issuance of infrastructure bonds—of up to $75 billion around this country on productive infrastructure. We support the concept of governments playing an active role in the lives of Australians. In fact, we believe there is now a historic opportunity, with interest rates and the cost of capital as low as they have ever been and likely to remain low for some time, for the government to step in and issue long-term bonds with government backing of up to $75 billion of financing.

On our calculations—and the numbers we have used were based on extensive evidence collected by a Senate select committee which looked at infrastructure financing—we believe this would push our debt-to-GDP ratio up to the levels of around 25 per cent that we had under ex-Prime Minister John Howard. That would still give us a good buffer of five per cent. We heard evidence from Saul Eslake, for example, that we could have up to 30 per cent of debt to GDP in this country before it would impact on our AAA credit rating. That gives us a substantial amount of money and opportunity for nation building and for investing in infrastructure, not just in Northern Australia but right around the country. If we could redesign our infrastructure planning and approval process and put in place a financing facility and process to encourage developments at local, state and federal government levels and attract the big pool of investment out there in the private sector—through superannuation funds and self-managed super funds, through corporates who want to invest in infrastructure, and through the Australian people—and if we could somehow tie those two together, then now would be a significant, historic opportunity for a nation-building exercise in infrastructure.

I want to make it really clear here today that we support increased government investment in productive infrastructure. We see it as being vital to Australia’s future. In fact, the evidence the select committee collected from spokespeople such as Professor John Hewson said the same thing: get out there and borrow money, take a 15- to 20-year view and invest in infrastructure right across the country. We heard evidence from the Productivity Commission, Standard & Poor’s, Ernst & Young, self-managed super funds, industry super, Citibank and major investors that there is an appetite out there in the private sector and in the investment sector to look at infrastructure projects. The problem is that they are not investing because they have a very high expectation of returns from infrastructure. They are very interested in what are called greenfields investments—investments that are mature and can already provide revenue and cashflows. Unfortunately, right around the country we have a big infrastructure gap: a pipeline of greenfields projects at local government level, state government level and federal government level that need to be financed. That gap varies depending on who you speak to. The evidence we heard in the committee showed a very large variation, but some respectable institutions said that around the country it is up to $750 billion or potentially $1 trillion—and that is in existing projects that have already been put up for financing and funding. We do not fund anywhere near that amount on an annual basis in this country. It is more like $20 billion, and that is combined state, federal and local government.
How do we actually get money moving in Australia? How do we actually get the nation built for the kids who are here today? This is all about intergenerational equity. This is about taking a long-term view on building our nation, investing in a large number of small projects at local government level that can be bundled into portfolios that bonds can be issued against. A lot of those things can be monetised through a whole range of different means that the committee explored, including changing the taxation system, value capture and changes to rates. All of these things can be funded from the local government level all the way up to the federal government level.

The federal government could play a really important role in raising finance, making low-interest loans to state governments and local government and, of course, issuing municipal bonds and green bonds. We could actually take Australia to being 90 per cent renewable by allocating money, for example, towards renewable energy infrastructure. There is so much we could do if we could raise money right here and right now. The issue comes down to this: is 'debt' a dirty word? Unfortunately, a lot of the political rhetoric we hear in this chamber is that it is—that we have a debt problem. There is the old furphy that somehow a government's budget is the same as a household's and that it has to be constantly repaid down to zero. That is actually not the case. Governments can play a very active role in the lives of Australians—much more than we do now.

We would like to see an infrastructure bank or fund set up right around the country to help invest in projects that will not only lift productivity but create jobs and pay dividends to communities—social and environmental dividends as well as economic dividends. Under our structure we would like to see Infrastructure Australia revamped. We have outlined all this. It is bold and brave and it is going to take a little bit more detail, but we would like to see the Department of Infrastructure and Regional Development rolled into a new Infrastructure Australia. We would like to see a process where they independently assess a pipeline of projects from right around the country, from the local government level all the way up; where they use triple-bottom-line assessments and have cost-benefit analyses that are transparent, available and put up for public view, not hidden away from the public, with the commercial-in-confidence excuse used for not providing that information.

You cannot totally depoliticise infrastructure spending. We are elected by the Australian people to spend their money in the best way possible. But if an independent Infrastructure Australia made those assessments and made them public then a minister and a political party would need to explain why they chose to fund a particular project and put it through the infrastructure bank and why they went against independent assessments.

In relation to the bill we have before us today, why can't we have transparent independent assessments and cost-benefit analyses for what this fund is going to invest in? This is essential. What we heard, interestingly enough, from the investment community and the business community is that the key reason they are not putting the potentially hundreds of billions of dollars they have in savings into infrastructure, especially greenfields infrastructure, is the lack of transparency around the selection process at government level, because the cost-benefit analyses are not detailed and they are not provided to the public. This spells trouble for them. That is why the expected risk premiums, or expected returns on their investments, are so high. Isn't it odd that we have a cost of capital in this country on long-term bonds around two per cent, yet infrastructure funds in this country and corporates who invest
in infrastructure expect a return of at least eight per cent on their investment? Why aren't governments out there borrowing at two per cent and helping fund these projects? That way, they can co-invest with the private sector, the investment sector and local government, who desperately need this money—not just in the big cities but all around the country, including in rural and regional areas. The federal government can play a role as financier and we can have a system that is robust and transparent in this country, that is respected by the business community, that is respected by all levels of government and that provides a process whereby we can actually get money moving in Australia and get investment in infrastructure right around the country.

Acting Deputy President Sterle, I note that we have some Nationals senators in the chamber today. Unfortunately they did not appear, like you and I did, at the Rural and Regional Affairs and Transport References Committee inquiry into regional capitals, where we went to places like Geraldton, and many other regional cities, and heard about their lists of infrastructure needs and the amount of underfunding that we are seeing in rural and regional Australia. We went to Rockhampton. Unfortunately Senator Canavan could not be there that day. This was when he was newly minted in his role as Minister for Northern Australia. We missed you there, Senator Canavan, because we heard from Rockhampton stakeholders—the local government, the chamber of commerce—and they were telling us about why there is this infrastructure gap in their region and why they urgently need funds.

The Senate has done a great job, in a couple of committees, in collecting the evidence that we need to put together a long-term holistic plan to get money moving in Australia, to get it out to the regions. It is not just the big cities. Let us be honest: this government is entirely focused on big iconic projects in big cities. The Productivity Commission has said that actually the best thing we have got going for us is bundling together the thousands of small projects that need financing around this country—from local swimming pools through to power stations, pipelines, dams, women's shelters—because that will be attractive to potential investors. We heard so much evidence about the things that are needed in the country. We just need the ability to fund and finance these projects.

So we do not have a problem with the principle of setting up a fund that government can finance to look at investing in productive infrastructure. What we do not want to see is a fund that is used for pork-barrelling, a fund that will pick winners based on the politics of the minister and the department of the day. We do not want to see a fund that lacks transparency, that will not provide details of all the decisions that it makes. That is not the way Australians want to see their governments spend their money. That is irresponsible. But it is also not what the business community want to see. It is not what stakeholders want to see.

We heard evidence, when we went around the country, of money that has been spent already around regional development funds—the very specialist funds the government has got set up—and the lack of consultation with state and local governments in how that money is spent. We heard about the politicisation of that money. In fact, Mr Acting Deputy President, when we were in WA we heard that, around the by-election in Canning, some money went into helping renovate a local golf club, when money was desperately needed in Geraldton for setting up a new university campus to try and raise the level of education in the area.

If we had a holistic process that was independent and looked at these things in a very systematic way and then put those projects up to a government for funding, or to an
infrastructure bank, we would have a much more efficient process. I suppose where I am going with this is: why aren't we doing this for the whole country? An infrastructure Australia fund would be a good start. A northern Australia fund would have $5 billion for the north of Australia. I happen to come from a southern state, being Tasmania. Where does my state fit into a nation-building program trying to get money moving? Where do South Australia and the bottom of Western Australia and even Victoria fit into this? I am not as interested in those states as I am in my own, of course, being purely self-interested as a Tasmanian senator, but the point remains: why can't we have a process like this for the whole country, but a better process than this, a process where we have potential for co-financing with investors, like super funds, industry super? Canadian super funds are the biggest investors in Australian infrastructure. I am not sure if you are aware of that, Mr Acting Deputy President. They are the biggest private investors in Australian infrastructure. Their pension funds are set up to make it easy for them to take 15-year views on investing in projects. Industry super have got to the point where they not only invest in infrastructure in Australia and overseas; they now manage projects. So we have got a big pool of investment out there in our super funds and self-managed super funds that are looking to invest in building in Australia. They are looking to invest in building communities and building jobs.

While we have a proposal before us today to spend $5 billion on the north of Australia, why don't we think bigger and why don't we think better? Let us think bigger and let us think better. There is no better time than now to have a vision for building this country, to borrow and to lock in at historically low rates—one or two per cent interest rates. We are seeing negative interest rates overseas. If we can convince the business community and the investment community to lower their expectations around what they expect to get on infrastructure, if they finally understand the cost of capital is only going to be a few per cent, then we can actually start getting money moving in this country and get jobs—invest in our local communities, invest in our environment, invest in transitioning Australia to a clean economy, invest in transitioning Australia to a low-emissions economy and a smarter economy.

The problem with speaking like that is that I do not want to sound too much like the Prime Minister, but, at the end of the day, the Greens have always talked about being clean, green and clever. That phrase was coined first by Senator Milne in Tasmania in 1992: 'clean, green and clever'. This is something that we could all do if we actually took a visionary approach to this.

The amendments that the Greens have put up—and these are reflected in Senator Siewert's dissenting report, which she put into the committee report—are that we want to see the NAIF Bill amended to exclude any proposal which is substantially linked with fossil fuel or nuclear projects. We want to see the bill amended to ensure that all proposals are subject to a rigorous independent cost-benefit analysis which includes environmental, climate, cultural and social costs, which I would have thought was a very reasonable basis for any expenditure of taxpayer money. The private sector want to see this kind of thing transparent and publicised before they go investing in these projects, because they know that projects that are highly politicised are highly controversial. It leads to reputational risk when they are involved, and it leads to a higher cost to capital. It makes business sense to put this data out for public perusal.
We want to see the bill amended to ensure that the federal government cannot delegate responsibility for project approvals under the Environment Protection and Biodiversity Conservation Act to state and territory governments. And we want to see the bill amended to ensure that the investment mandate for NAIF includes the requirement that all proposals are consistent with the principles of ecologically sustainable development. This is not just a greenie thing; this is actually good business practice. Most investors are thinking now about the triple bottom line. They are thinking about their risk, and they are adjusting their rates of return and their expected rates of return on their investment based on these risks. These things in our modern day and age, in a climate constrained world, in a world where community and social licence are important to investment, are something that should be incorporated not just in business decisions but in government decisions.

If this is a government driven fund, which it will be—$5 billion—these are things that should be considered by us, because the taxpayers in this country who put up the money that is going to be diverted into building this nation, be it in northern Australia or be it elsewhere, also expect the highest possible standards. They do not want to see governments pork-barrelling. They do not necessarily want to see them picking winners. I know we cannot totally depoliticise infrastructure spending. I thought we could, but, after the committee evidence I have heard, I realise that is not entirely possible, because we are elected to do a job for the Australian people. This is the kind of thing we need to see more of, but we need to be able to do it better, and we need to do it bigger.

The Greens have a plan, which we have now announced, which is based on extensive evidence that we have collected in the Senate select committee. I know that Labor also has a plan for an infrastructure bank, a concrete bank, that is not too dissimilar to what the Greens have proposed. It is a lot smaller and possibly nowhere near as expansive. Nevertheless, the idea is still a good one.

I hope, Senator Canavan, that the Prime Minister puts a little bit more meat on the bones of his announcement he made on Friday about a new way of looking at funding and financing infrastructure. We certainly would be very keen to hear the detail on that, and no doubt that will be announced with the budget in the next couple of days.

So we will be moving amendments to this bill. We support the principle of governments investing in public infrastructure. We think: good on you. The government needs to get more involved, and this is vital to Australia's future.

Senator PERIS (Northern Territory) (12:41): I also rise to express my support for the passing of this bill and the implementation of the Northern Australia Infrastructure Facility Bill and indeed the northern Australia development strategy more broadly. It is always heartening—as we both know, Mr Acting Deputy President Sterle—to see the north of Australia, and particularly the Northern Territory, at the forefront of debate in this house. The development of northern Australia should be made an absolute priority for Australia—no question. After all, what is good for the North is good for the nation.

Territorians have heard for years about how the Top End is an untapped economic region that just needs infrastructure. We need investment—real investment—to be able to grow into a bigger and better economy. They have heard this talk, and it has never really been developed into as big a project as it could be, so many of my constituents are, I should say,
sceptical about this talk. They wonder whether developing the North will really mean more jobs and whether those jobs will come to Territorians and not to those high-vis FIFO workers.

The Developing the North strategy has had bipartisan support for several years now, and I commend Minister Frydenberg and Shadow Minister Gray for the work that they have done in this area. I also commend Minister Canavan, who is here in the chamber, and my Territory colleague Warren Snowdon, as well as Alannah MacTiernan for her fierce advocacy. I commend all of their work in speaking up for northern Australia. The bipartisan work done in this space gives me hope that northern Australia will benefit from these strategies. After all, an increased focus on the Northern Territory's economy can only be a good thing for Territorians and Australia.

Recently, I have engaged with organisations like the Northern Territory Farmers Association, the Northern Territory Cattlemen's Association and the NT Livestock Exporters' Association, and there is a clear pattern in the issues that they are all facing. The one key major issue is infrastructure—the lack of roads, bridges, training and education facilities as well as housing infrastructure.

Northern Territory kids—and I have spoken many times in this chamber on this—are on average two years behind the educational outcomes of their east coast counterparts. In 2016, Territorians still have to fly down south for many medical procedures, and unemployment in remote Aboriginal communities is around 20 per cent and growing.

In order to change all of this, the Northern Territory is in desperate need of meaningful economic infrastructure. We need infrastructure that can be harnessed to benefit the whole of the Territory. What does this look like? It means quarantine facilities for our fruit and vegetable exporters. It means cold storage at our port. It means sealed and safe roads for our live cattle transport to improve access to the remote parts of the Northern Territory. It means upgrading our regional and remote airstrips and our ports. We need to ensure that we can move goods and people around in a way that is cost-effective and easy. It means adequate biosecurity measures. All of this, of course, means Australian jobs.

Fruit and vegetable growers in the Northern Territory are calling for real investment in quarantine facilities, which would eliminate the need to send produce down south to be processed and then exported. The Northern Territory should be able to export its own produce. The Northern Territory should be able to maximise the economic benefit that comes from its crops. The Northern Territory should be getting a slice of the pie. While I support this bill, it does somewhat highlight the difference between northern Australia and the big cities of the south. I note media reports today that say Sydney and Melbourne are likely to receive billions in public transport infrastructure funding in the upcoming budget. That is great for Melbourne and Sydney, and it is great for Mr Turnbull's marginal seat campaign. But in the Northern Territory, an upcoming prawn farming project, Project Sea Dragon, is struggling to secure funding to seal 50 kilometres of road. The project is worth $1.54 billion worth of investment not only for the heart of the Northern Territory but also for the border with Western Australia. Sadly, the project has to apply for a loan from the northern Australia loan facility. Sydney and Melbourne get big election commitments through asset recycling versus the Northern Territory, which has to apply for a loan to seal 50 kilometres of road.

We know that developing the north means sustainable development, which means protecting the environment and maintaining the sacred landmarks that make the Territory
unique. But we need to be assured that any future development will not be at the expense of existing industries like tourism or at the expense of our pristine environment.

As well as big economic infrastructure, it is essential and imperative that we invest in the education and training of our young Territorians. It should be noted that almost a quarter of our population are under 16. That is extremely important to note. The previous Labor government made it possible for Territory kids to study medicine at Charles Darwin University, and now the Charles Darwin University has expanded its facilities to allow them to study specific training for the oil and gas industry. But more is needed. Too many Territory kids are well behind in literacy and numeracy and too many schools are under-resourced. We can talk about innovation until the cows come home, but if we do not talk about the education of our kids all the talk will fall on deaf ears.

The same is true of developing northern Australia. We cannot talk about developing the north without big investment going in to the education of our kids to make sure that when it comes time for them to contribute to the economic development of the Northern Territory they are ready for challenges that come their way. Developing the north also means recognising the unique economic factors that affect the Northern Territory, and how policy made in Canberra can adversely affect the Territory. The Territory does not just need a hand out; it needs a lift up. It also needs a federal government that recognises that things are different in the Territory. We are unique but we are ready. We know what our potential is.

The federal government, no matter who is in charge, needs to recognise that doing business in the Territory is different to doing business on the east coast or down south. A perfect example of this lack of understanding is of course the backpacker tax. The backpacker tax takes a sledgehammer to the Territory's tourism and agriculture industries in one big hit. Potential working holidaymakers are already avoiding the Territory in favour of Canada or New Zealand. Most of our farmers rely on backpacker labour, which makes up 90 per cent of their seasonal workforce. Our agricultural and tourism groups are extremely worried about this. Tourism numbers are already low and the agricultural industry is now struggling to find labour when it comes to harvesting their crops.

While the government has put the backpacker tax under review, there are fears that the damage has already been done and that the tourism industry has already suffered. The CEO of NT Farmers, Mr Shenal Basnayake, said to me, 'We are uncertain at this stage what the full impact of the backpacker tax and other issues around the workforce will be, however the early indication through discussions with farmers is that they are seeing reduced numbers of job applicants.'

This is extremely bad news for the Northern Territory, and I strongly urge the government not to go ahead with the backpacker tax plan. In fact, I am glad that Senator Canavan is in the chamber to listen to me speaking on this. I was with him recently in Darwin and I know that the NT Farmers felt his passion, and he is very committed to developing northern Australia. But this is of grave concern to the NT Farmers and I urge Senator Canavan to reconsider what is going to happen to the industry from this.

This is simply common sense. We cannot claim to be prioritising the economic benefits of the Northern Territory while making it harder for the Territory's job creators to do business and, most importantly, sustain their businesses. Policies like the backpacker tax are short-sighted and do not take into account the needs and the harsh conditions of the Northern
Territory. As well as infrastructure, we also need to end the lack of understanding of the Territory economy, otherwise we risk making a mockery of the idea of developing the north.

Aboriginal Territorians need to be included in this process. There needs to be a consultative process that engages traditional landowners in the process of developing the north and includes them in benefitting from the flow-on from that development. The CEO of the Northern Land Council, Mr Joe Morrison, has said on many occasions that Aboriginal people need to be included in the process. He has fears of a lack of involvement for Aboriginal people in the development and therefore a lack of economic benefit for Aboriginal people. Mr Morrison has said, 'Aboriginal people want to share the advantage that flows from our proximity to Asia from northern development, but traditional owners need to be consulted about economic activity on their lands.' The economic benefits that flow from new infrastructure and the increases economic activity in the NT need to flow through to investment in health and education for Territorians.

The northern Australian infrastructure loan facility will be essential in providing funding for the absolutely vital infrastructure funding for the Northern Territory, which has been needed for many years. I hope all Territorians can benefit from the infrastructure that comes from the loan facility and that economic benefits mean a better standard of living across the Territory, from Darwin to Alice from east to west Arnhem Land and into the remote communities. This bill is a huge step in the right direction. But it does not go unnoticed in the Territory that while people in Melbourne and Sydney have infrastructure thrown at them when the election comes around, the Northern Territory is still stuck having to apply for loans. I am optimistic but also pessimistic about the growth and future of the Northern Territory, but I do hope that this bill is a vote of confidence in the viability and bright prospects of Australia's north.

Senator RICE (Victoria) (12:52): I rise to speak on the Northern Australia Infrastructure Facility Bill 2016. This bill is a great opportunity. The idea, the concept and the reality of investing in this unique part of the world have the potential to give a boost to not only Northern Australia but also, if done correctly, our environmental, social and cultural assets. There is so much potential, but it has got to be done correctly. If we do not invest in ways that meet the quadruple bottom line of being environmentally, socially, economically and culturally sustainable, then we risk repeating the mistakes of the past.

We have got an amazing opportunity not to do that. We have got an amazing opportunity to use all of our resources, knowledge, cleverness and agility to have development that is good for all of us—not just for all Australians but for all of the other creatures that we share our planet with while providing economic benefits and jobs. We can invest in infrastructure that delivers socially, economically and environmentally sustainable benefits or we can go down the path of exploiting local communities and environmental resources for short-term profits. We can bring everyone together and say, 'Yes, there's an opportunity here for some great outcomes' or we can invest in a way that is divisive and destructive to our environment.

So the Greens are in a position to be able to support this bill today, if some incredibly important amendments are supported. My colleagues today—Senators Siewert, Waters and Whish-Wilson—have already outlined the risks that this northern Australia infrastructure fund could have for our environment, our climate and our local communities.
I also want to talk about the type of infrastructure that the current proposal for this facility seems to be trying to promote and raise the dangers of some of the infrastructure that is being considered. Let's talk about rail infrastructure. We had it hinted—former Treasurer Joe Hockey indicated that he thought that this sort of loan facility should be used to fund rail projects to support the massive Adani coalmine. If you ask everyday Australians what type of rail the federal government should be investing in, the message is clear: commuter rail in our cities; regional rail to connect communities and help people to be connected across rural and regional Australia; and support for freight—to get freight off the roads and onto rail. All of these sorts of rail investments have got a huge amount of support across the Australian community.

But, if we are talking about rail that is going to help finance the disastrous Adani coalmine rail and port proposal, then that is not what people think is a priority nor what the Australian government should be investing in. In fact most Australians would be appalled to think that the federal government wants to subsidise huge mining companies to build rail that has only got one purpose: to transport massive amounts of coal from massive coalmines to damaging ports.

The Greens cannot possibly support the Northern Australia Infrastructure Facility being used to support fossil fuel or nuclear projects, including those mines, railways, pipelines, ports and electricity infrastructure, that are based on ongoing fossil fuel use. That is not just in the long-term interests of northern Australia; it is not in the long-term interests of all of Australia nor the long-term interests of the globe.

I heard former Liberal leader John Hewson on the radio this morning saying that, in terms of most investors now, the Adani coalmine would already be considered as a stranded asset: it is not going to be economically viable in a carbon constrained world as well as being environmentally disastrous. So to use the northern Australia infrastructure fund to prop up these sorts of coalmines is not sensible investment. It is not investment that is in the interests of people. That sort of investment would be taxpayers supplementing the profits of the big end of town.

So what is the alternative? The wonderful thing is that there are so many alternatives and so much good investment that could be made in infrastructure that would develop northern Australia in a way that is environmentally and socially sustainable as well as being economically successful. It is infrastructure that has got an eye on our future rather than the damaging industries of the past.

In order to make sure that that is the type of infrastructure that is being invested in, we need to do careful assessment to ensure long-term sustainability. Developments must be targeted towards the needs and priorities of local communities and should also take full account of the environmental impact of what those developments are, particularly the environmental impacts of climate change. If investment is not going to do anything to help us address climate change, it should not be invested in. If it is an investment that is actually going to worsen climate change, then it is even further away from the sorts of projects that we should be investing in.

When we look at northern Australia, we know what the impacts of serious climate change are: we know what the impacts of the climate emergency are going to be. At the moment, one of the biggest economic assets of northern Australia of course is the Great Barrier Reef. We
have seen the massive bleaching event of the corals of the Great Barrier Reef where 93 per cent have been bleached and many will not survive. Unless we address climate change, that massive economic asset of northern Australia is not going to be there in the future.

And it is not just in Queensland; as we speak, the reefs of Western Australia are still undergoing a bleaching event—because, as I am told, the waters of Western Australia are even warmer than the waters of Queensland. These are the real assets that need to be protected, and the only way of protecting our reefs of Western Australia and north-eastern Australia is to take urgent action to address global warming. That means transitioning to a zero carbon economy as quickly as possible. If we do not do that, the northern Australian economy does not have a future.

The other part of the world that has been focused on—and there was attention drawn to it in the media over the weekend—which seems to be a long way from northern Australia, is Greenland. If you look at the melting of the icesheets that is currently going on in Greenland, you might think, 'What's that got to do with northern Australia?' But the massive increased melting that is going on in Greenland indicates the seriousness of the issue of the melting of our polar icesheets and what the impacts are going to be in terms of sea level rise. If we look at many of the unique marine environments of northern Australia and the rest of the country, as well as the rest of the globe, and think about the impact on those natural assets of a metre or more of rising sea level, we see that the rising sea level is going to be disastrous for the development and the future of the communities of northern Australia. These are the things that we need to be thinking about and we need to be working out how we can have development that results in us actually tackling climate change rather than adding to climate change.

We know that global energy markets are moving on to 21st century technologies and we know that public investment needs to be oriented towards reaping the benefits of renewable energy technologies and sunrise industries. Investment needs to be going into the huge renewable energy resource that is there in northern Australia. That is one of the best resources of northern Australia. If this money were going towards investments that make sure that we develop that potential, that would be a magnificent outcome. If we do not and we do not look to the emerging trends, northern Australia is going to be saddled with last century's infrastructure while the rest of the country and the rest of the world will have moved on. That would be a disastrous outcome.

The Greens vision for northern Australia is for a zero carbon economy that promotes ecotourism, communications, clean energy hubs and services and lots and lots of jobs. We all know about the ecotourism potential of northern Australia. We need to capitalise on the opportunities for local communities by putting the power in their hands and especially looking at supporting ecotourism development that are managed and controlled by traditional owners. People are not going to travel from around the world to see great big holes in the grounds. They are not going to travel from around the world to see dead, bleached coral reefs. But people do need safe ways to travel that are as efficient as possible—so we do need transport infrastructure.

We also need to address the chronic lack of services in local communities. We need to address the chronic lack of communications technologies. We need infrastructure that supports communications, whether it is physical communication in transporting people by
good-quality roads, good-quality rail services and good-quality bus services, or information communications technology—broadband. Having wonderful communications technology in every community across northern Australia will do so much to bridge the divide between rural and regional Australia and the communications that those of us who live in the capital cities enjoy. That is the sort of investment that needs to be prioritised under this sort of fund. They are the sorts of investments that the Greens want to see—environmentally sustainable and socially sustainable investments.

But we are extremely worried, and this bill gives us no faith, that this sort of fund would be used to prop up fossil fuels. The Australian Greens staunchly oppose subsidies for polluting fossil fuels, and we will not support the Northern Australia Infrastructure Facility becoming a $5 billion slush fund for polluting industries. Community connections are important, but subsiding rail that will only serve the interests of coalmining is not. Subsidising environmentally disastrous mining is not in the interests of northern Australia. Subsidising massive dams that are unsustainable in a climate changed world, subsidising land clearing and destroying the very things that make northern Australia unique should not be considered for investment under this fund.

Making our transition to 100 per cent renewable energy as quickly as possible is urgent. We are in a climate emergency; a climate crisis. We need to bite the bullet and say that the fossil fuels that Australia has need to be kept in the ground. We know that, for the world to keep global warming under two degrees or under 1.5 degrees, the vast majority of the fossil fuels that are in the ground need to stay there. All 75 per cent, three-quarters, of the world's coal resources that are currently known about need to stay in the ground. We cannot afford to continue the exploitation of these unsustainable resources.

That is why the Greens, in the interests of our future—in the interests of the future of northern Australia as well as everywhere else—are calling for an immediate ban on new coal mines and gas projects, including fracking. Not only would investment in fossil fuel projects be environmentally destructive; it would be economically reckless. Developing large, illiquid infrastructure for sunset industries is not a good use of public finance. So we are calling on the federal government to rule out financing the Adani coalmine, rail and port proposal and other Galilee Basin coal mines out of the Northern Australia Infrastructure Facility. Sadly, until that is ruled out, we will not be able to support this facility. The Adani mine, the railway and the Abbot Point coal port expansion would be environmentally disastrous and economically reckless. With the price of coal in structural decline, more than a dozen international and domestic banks have already ruled out providing finance.

There are so many other opportunities. There are so many other investments that would be environmentally sustainable, socially sustainable and culturally appropriate that we could invest in. One of the things that we need to have as part of this fund is a really rigorous assessment process to make sure that any investments that would be approved really tick all the boxes—not investments that would be propping up otherwise damaging and uneconomic projects. We should be able to get this right. We should be able to find projects that do tick all those boxes, that bring us together and that serve the interests of communities now and communities into the future, that serve the interests of communities as well as industry, and that serve the interests of our precious environment as well as economic development.
The Greens amendments to this bill we think are absolutely critical and essential for it to be supported. The first of those amendments is that the bill should be amended so that any project that is substantially linked to fossil fuel or nuclear projects, including mines, railways, pipelines, ports or electricity infrastructure, should not be funded under this infrastructure facility. We want to amend this bill to ensure that all proposals are subject to a rigorous, independent cost-benefit analysis which includes all the environmental, climate change related, cultural and social costs.

We propose to amend this bill to ensure that the federal government cannot delegate its responsibility for project approvals under the Environment Protection and Biodiversity Conservation Act to state and territory governments. This is national infrastructure that is being considered here. National funds that go into it should be assessed against national environmental legislation. Finally, we are proposing to amend this legislation to ensure that the investment mandate for the Northern Australia Infrastructure Facility includes the requirement that all proposals are consistent with the principles of ecologically sustainable development.

We reckon that with these amendments we would have a terrific opportunity to really bring everyone together. We could have development that everybody can agree on, development that everybody recognises is in the interest of us all—the interest of northern Australia, the rest of Australia, all of the other environments and all of the other plants and animals that also have an interest in what happens in northern Australia, and in the interests of the peoples of the globe. We have the opportunity to do things differently here in this parliament, to say that all of these issues matter. Every aspect of investment proposals matters, not just whether you have jobs. You can have good jobs, but you can have jobs that are very destructive. There is the opportunity here to have investment that can deliver for our environment, can deliver for our people and can deliver things that are economically sustainable as well.

With these amendments, the Greens would be supporting this legislation. I look forward to getting the support of the rest of my colleagues here for a bill with those amendments made to it.

**Senator LINES (Western Australia) (13:10):** I too rise today to speak about the Northern Australia Infrastructure Facility Bill 2016. I want to begin my speech today on the Northern Australia Infrastructure Facility Bill by echoing the concerns of Senator McLucas. Labor obviously supports economic development in northern Australia. As a Western Australian senator, I certainly want to see the north-west of Western Australia given the best opportunity for growth that benefits local communities and indeed the Australian economy. Certainly it is an area that Labor absolutely supports.

But as we have come to expect from the government, whether under the prime ministership of Mr Abbott or of Mr Turnbull, the government are experts at messing up really good ideas and at not getting it quite right. This bill, until the amendments came through today in relation particularly to Western Australia, was a fine example of not quite getting it right—of just ignoring parts of Western Australia by excluding them from the Northern Australia Infrastructure Facility Bill.

I have to say that it has only been through the advocacy of the Labor member for Perth, Ms Alannah MacTiernan, that we have seen some sensible amendments come through today that put Western Australia in a better position. Certainly the bill that went through the House a
couple of weeks ago, with the areas in Western Australia, particularly Carnarvon and Exmouth, not being part of the legislation, was an absolute nonsense and shows again that the government does not really know what it is talking about—that we could be a long way down the track, 12 months from the budget where the northern Australia money was committed, and we still did not have the boundaries right. That would be, you would think, the very first thing the government would determine—and do so in consultation with all of the stakeholders, with Aboriginal and Torres Strait Islander people, the local councils and certainly the state governments.

It is also telling that, when the bill was introduced into the other place, where there are quite a number of Western Australian members and in particular the member for Durack, whose seat encompasses significant parts of what was excluded, they said nothing. They said absolutely nothing. It has been the advocacy of the member for Perth, Ms Alannah MacTiernan, that has brought some sense at the eleventh hour to this debate. So telling was it in Western Australia that the government had left out towns and regions that clearly, absolutely clearly, should have been part of its considerations from day one, not from the eleventh hour, that all of us—and I presume the Liberal senators as well—received emails from their partners, the National Party. Last week, we had the absurd notion of the National Party emailing Labor senators asking Labor to see if we could bring some sense to this debate. Their own partners obviously had tried internally to fix this problem, this glaring omission that saw towns and districts excluded in Western Australia. They came and lobbied us. That is how concerned the Nationals, the partners in the Turnbull government, were. They saw fit to email Labor senators.

Of course, it was not just the National Party who emailed us; it was also many of the shires and the councils in the regions which were going to be overlooked. Really, it defies logic—that you would put up boundaries for northern Australia that disadvantage significantly parts of Western Australia which Western Australians clearly see as part of northern Australia.

Perhaps the government has not appreciated just how vast and remote Western Australia is? It is a huge state. It is the biggest state, and it is extremely remote. There are many challenges in northern Australia and there would not be any Western Australians who do not see Carnarvon or Exmouth as Northern Australia. They are certainly not suburbs of Perth and they are certainly not satellite suburbs of Geraldton! But those opposite saw fit to exclude them initially from the bill. It is very telling that when it went through the House none of those Western Australian Liberal House of Representatives members saw fit even to make a squeak—to stick up for their own regions and for their own electorates. They just let it go through, 'Oops! Doesn't really matter!' Perhaps there are not too many votes for them in those towns. But they are uniquely northern Western Australian towns, and no-one in Western Australia thinks otherwise. Obviously—and thankfully—the government is now moving amendments today, which Labor will support, to include the areas that they somehow missed off the map.

Certainly, I want to see real opportunities in the Northern Australia Infrastructure Facility Bill for Western Australia, because Western Australia has been really badly let down—particularly by the state government and by Premier Barnett. They have absolutely squandered the available resources from the mining boom being played out in Western Australia. We have lost our AAA credit rating and he has been an appalling Premier.
Certainly, he has no interest in northern Australia. We saw that last year with a bit of an off-the-cuff comment. Out of the blue he said that he was going to close down remote Aboriginal communities—just shut them down! He was just going to move people into town, as they used to do back in the 1950s. That shows you how much the Premier of Western Australia cares about northern Australia. Obviously, he did not mind that two significant areas were being left off the map in terms of this Northern Australia Infrastructure Facility Bill.

As I said, this is a Premier who has absolutely squandered the mining boom to the point now that we are a very poor state. I saw today that we have dropped down again—we are running at about sixth in terms of the states' economies. We used to be No. 1, until Premier Barnett got his hands on the Treasury dollars in Western Australia. He has completely squandered the mining boom and has racked up a debt which, certainly as a Western Australian, I am very concerned about: it is into the billions of dollars. But you do not hear that from those opposite, because they will be interested in pork-barrelling the state government—which is up for election next year.

That state government should actually hang its head in shame, because it has squandered the mining boom. We have announcements such as, 'Well, we'll just close remote Aboriginal communities,' making this statement that they are non-viable without any facts or figures. But, again, we have come to expect that from Liberal governments—they do not really worry too much about facts and figures; they just make it up as they go along.

As I said, just a couple of weeks ago the Western Australian Liberals in the House of Representatives thought it was just okay to vote for a bill which unfairly discriminated against towns in WA's North West. There was no debate in the House, so they did not see the opportunity to make a point then. Not a single Western Australian Liberal member spoke out against it—not even the member for Durack, whose seat encompasses some of the areas which were being discriminated against.

I wonder what the Liberal senators who have received those emails from their partners in the National Party will say it back to them? And I wonder what those Liberal senators will say to many the councils and shires that they have also received emails from? Will they suddenly turn around and, hopefully, acknowledge the good work of Alannah McTiernan, the member for Perth, when they respond to say, 'Yes, at the eleventh hour we've suddenly realised we've made a bit of a mistake when it comes to Western Australia.'?

The level of investment here is significant: $5 billion is available. One would think that Western Australian Liberal members—whether they are senators or from the House of Representatives—would want to make a strong bid for some of that $5 billion to come to Western Australia, to improve the north of Western Australia. But obviously, by their silence, they do not think that is worth investing in.

Of course, what was being proposed was to exclude these towns in Western Australia. The bill that was passed just a couple of weeks ago excluded the towns of Coral Bay and Exmouth, north of the Tropic of Capricorn. That is what they were excluding. The town of Exmouth is now going to be added through a special provision in the bill, and so is Carnarvon. If we applied the same rigor to where the lines were drawn in Western Australia as was applied in Queensland, most of the Gascoyne would in fact have been defined as 'northern Australia' and able to access the fund. I am not sure what happened when the ruler was drawn; perhaps they were not enough Western Australian Liberals looking at where the
ruler was being drawn. But they seemed to be satisfied with cutting out significant parts of Western Australia from accessing the fund. But, as I said, there is an amendment today. Let's hope that it will get up, because I, as a Western Australian senator, and Labor support development; so we will be supporting those amendments. Turning to the other part of what was happening, Western Australia was on the cusp of missing out on millions of dollars in development opportunities, and that is what concerns us. As I said, that is now being addressed through the work of the Labor member for Perth. Carnarvon is the economic heart of the Gascoyne, with enormous development potential in horticulture and agriculture. I am not sure who in their right mind would have left it out.

The north does have a number of significant challenges. Road maintenance backlogs are a feature of the northern road system. We still have significant parts of northern Western Australia where there are gravel roads and there are significant truck movements on those roads, so road maintenance is an area that really does need to be looked at. There is a limited population, which is a feature of the West Australian north. It is a sparsely populated area, much of it remote, but it is absolutely worthy of investment, because the north of Western Australia is particularly beautiful. The tourism opportunities in the north are developing, but there are places still vastly untouched in these stunning regions. For example, there is really no way to get from Kununurra, the major town in the far north, through to Halls Creek other than by driving. You can take a mail plane, but it only operates a couple of days a week, and in Halls Creek you cannot hire a car. Having done the trip from Kununurra through to Halls Creek, I know it is about a four-hour drive and, once you get to Halls Creek, there are no car hire facilities. You have to hire in and out of Kununurra—a drive out and a drive back—or you plan your trip around when the mail plane is operating. These are just some of the challenges being faced in remote parts of Western Australia. Halls Creek is a town that most people would have heard of—it is a remote centre but not a place that people have not heard of—yet it is an incredibly hard place to get to.

Last week the Australian Bureau of Statistics released statistics about Aboriginal and Torres Strait Islander people in terms of disability, discrimination, educational opportunity and disadvantage. We in this place all know that we have a lot of work to do. Significant numbers of Aboriginal people within Western Australia live in our north-west—in fact, the whole of northern Australia has significant populations of Aboriginal and Torres Strait Islander people. We know that the Kimberley, for example, has the highest rate of suicide in the world. There needs to be a much greater emphasis on involving Aboriginal and Torres Strait Islander people in a very meaningful way in how we develop infrastructure first and foremost for Aboriginal and Torres Strait Islander people.

From a report I looked at from one of the inquiries of a joint House committee, I must say that the view of the Department of Industry, Innovation and Science certainly requires modernising, to say the least. They thought the key role for Aboriginal and Torres Strait Islander peoples' engagement in the northern Australia strategy was to be the labour force—completely missing any opportunity for Aboriginal and Torres Strait Islander people to be part of the seed development, part of the ideas generation, part of that development. It seems that the department just came in over the top of that and said, 'We have to have meaningful engagement with Aboriginal and Torres Strait Islander people in terms of employment.' Of course we do, but our first engagement should be with the traditional owners of the land as to
what they want to see—that is, what are the cultural and economic development opportunities for them, not just as a second-hand labour force but as a critical party in the development of projects? Five billion dollars is a lot of money. Let's use some of it to improve some of those health statistics of Aboriginal people—particularly in the Kimberley, but also in the Gascoyne, in the Pilbara and so on—because they are appalling. For Western Australia to have the highest rate of Aboriginal suicide in the world is a statistic that should stop us in our tracks. It should make us focus on what really needs to happen.

The departmental official went on to say in their evidence:

The second aspect I guess—

'I guess' sounds like a bit of a thought bubble—
in terms of the engagement, could relate to Indigenous groups investing in projects as well.

What an appalling throwaway line! The main thrust of the department was to have Aboriginal people available as some kind of labour hire company who perhaps as 'a second aspect … could'. What kind of throwaway line is that? That is just a thought bubble with no strategic planning around how we really do proper engagement for Aboriginal and Torres Strait Islander peoples whose land this development will take place on.

Contrast that, if you like, with the Kimberley Land Council's submission to the inquiry, where they said:

The KLC supports a balanced and considered approach to development, where industry, conservation and biodiversity initiatives and traditional owners and culture can coexist.

In the Kimberley we have been using a two-pronged approach to do this. Using this model, we are engaging in commercial projects on one side and creating a cultural enterprise that utilises our land but produces social and environmental outcomes on the other side. Through using this model we are ensuring the very best for our people, our country, our culture and our future. We want any future economic development of the Kimberley to include existing projects and we urge the inquiry to consider the Kimberley as a trial site for the strategic regional assessment of economic and social development.

That submission from the KLC is a far cry from the department's thinking—a far cry. Again it shows how lack of engagement, particularly with Aboriginal people in northern Australia, has been ignored throughout this process. I heard Senator Sterle say in his contribution to the northern Australia infrastructure bill that he wanted to see Aboriginal and Torres Strait Islander people as members of the board that will oversee that project. I certainly echo those sentiments because, when you look at Western Australia in particular, apart from other Aboriginal enterprises there are something like 44 stations there, so this is a significant input by Aboriginal and Torres Strait Islander people which has been overlooked. I urge the government, in whatever it does next, to start to look at proper consultation with the traditional owners in northern Australia to make sure that we have projects that they want, that will benefit them, that they develop, that they drive and that they develop skills from.

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (13:30): Excuse me for sounding a little sarcastic, but I think there must be an election coming up! Finally, after three years of governing this country, we are seeing some promise and giving people some hope that their future may look a bit bright. It will not surprise you, but I am standing up to support the Northern Australia Infrastructure Facility Bill 2016. In fact, I will support any bill that supports Queensland and helps to create real, quality jobs for the state of Queensland.
My home state of Queensland is on its knees and has been for some time now. Finally we are seeing an announcement from this coalition government that may well give them a lot of hope.

We desperately need infrastructure projects in Queensland. We need water infrastructure to move water across the state to where it is needed. Our farmers have been for a long time and are still on their knees. Rather than selling off our country to the Chinese and other foreign buyers, we urgently need to support our farmers and other agricultural landholders to succeed and to grow their businesses. We are perfectly positioned to be the food bowl of Asia and we need to ensure we support our farmers to achieve this. We should be selling the milk, not the cow.

We need a new sports and entertainment precinct in Townsville. I thought Jonathan Thurston could not have made it any clearer on grand final night last year during his speech that Townsville and the game of rugby league desperately need a new stadium or entertainment precinct in Townsville. We need to upgrade the Townsville-Mount Isa rail link. We need to upgrade the Bruce Highway and other transport corridors across the state. We need new aged-care facilities to ensure our retirees are able to live out their lives in comfort and with decency and respect. We need improved facilities right across rural and regional Queensland, including basic facilities like public pools, transport terminals, libraries, upgrades for schools, hospitals, recreational centres, sporting and grandstand facilities and community centres.

But I do not want to see this bill result in the coalition awarding concessionalised loan funding for projects to all their mates or donors from overseas countries, and I do not want to see this bill resulting in an increase in 457 or other temporary work visas. So, on behalf of the people of Queensland and the rest of the country, we want the government to give the people of Australia an undertaking here today that concessionalised loan funds will only be provided to projects where the successful project owners are Australian owned businesses or are majority Australian owned; that the successful projects will only use Australian goods, equipment and services or no less than 90 per cent Australian content; that 100 per cent of the jobs created by the projects funded will be given to Australian workers here in Australia—and many in my home state of Queensland.

I and the people of Queensland want a guarantee that the funds will not pay for one 457 visa holder or any other temporary overseas worker visa holders. I and the people of Queensland want a guarantee that the government will include a requirement that 5 per cent of all jobs associated with projects funded will be allocated for apprenticeships so we can get our youth back into jobs and work across rural and regional Queensland. Not only will this help with jobs for our youth; but it will also help to grow our trades: our electrical trades, our building trades, our metal work trades and many other trades.

I and the people of Queensland want a guarantee that any products moved around the country associated with projects funded will be moved on Australian ships with Australian crews. I do not want these projects funding overseas ships and overseas crews. I and the people of Queensland want a commitment that funding will be allocated to upgrade port facilities across the state of Queensland and to invest in shipbuilding projects. Our shipping and maritime industry is on its knees, and this will ensure we assist to support and grow this vital industry. I and the people of Queensland also want a commitment that green energy
projects will be given funding priority to ensure our country is positioned to urgently transition to green energy. The funding associated with this bill is being provided by Australian taxpayers, and Australian taxpayers—not foreign companies and not other countries—deserve to benefit from their taxes.

We would like a response and a commitment from the government—today—that you will deliver on all of our requests. If the coalition genuinely cares about the people of Australia, it will commit to these things today. These requests support Australian jobs for Australian workers and create real jobs for the real people of Australia now.

Senator XENOPHON (South Australia) (13:35): I unambiguously welcome the Northern Australia Infrastructure Facility Bill 2016. It is an important step towards giving industries in northern Australia, particularly the agricultural sector, access to finance to invest in viable infrastructure projects for which they may otherwise have been unable to attract sufficient investment to get off the ground. To reflect on Senator Lazarus's speech: of course we need to make sure that the money is spent wisely and that there is accountability for that. I know that Senator Whish-Wilson in his contribution made mention of that as well in terms of having either a cost-benefit analysis or another transparency mechanism to ensure that the loans given are there for maximum benefit and are subject to scrutiny of how those loans work out in the longer term. The criteria for investment, all those related issues and the outcomes of those investments need to be considered as well.

Madam Acting Deputy President Lines, I note that in your contribution to this bill you made reference to Carnarvon and areas that were left out of the bill. I understand, from the brief discussions I have had with the minister and representations made to me just last Friday by the peak industry body for horticulture, AUSVEG, that there will be some sensible amendments to that to deal with those issues. I think that is an example of the Senate doing its job. It was not something that was raised in the House of Representatives to any real degree. This is where the debate will take place. This is where those sensible amendments in relation to Carnarvon and other areas in Western Australia can be debated and, hopefully, passed. So that is important.

I just want to make this point. The Joint Select Committee on Northern Australia's report on this bill quite rightly points out:

Northern Australia is a region of vast potential. The development of infrastructure that can generate long-term growth in the population and economy of Northern Australia is crucial in realising this potential.

I want to acknowledge those advocates on both sides of the chamber who have been campaigning for this passionately. I should acknowledge Senator Ian Macdonald, who has been a long-time champion for this, and also the work of someone who I will genuinely miss when he leaves this place: Senator Bill Heffernan, who a number of years ago chaired the Prime Minister's Taskforce on Northern Australia. He was ahead of his time. He spoke with passion and clarity about what needed to be done. It was a position that he held when John Howard was Prime Minister, and it is a pity that his expertise was not used in a bipartisan way. I make that point to say that Senator Heffernan has been an outspoken advocate for developing the North, with his great knowledge of the bush in both the North and the south of this country.
But northern Australia is not the only region with vast unrealised potential, nor is it the only region in desperate need of assistance to generate long-term economic and population growth. I will reflect on that shortly, but I want to point out that I think every Australian should be interested in this bill, because the research material that has been provided to me states that the state of infrastructure in northern Australia has been a recurring issue in a number of reports over a number of years. Senator Heffernan’s committee was one of those that looked at that earlier on. The Northern Australian Infrastructure Audit, conducted by Infrastructure Australia, found, for example:

Maintenance backlogs are a feature of the northern road system …

It said:
With limited population and often small industry sizes … it can be difficult to capture the … economies of scale that allow commercially viable infrastructure services at competitive prices.

And it found:
70 per cent of premises in Northern Australia received the lowest broadband quality rating in 2013 …

The Joint Select Committee on Northern Australia inquiry into the development of northern Australia found that in northern Australia:
The absence of economic infrastructure, particularly water, power and transport, impedes opportunities for economic development and liveability …

That is why it is important that we have government intervention in this form. There are some in this parliament—dare I say more so in the coalition, and I do not include the minister, Senator Canavan, in that category—who say, 'Leave it up to the markets.' Well, sometimes the markets fail us. Sometimes some targeted, sensible government intervention can actually assist economic development and make a huge net economic benefit come into play. That is why this legislation is very important.

This bill will provide traditional concessional loans—that is, loans at concessional rates, below market rates—for the construction of northern Australian economic infrastructure. The minimum facility loans will be $50 million, and the financing of eligible projects must not exceed 50 per cent of the total project debt. The parameters are reflected in the draft investment mandate, which proposes $50 million as the minimum amount of financing as a non-mandatory eligibility criterion and would require, as a mandatory criterion, that the finance provided by the facility not exceed 50 per cent of the total project debt. The draft investment mandate also stipulates that the facility must consult Infrastructure Australia when it is deciding whether to provide a project with financial assistance of more than $100 million, which I think goes some way to addressing some of the issues raised by Senator Whish-Wilson. I am not suggesting it addresses them all, but it does nod in the general direction of saying we need to consider the costs and benefits of a particular investment. There must be transparency in this process, but it also indicates the need, where appropriate, for government intervention where the market has failed.

This fund will cost taxpayers a fraction of the $5 billion that is at stake, because they are the terms of the concessional loans. I understand that the financial impact statement for this bill estimates the facility will cost $39.7 million to operate over a five-year period but will generate $40.2 million in fee revenue for the same period. When you consider that the loans will be paid back and they will be prudent investment decisions, this really is a no-brainer. It
is a case where targeted investment to build up that critical infrastructure—that critical mass in the North of Australia—and to build up those industries that have so much potential will essentially pay for itself. It seems to me that this is something that the private equity markets were not able to do. It really harks back, I think, to the Snowy Mountains scheme. If we took a cold, hard, economic rationalist view of the Snowy Mountains scheme, I do not think it would pass muster, but when you look at the nation-building implications of that scheme, the long-term benefits, I see parallels between what this bill is proposing and the Snowy Mountains scheme. I hope it is as successful and as nation building.

But it would be absolutely remiss of me, as a senator for the state of South Australia, not to reflect on what is happening in the south of Australia. Northern Australia, as I said, is not the only region with vast, unrealised potential, nor is it the only region in desperate need of assistance to generate long-term economic and population growth. Just today, CommSec's *State of the states* report ranked South Australia as Australia's equal worst state economy:

South Australia's economy has been ranked as the equal worst of the Australian states after Tasmania nudged upwards to join SA in seventh place.

That is not something to be proud of, and it indicates some very deep systemic issues in my home state of South Australia. I will focus on South Australia.

South Australia has one of the lowest rates of population growth in the nation. From September 2014 to September 2015, South Australia's population increased by only 0.7 per cent. Only Tasmania and the Northern Territory saw lower rates of population growth, increasing by 0.4 and 0.3 per cent respectively. South Australia's population growth is about half of the national population growth. In fact, in the three decades to 2014, South Australia's population grew by 350,000, almost 20 per cent, at a time when the national population grew by 55 per cent. These figures clearly demonstrate that it is not only the north of Australia that needs an injection of capital and population but southern Australia does too.

I have been very happy over a number of months to work with Mark Glazbrook, the managing director of Migration Solutions in South Australia, who is highly regarded as a migration agent, is somebody who has been an industry leader and is someone who I am very pleased to be associated with. We have been working on an economic migration program for those states and territories that have well below the national average population growth and well below the national average economic growth. Clearly those regions—it might be regional New South Wales or regional Queensland—do not have the population growth that is needed for those communities to grow.

We need those solutions and I unambiguously advocate for incentives for economic migrants a lower threshold than the $5 million required for those special investor visa migrants. We have seen several hundred people take those up but mainly in the eastern states.

We need those measures in place to assist those areas of the country which do not have sufficient population growth or economic growth. Even 2,000 business migrants and their families bringing $1 million to $2 million net each to invest in addition to being self-sufficient would provide a multibillion-dollar boost in a state such as mine. There is no question that Australia is a very attractive destination for the rest of the world. Former Prime Minister Abbott—I may have disagreed with him on many things—said that being an Australian is almost like winning the lottery of life. Despite our problems, Australia is still one of the greatest places to live in, I believe. We need to look at economic migration boosts
so that we have the population to drive economic growth. I also want to make the point that South Australia does have a long and proud history of farming and agriculture. We are world renowned for our high-quality fruit and vegetables, wine and dairy products to name just a few. Jacobs Creek and Maggie Beer enjoy international reputations and are ambassadors for South Australia's ability to grow and export top-quality goods.

It is important that we do not take the view that it is either/or; we can do both. We need to drive investment and growth in northern Australia with this appropriate sensible government intervention by acknowledging that the markets do not always get it right where there is, if not an element of market failure, an issue of market absence by there not being the funds to develop northern Australia. We also need to acknowledge what will happen in South Australia and what will happen in Victoria for that matter when the automotive sector ceases manufacturing in this country. The Bracks review work by Professor John Spoehr at Flinders University made it very clear that up to 200,000 jobs will be at risk at the end of 2017. That will scar the nation's economy unless we have alternatives in place, unless we move with great haste and with great political will to deal with those issues.

I welcome these bills but we should not ignore the challenges facing those southern states that are languishing in economic and population growth or ignore the challenges ahead in the automotive sector. The shipbuilding announcements and submarine announcements made recently are obviously welcome for the state of South Australia and indeed for the nation. The submarine contract—as welcome as it is—is a wonderful thing for the nation in that we are not going to be building those submarines offshore but it is still a number of years away before we start cutting steel. Those job losses in South Australia and in Victoria will be hitting us very hard by the end of 2017 if not earlier. I would urge the government to take the same sort of thinking, the same sort of foresight it has had in developing northern Australia to consider the existing infrastructure, the potential and the denuding of manufacturing in the southern states, which pose significant challenges to the nation's wealth and to the job prospects for many tens of thousands of South Australians, Victorians and Tasmanians as well. Tasmania has been struggling with power shortages and the like, which have obviously dampened investment and opportunity in that state.

I also make the point that if northern Australia is to grow, it will need things like steel and steel is important. Arrium, based in Whyalla and providing structural steel, is in administration. We cannot afford to lose any of our steel makers whether it is rolling steel at BlueScope or structural steel at Arrium in Whyalla, because that would undermine our manufacturing capacity.

I do not want to bore the minister; he looks a little bit bored and restless. Do not underestimate the importance of our steel sector. I want northern Australia to grow but I also want it to be using Australian steel made at Port Kembla and in Whyalla because once we lose capacity to make steel in this country, we lose our capacity as a manufacturing nation. I look forward to this bill being passed and I look forward to it doing good for the nation but I also look forward to the government acknowledging the deep problems that the southern states have, particularly those states that have been reliant on manufacturing.

Senator CANAVAN (Queensland—Minister for Northern Australia) (13:51): It is a great honour to rise to sum up the debate on the Northern Australia Infrastructure Facility Bill 2016 and Northern Australia Infrastructure Facility (Consequential Amendments) Bill 2016. As
someone resident in northern Australia, I am very passionate and excited about what these bills and what the government's broader agenda to develop northern Australia can achieve.

I want to thank all the contributors to this debate. It has been fantastic to be here. I have been able to be here for most of the debate to listen to many others in this chamber speak passionately about the development of the North. When I had the honour of coming into this portfolio, one of the first things I said was that I want this to be bipartisan. This should be a nation-building exercise. This should be an exercise which we attempt to do as a nation and commit to do over many decades. I am sure that over those many decades there will be governments of different colours and varieties, and as long as we are all supporting this agenda and moving in the same direction we can actually implement a lot over that time frame.

I thought Senator Xenophon might find a way to speak for something like 10 or 12 minutes about southern Australia in a bill about northern Australia, but he is absolutely right to point out that this is in the league of other great nation-building initiatives that we as a country and that this parliament has taken in the past. Whether it be developing interstate railways, the Snowy Mountains Scheme or other initiatives that have often been geographically focused, the Commonwealth government, in partnership with state governments and the private sector, has over our 115-year history as a country done a lot to develop specific areas of our country and leave a great legacy for future generations. These bills are in the same genre, the same pattern, of economic development and of nation-building infrastructure that we would like to build—in this case for northern Australia because we see the unique opportunities that that part of our country does provide.

As other speakers have outlined, together these bills will provide $5 billion in concessional finance to deliver this transformative infrastructure. They will accelerate the development of the North, open up new market opportunities, reduce costs for businesses, create jobs, encourage a larger population base and create an environment that will enable further infrastructure investment. The investment will ensure that the government does its job in providing the basic infrastructure that farmers, miners and other individuals can use to make their investments and create even more jobs and more industries. These bills are a key part of our agenda to build on our country's strengths and create more jobs and new opportunities for all Australians. There is no lack of opportunities in the North, but there is a lack of infrastructure, and these bills are specifically designed to help fill that gap.

It has been a great privilege to assist the Minister for Resources, Energy and Northern Australia, the Hon. Josh Frydenberg MP, with the passage of these bills through the parliament. I would also like to recognise the other contributors, both in this chamber and in the other place, to the development of that agenda and these bills specifically. We had a joint parliamentary inquiry last year and the Pivot north report, which identified a range of opportunities for the North, that many members of this place were involved with. Earlier this year we had an Infrastructure Australia audit report. Many of the projects identified in that audit report are potential projects that could be funded by this facility. I should recognise—through you, Madam Acting Deputy President—Senator Hefferman, who has walked into the chamber for question time. It is nice to see you here, Senator Hefferman, for question time. He also was integral, particularly through the Land and Water Taskforce, in reporting on the opportunities existing in the North that have led to this particular government decision.
These bills were tabled in the parliament in mid-March after an exposure draft of the Northern Australia Infrastructure Bill was released in late January. Some speakers have mentioned that it has taken too long. We make no apologies for making sure we had an extensive consultative process for this. The bill has been out for consultation since January. It then went to draft, a draft was released and, of course, we had a parliamentary inquiry as well. I would like to thank those committee members who reported on that. The committee has recommended the passage of the bills. There was only one recommendation: to pass the bills.

However, following further consultation with that committee and other stakeholders in Western Australia, we are proposing a minor amendment to the definition of 'northern Australia', which has been circulated in this chamber. The amendment brings the definition of the Western Australian part of northern Australia into line with some of the practices we have approached on the eastern side. We will be bringing in parts of the north-west of Western Australia which are below the Tropic of Capricorn but connected to those places above the Tropic of Capricorn, just as we have done with Alice Springs in the Northern Territory and Gladstone in Queensland. It is important to recognise, too, that after some lobbying from the local member, Ms Melissa Price, we have also included the local government areas of Meekatharra and Wiluna, and not just the larger centre of Carnarvon, which is below the Tropic of Capricorn.

Also, as noted in these bills, we will be releasing an investment mandate that will seek to guide the board of the facility about what its duties are in making these investments. We have put that out for consultation as well and have met with 55 stakeholders and communicated with a further 20 on Indigenous-specific issues. We will be releasing the final mandate soon. The feedback has been overwhelmingly positive, but there will be some minor changes as a result of those consultations.

I welcome the bipartisan approach we have had to these bills. I note that they have received significant support around the chamber, although there will be some amendments moved later in this debate. I will expand on the government’s position on those amendments at the appropriate time. I would like to say, though, that some of the amendments that have been flagged would impose a higher barrier to infrastructure that would be built in northern Australia compared to infrastructure that would be built in southern Australia. The point of these bills is of course to facilitate and encourage infrastructure to be developed in the North, so it would seem kind of strange that those who otherwise purport to support these bills would seek to impose higher regulatory burdens on infrastructure built in northern Australia than on infrastructure built in southern Australia.

In saying that, I am hopeful that these bills will pass and will succeed in delivering economic infrastructure for the North as part of our broader plan to develop northern Australia. I want to thank everyone in this chamber—including Senator Macdonald, who is not here yet—for their contribution to this broader agenda to develop northern Australia. It is a very exciting agenda for our country. It is something the government is committed to in order to deliver jobs and opportunity right through Australia. While these bills are focused on northern Australia and on delivering infrastructure which benefits northern Australia, the development of northern Australia is going to benefit all of Australia. We are all Australians here, and the things that benefit Sydney, Melbourne, Cairns, Kununurra or Carnarvon are ultimately going to be to the benefit of all of us. Given how much opportunity there is in the
North, given how much potential there is to develop our land, water and other resources, there is enormous potential for this bill, if it is passed, to deliver massive benefits to the more than one million people who live in northern Australia but also to the Australians that live everywhere else around this country. I thank everybody who has contributed to this debate and commend this bill to the Senate.

Debate interrupted.

MINISTERIAL ARRANGEMENTS

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:00): by leave—I advise the Senate that Senator Fierravanti-Wells will be absent from question time this week. In her absence, Senator Colbeck will take questions on her behalf.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): by leave—I thank the Leader of the Government in the Senate for the advice. I would make this point: this will make it six out of 19 days that Senator Fierravanti-Wells has been absent from question time since she was appointed to the ministry. There may well be very important reasons for her absence, but I would like to place on record again that the expectation that ministers have is that they are available for Senate question time, because—

Senator Bernardi interjecting—

Senator WONG: I appreciate that Senator Bernardi may not agree with the principle of accountability, but many in this chamber do. As I said, I appreciate that—

Senator Bernardi interjecting—

The PRESIDENT: Order! You have the call, Senator Wong.

Senator WONG: As I have said—I am trying to be courteous here, Senator Bernardi, unlike others—I appreciate there may well be very good reasons for her absence. I raise it simply as a point for the government to recognise—that six out of 19 days being absent is a fairly high proportion.

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:01): by leave—I think it is a shame, it is regrettable, that Senator Wong made the remarks she just did.

Senator Kim Carr: Why is that?

Senator BRANDIS: I will tell you why, Senator Carr, if you would have the manners to listen. For some of the six days to which Senator Wong has referred, Senator Fierravanti-Wells was suffering a serious injury. She had a very serious fracture of her arm, and that was the reason she was away on most of those six days. Honourable opposition senators ought also to be aware that Senator Fierravanti-Wells, as the Minister for International Development and the Pacific, has more responsibilities to travel overseas than most ministers do and in fact today is at a meeting of the Asian Development Bank in Frankfurt.

QUESTIONS WITHOUT NOTICE

Education Funding

Senator DASTYARI (New South Wales) (14:02): My question is to the Minister representing the Prime Minister, Senator Brandis. Is it true that the same Prime Minister who
last month advocated cutting all Commonwealth funding from public schools is now offering up a last-minute education election fix which still rips $29 billion out of our schools over the next decade?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:02): Senator Dastyari, I am delighted to be able to tell you that Mr Turnbull and our colleague the Minister for Education and Training, Senator Birmingham, yesterday made a very important announcement in relation to schools funding, as a result of which this government is investing more money in schools than any Australian government has ever invested before. We are investing more money in Australian schools and Australian schoolchildren than any Australian government, coalition or Labor, has ever invested before—a record $73.6 billion over the next four years.

In 2016 there is $16 billion in school funding. By 2020, as a result of decisions by this government, there will be some $20 billion in school funding. The budget will include an additional $1.2 billion for schools over four years from 2017-18 that will allow for funding to meet increases in the real costs of schooling. There is more funding, and this funding will be allocated on the basis of need—for Indigenous students, students from disadvantaged backgrounds, students who need English-language assistance and those in regional and remote Australia. In fact, we have now committed an additional $118 million for students with a disability who are currently missing out on the support that they need. Funding should go where it is most needed. Needs based funding has always been a fundamental commitment of the coalition, a principle on which the Labor Party has been very late to the party.

Senator DASTYARI (New South Wales) (14:05): Mr President, I ask a supplementary question. I refer to the six-page list of programs and support the New South Wales Primary Principals' Association has identified as at risk if Labor's school-funding policy is not implemented, including Aboriginal attendance programs, occupational therapy, literacy and numeracy programs and behaviour management experts. How many of these programs will be lost as a result of the Turnbull government's decision to rip $29 billion out of Australian classrooms over the next 10 years?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:05): I have not seen the statement by the New South Wales Primary Principals' Association, and I wonder whether that statement was made before or since yesterday's announcement. But, in any event, I am sure that the New South Wales Primary Principals' Association would be delighted that this government, the Turnbull government, is investing more in schools funding than any Australian government has done ever, either Labor or coalition. I am sure the New South Wales Primary Principals' Association would be delighted that funding will be increasing over the next four years, from $16 billion this year to $20 billion in 2020. I am sure that New South Wales primary school principals will be delighted that the budget will include an additional $1.2 billion for schools over four years.

Senator DASTYARI (New South Wales) (14:06): Mr President, I ask a further supplementary question. I refer to the New South Wales Minister for Education, Mr Piccoli, who says the Gonski funding has meant more professional development money for teachers and instructional leaders to improve teaching because ‘every student is different’. How much
less support will individual students receive in the classroom because the Turnbull
government is ripping out $29 billion from our schools?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive
Council and Leader of the Government in the Senate) (14:07): Senator Dastyari, that is
simply not true. We are increasing funding to $20 billion over the next four years. There is no
aspect of schooling and there are no services being provided to school students which need to
be reduced, because our funding is increasing from $16 billion this year to $20 billion by
2020.

Senator Dastyari, you refer to the report by Mr David Gonski. Mr David Gonski's report
was based on the principle of needs based funding—spending the money where it is most
needed—and that is precisely the principle that underpinned the announcement made by the
Prime Minister and Senator Birmingham yesterday. Let me just repeat it, Senator Dastyari,
because you do not seem to be getting the message: we are spending more money on schools
funding than any Australian government has ever spent.

DISTINGUISHED VISITORS

The PRESIDENT (14:08): I draw to the attention of honourable senators the presence in
the chamber of a parliamentary delegation from the Republic of Fiji. On behalf of all senators,
I wish you a warm welcome to Australia and, in particular, the Senate.

Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE

Economy

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:08): My
question is to the Minister for Finance and Minister representing the Treasurer. Can the
minister please update the Senate on progress on implementing the government's economic
plan for jobs and growth?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the
Government in the Senate and Special Minister of State) (14:08): I thank Senator Bushby for
that question. The answer is: yes, I can. Let me advise Senator Bushby and the Senate first up
that the government's economic plan for jobs and growth is working. Despite global economic
headwinds, our economy grew by three per cent in the most recently reported 12-month
period. That is twice the rate of Canada; that is better than any of the G7 economies; that is
better than the OECD average; and it is much better than when we came into government,
when the economy was weakening and had grown by just two per cent in the previous 12
months and when the unemployment rate was going up and up and up.

Right now, after two years of coalition government, our employment growth is strong. We
would like it to be even stronger. Our unemployment rate is now down to 5.7 per cent. More
than 440,000 new jobs have been created during our period in government. These things do
not happen by accident. There has been our work on making our tax system more growth
friendly, abolishing Labor's mining tax and abolishing Labor's carbon tax in our first budget
and on reducing taxes for small business in our second budget, with the next instalment of our
efforts to make our tax system more growth friendly to be delivered in this year's budget,
tomorrow night. There has been our work to reduce the cost of red tape, left for us from opposition, by Senator Arthur Sinodinos.

Our ambitious infrastructure agenda has been taken to another level with the Prime Minister's Smart Cities program. Our ambitious export agenda is finalising export agreements with key markets in our region—China, Japan, South Korea—and of course there is the Trans-Pacific Partnership Agreement. There is our ambitious Innovation and Science Agenda and our ambitious defence industry agenda. There is getting rid of Labor's attack on small business mum-and-dad truckies. And of course we want to do more to keep the economy growing and to ensure that more jobs are being created across Australia, and that is what we are focused on. (Time expired)

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:11): Mr President, I ask a supplementary question. Could the minister inform us: how does the government's economic plan provide stronger growth and more jobs?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:11): The way that our economic plan delivers stronger growth and more jobs is by making sure that our economy is as productive, as competitive internationally and as innovative as possible. Our economic plan is focused on making sure that the Australian economy continues to successfully transition from resource investment and construction driven growth to broader drivers of growth in a strong and diversified economy. That is what we have been focusing on.

The other day I was watching the news, and there was the shadow Treasurer suggesting that it was just a slogan; it was just blah, blah, blah. I have just told you all of the things that we have been doing so far. Of course, we would like to do more. The results are there for all to see. We are growing at twice the rate of Canada—another resource based economy. We are growing more strongly than any of the G7 economies. We are well above the OECD average and certainly growing more strongly than when Labor was in government, when Labor was weighing the Australian economy down with the carbon tax and the mining tax. (Time expired)

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (14:12): Mr President, I ask a further supplementary question. Is the minister aware of any alternative approaches, and how would those alternative approaches impact on jobs and growth?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:12): Yes, sadly, I am aware of an alternative approach. What I am aware of is that the Labor Party have not learnt anything from their past mistakes. The Labor Party are at it again. They want to tax more; they want to borrow more; they want to spend more. They want to bring back the carbon tax. They want to impose more than $100 billion in new taxes on the Australian economy.

But let me say it very slowly to the Labor Party: you do not grow the economy more strongly by whacking up taxes by $100 billion. You do not increase the level of investment into our economy by coming up with your ill-thought-out attack on Australian mum-and-dad investors investing in property. You do not increase the level of investment and you do not increase growth and create more jobs by bringing back your discredited carbon tax, which
would push up the cost of electricity for everyone and just shift emissions overseas and do nothing for the environment.

**Medicare**

Senator GALLAGHER (Australian Capital Territory) (14:13): My question is to the Minister representing the Minister for Health, Senator Nash. Does the Turnbull government remain committed to ripping $650 million out of Medicare payments for pathology and diagnostic imaging and increasing the out-of-pocket expenses for sick Australians?

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (14:13): I can indicate to the chamber that the government is not ripping money from patients—end of story. There has been a lot of miscommunication about this particular issue from those on the other side. First up, there is absolutely no cut to the Medicare rebate. Let me repeat that: no cut to the Medicare rebate. What we have done is to take a decision to cease this bulk-billing incentive. This was funding that went out over seven years—$500 million of taxpayers’ money for a one per cent increase in the bulk-billing rate. I think those across the country would think that that was not a good investment of taxpayers’ money.

Those on the other side who believe that wasteful spending is the appropriate way forward is not agreed to by those on this side of the chamber. We will absolutely continue to make responsible decisions in the delivery of the taxpayers’ dollars on behalf of those taxpayers. We will not be lectured to by those on the other side with their wasteful spending that left us with a trajectory to debt of $667 billion when we came into government. We will make sensible decisions for the future of this nation and that includes decisions around health spending.

Senator GALLAGHER (Australian Capital Territory) (14:15): Mr President, I ask a supplementary question. How much more will women have to pay for lifesaving tests and scans like pap tests, blood tests, MRIs and mammograms as a result of the Turnbull government cuts?

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (14:15): The scaremongering from the other side is extraordinary on this issue. Let me point out for the chamber for those who do not already know that the pathology charge incentive was $1.40 up to $3.40 per item.

I think those around the country are getting absolutely sick about the scaremongering. It is a matter for those providers to determine whether they are going to bulk-bill. What we have seen over the previous seven years is those bulk-billing rates go up 1.3 per cent, from 86.3 per cent to 87.6 per cent over that period of time at a cost of $500 million, which we on this side of the chamber do not think is appropriate use of taxpayers’ money.

Senator Cameron: Just let people die, huh?

Opposition members interjecting—

Senator GALLAGHER (Australian Capital Territory) (14:16): Mr President, I ask a further supplementary question. Is the President of the Australian Diagnostic Imaging Association, Dr Wriedt, correct to say that as a result of these cuts more people—
Senator Nash: Mr President, due to the interjections from the other side, I am completely unable to hear the question.

The PRESIDENT: I will ask the questioner to start again and we will set the clock again. Senator Gallagher, could you repeat your question.

Senator GALLAGHER: Thank you, I will. Is the President of the Australian Diagnostic Imaging Association, Dr Wriedt, correct to say that as a result of these cuts more people, especially those with chronic serious conditions, will not be properly assessed? Why is the Turnbull government ignoring doctors and making it harder for people with chronic serious health conditions to get the vital help they need?

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (14:17): I am not aware of that particular comment, so I will not be commenting on that. What I can say is that our focus on this side of the chamber is on good patient outcomes, on ensuring that we improve the health outcomes for people right across this nation. We have made a decision in relation to this testing—

Senator Cameron interjecting—

Senator NASH: I will take Senator Cameron's earlier interjection that we are just letting people die. That is the level of scaremongering we are seeing from the other side. That is what those in the Labor Party will stoop to. We think this is an appropriate measure taken in the context of that $500 million to improve bulk-billing rates only 1.3 per cent, and we will continue to make appropriate decisions for the future of better health outcomes in this nation.

Defence Procurement

Senator REYNOLDS (Western Australia) (14:18): My question is to the Minister for Defence, Senator Payne. Can the minister advise the Senate of the Turnbull government's plan to deliver 12 regionally superior submarines for Australia and, also, how this will improve Australia's national and economic security?

Senator PAYNE (New South Wales—Minister for Defence) (14:19): I thank Senator Reynolds very much for her question. The government's decision in relation to the selection of DCNS of France as our preferred international partner to design the Australian build of our future submarines is based entirely on capability and delivering for Australia a regionally superior submarine. Our decision to partner with DCNS of France is based on the outcomes of the competitive evaluation process that this government put in train in February last year which assessed that DCNS offered Australia the opportunity to design and build a regionally superior submarine capability that best meets our unique submarine requirements.

The decision to select DCNS was, as I said, driven by capability. DCNS was best able to meet all of our unique capability requirements, including superior sensor performance and stealth characteristics, as well as range and endurance similar to the Collins class submarine. These are decisions based on the capability that we need to ensure our national and economic security for decades to come. What the decision also does is to build a sovereign submarine capability with the construction of the 12 future submarines at the shipyard in Adelaide and it secures a long-term continuous naval shipbuilding industry in Australia. In fact, these decisions represent a more than $50 billion investment in Australia's future safety and security over decades and will also ensure that Australia has a regionally superior submarine.
capability for those decades to come. I am very proud to be part of a government that is getting on with the job of securing our nation's long-term security and economic prosperity, and this decision is a further example of that.

**Senator REYNOLDS** (Western Australia) (14:21): Mr President, I ask a supplementary question. Can the minister also advise the Senate of the strategic importance of our submarine fleet?

**Senator PAYNE** (New South Wales—Minister for Defence) (14:21): As the 2016 defence white paper detailed, the government is undertaking a comprehensive regeneration of our maritime and antisubmarine warfare capabilities that will enable our forces to operate in more challenging maritime threat environments. Indeed, by 2035 around half the world's submarines will be operating in the Indo-Pacific region, where Australia's interests are most engaged.

Submarines are a vital strategic defence capability for Australia. An expanded fleet of 12 regionally superior submarines will be able to sustain presence in multiple areas at once and, indeed, over prolonged periods of operation. They are powerful instruments for deterring conflict and potent weapons should conflict occur. Delivering a more potent and agile set of defence capabilities ready to respond whenever our interests are threatened or our help is needed is both an obligation and a priority for the Turnbull government.

**Senator REYNOLDS** (Western Australia) (14:22): Mr President, I ask a further supplementary question. Can the minister also advise the Senate on how the decision to design, build and sustain our future submarines in Australia will actually increase our sovereign ability to build and maintain this vitally important, strategic capability for our nation?

**Senator PAYNE** (New South Wales—Minister for Defence) (14:22): This is a very important question, because Australia does require a sovereign submarine capability so that we can maintain and sustain this vital strategic asset without undue reliance on other parties, other countries, no matter how close or far they are from us for that sustainment and maintenance.

The decision to adopt an Australian build best ensures that we have sovereign control over the future submarine. It will ensure we establish and maintain a capable industry base, and the necessary skills in Australia from day one means that the engineers and the welders who build the submarines will be the same ones who end up maintaining and sustaining the future submarines.

On the basis of that important sovereign capability and the significant flow-on benefits to local industry, the government made the decision that an Australian build was the most appropriate decision to deliver that long-term sovereign submarine sustainability.

**Asylum Seekers**

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (14:23): My question is to the Minister representing the Prime Minister, Senator Brandis, and relates to offshore processing. I refer to Omid, the case of the young man who self-immolated on Nauru and later died in a Brisbane hospital who was denied adequate medical care, including immediate access to health professionals to adequate pain relief. It is a case that mirrors the tragic
situation of Hamid Khazaei on Manus Island, who died after a simple cut on his leg became infected. There were extensive delays in receiving adequate medical treatment.

Minister, why are these delays and deaths in Australia's offshore detention camps still being allowed to happen; and will you prosecute those health professionals who speak out against the appalling medical care being delivered in offshore camps?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:24): Thank you very much, Senator Di Natale, and I agree with you that the man who self-immolated on Nauru presents a very sad case. I am sure the sympathy of all members of the Senate, regardless of our views about policy, goes to members of that man's family.

There is, I understand, a coronial inquest underway in Queensland at the moment, because the man died, having been medivaced to a hospital in Brisbane, and of course it would not be appropriate for me to comment on the facts of the particular case while there is a coronial inquest underway.

Senator Di Natale, you give an example of two deaths, and any death is a tragedy. The death of more than 1200 people at sea was a tragedy too, Senator Di Natale. More than 1200 people died at sea during the period of a Labor government when Australia lost control of its borders.

Senator Di Natale: Mr President, I rise on a point of order going to relevance. I asked specifically about those two deaths in offshore detention camps and why those delays were still being allowed to happen. I also asked whether health professionals who spoke out against the medical care not being provided would be prosecuted; I did not ask about any other situation.

The PRESIDENT: Thank you, Senator, I will remind the minister of the question. He does have over a minute in which to answer the question.

Senator BRANDIS: Senator Di Natale, I think the context is important. You criticise a set of policies by the coalition government that have stopped the deaths. You point to two deaths, neither of which are the result of any policy implemented by the coalition but as a result of the particular circumstances at a particular time.

The case of the man who self-immolated on Nauru was a suicide after all, but we know that there were 1200 or more deaths at sea as a result of policies that were adopted by the previous government and we will never return to those.

Senator Di Natale, you ask whether or not any health professionals would be prosecuted for speaking out. I am not aware of any suggestion that there would be any prosecutions. I cannot immediately think of what offence anyone would be prosecuted for, if they contributed to the public discussion of these events, whatever their point of view.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:27): Mr President, I ask a supplementary question. Last week the Prime Minister said the government had no definitive road map when it comes to the closure of the Manus Island detention camp. Has the Prime Minister since found a road map; and does it include a plan to deal with the announcement from the government's major detention contractor that it will pull out from both Manus and Nauru?
Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:27): Senator Di Natale, can I remind you of the history of the Manus Island detention centre. First of all, the Manus Island detention centre was established under a memorandum of understanding between the Rudd government shortly before the 2013 election and the government of New Guinea.

Might I also remind you, Senator Di Natale, that the offshore processing regime—albeit in this case in respect of a similar MOU entered into with the government of Nauru—was the subject of a legal challenge in the High Court, the judgements in which were delivered earlier this year. I pointed this out to you before, Senator Di Natale—and I do not know why you persist in saying what you now know to be not untrue—the High Court decided by majority that, under the terms of that memorandum of understanding, those camps were not being conducted by Australia.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:28): Mr President, I ask a further supplementary question, a relevant follow-up question. The Papua New Guinean Prime Minister said very clearly that Australia is wholly responsible for the people on Manus Island. Does the Prime Minister reject that those 850 people seeking asylum seeker are this government's responsibility?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:29): Senator, those people are the responsibility of the government of Papua New Guinea which accepted them. I am of course aware, as we all are, of a decision of the Supreme Court of Papua New Guinea. Australia was not a party to those proceedings. No orders were made against Australia or any Australian party in those proceedings. Those orders have no effect on Australia. They were orders in relation to the constitutional and legal obligations of the government of Papua New Guinea in relation to those people, and it is that government who is burdened by the order and has responsibilities to deal with the matter.

Defence Procurement

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:29): My question is to the Minister for Defence. Can the minister advise the Senate of the strategic benefits of the decision to build the fleet of 12 future submarines in Australia?

Senator PAYNE (New South Wales—Minister for Defence) (14:30): I thank Senator Fawcett for his question. The strategic benefits of this decision are extremely important. As well as our decision being based on capability and national security, I would note that in the 2016 defence white paper, we established that submarines are an essential part of Australia's naval capability which provide a strategic advantage in terms of surveillance and protection of our maritime approaches. In making this decision, we have decided to double the size of Australia's submarine fleet from six to 12 in recognition of the more challenging maritime environment that we expect to see in the decades ahead.

As I said in my answer to Senator Reynolds earlier, our decision to build the future submarines here in Australia was also based on capability and national security. Australia must have the sovereign ability to operate and maintain its fleet of submarines independent of any other nation. It is through the design and build process that we will gain the skills and the
knowledge that are required to ensure we have the systems in place in the decades to come to independently sustain and operate our unique submarines.

Building the submarines here in Australia also gives us the opportunity and enables us to establish the absolutely critical supply chains that we will need for both the build and sustainment phases of this over 50-year project. The initial investments that we make now for an Australian build will result in a long-term return and give us the opportunity to develop a submarine capability to meet our strategic needs in the future. The government has been very clear in prioritising capability as the key reason for the decision we have made. We will not risk Australia's national security nor or economic strength and prosperity. In making this decision, we have acted decisively and clearly in the national interest. (Time expired)

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:32): Mr President, I ask a supplementary question. Would the minister please advise the Senate on what the decision to design, build and maintain our next generation of submarines means for jobs and investment across Australia and in my home state of South Australia in particular?

Senator PAYNE (New South Wales—Minister for Defence) (14:32): The positives do extend beyond capability, although that of course is the significant reason for the decisions we have made. What the Turnbull government's decision to build our fleet of 12 future submarines in Adelaide does is directly create at least 1,100 shipbuilding jobs in the Adelaide yard itself and a further 1,700 expected to be created across the South Australian and Australian supply chains. This will have a substantial economic impact on the South Australian economy and, importantly, it will drive growth and innovation across many sectors.

Through the plans and initiatives which were detailed in the integrated Australian industry involvement plan put forward by DCNS, the settings advanced in the defence industry policy statement and the establishment of the Centre for Defence Industry Capability in Adelaide, we are absolutely committed to maximising Australian industry involvement and innovation in this program. (Time expired)

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:33): Mr President, I ask a further supplementary question. Could the minister detail what else the government is doing to create a strong and sustainable naval manufacturing base across Australia and, again, particularly in my home state of South Australia?

Senator PAYNE (New South Wales—Minister for Defence) (14:34): I thank Senator Fawcett for his further supplementary question. The decision to build our future submarines in Adelaide has not been made in isolation. The Turnbull government will implement historic and far-reaching reforms to the naval shipbuilding industry in Australia. At the heart of that is the commencement of a continuous build of major surface vessels at the Adelaide shipyard, staring with the offshore patrol vessels in 2018 and then continuing with the future frigates in 2020.

These projects together will create over 3,100 direct jobs, with thousands more created right across the combined ship and submarine building supply chains across the country. These supply chains, which are already in existence but will grow significantly as these projects advance, hold the greatest opportunities for the growth of and the ability to create a sustainable naval shipbuilding industry and naval manufacturing base. (Time expired)
Climate Change

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:35): My question is to the Minister representing the Prime Minister, Senator Brandis. Last week Senator Di Natale and I visited reefs off Cairns and Lizard Island and we saw firsthand the devastation of the worst-ever mass coral bleaching event in the reef’s history. Earlier this week, scientists found that the Greenland icesheet is melting a month earlier than usual and, globally, 2014 was the hottest year on record until 2015 was and until January, February and March of this year were. Last sitting week you told the Senate that you were not at all convinced that the science on global warming was settled. What will it take to convince you? Does the Prime Minister share your views?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:36): Senator Waters, my views on this matter—if I may address the last part of your question first—have not changed since I first participated in this discussion in 2009. I know, as you know, Senator Waters, that there is a very strong view of an overwhelming majority of scientists about the nature and causes of global warming. Therefore, as a matter of reason and prudence, I believe that public policy should be made on the assumption that the majority view is correct. Unlike some, my view is based on reason and prudence, not blind faith or ideology. And, like some, I do not seek to silence dissenting views that dissent from the overwhelming majority. I do not.

In relation to coral bleaching, Senator Waters, the coral-bleaching event underway on the Great Barrier Reef echoes, as you have said, similar bleaching events around the world in Hawaii, in the Seychelles and in Indonesia. Australia is playing its part globally. We were one of the first countries—as you, I think, have acknowledged, Senator Waters—to sign on to the Paris climate change agreement. We are on track to meet and to beat our 2020 target of five per cent below 2000 levels. In fact, projections, of which I am sure you are aware, show that we will exceed our 2020 target by a cumulative 78 million tonnes, which confirms what the government has been saying: Australia does not need a punishing $15.4 billion carbon tax which pushes up the price of electricity in order to reduce emissions. (Time expired)

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:38): Mr President, I ask a supplementary question. Sir David Attenborough says that the Great Barrier Reef is in grave danger from climate change. One of Australia’s foremost coral reef scientists, Professor Terry Hughes, says that we have to choose between new coal and the reef—that we cannot have both. What do you and the Prime Minister say to the 69,000 people whose jobs rely on the reef remaining healthy, when you keep approving coalmine after coalmine after coalmine?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:39): I can tell you that there is a very clear and simple difference. I do not accept, and the government does not accept, that we must choose between the reef and coal. We do not accept that proposition. We absolutely reject it.

Senator Waters, this is the first time I can recall when, in one of your questions about the Great Barrier Reef, you have referred to the issue of employment and jobs. I can tell you, as somebody who has visited the region very recently, that what people in central and northern Queensland are concerned about is jobs. And one of their greatest concerns is the attempt to
stop the development of the Adani mine in the Galilee Basin, which people in that region—which you, Senator Waters, are meant to represent in this place—see as one of the great hopes for their future employment security.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:40): Mr President, I ask a further supplementary question. Your government has already booked $1.3 billion in cuts to the Australian Renewable Energy Agency and, sadly, it looks like the Labor Party would keep such cuts. You have taken away the grant-making function of that body, effectively crippling its ability to fund innovative clean energy. Where are you getting your advice on global energy trends from, and when are you going to sack them?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:40): As recently as last week, the Minister for the Environment, Mr Hunt, announced $60 million worth of projects under the Reef Trust that will greatly improve water quality and resilience. As well, when the coral-bleaching event was first manifest, the government immediately committed an additional $80,000 for targeted—

The PRESIDENT: Pause the clock.

Senator Waters: Mr President, I rise on a point of order on relevance. The question went to the cuts that you have booked to ARENA and where on earth you are getting your advice from.

The PRESIDENT: I remind the Attorney-General of the question.

Senator BRANDIS: Senator Waters, you have asserted that there are cuts. I am pointing out to you that, in fact, we have allocated additional funds to deal with the very problem that you have identified in your primary question, including, when the coral-bleaching event was first manifest, an additional $80,000 for targeted monitoring of coral bleaching through the University of Queensland. Through the Reef 2050 Plan, the Australian government is investing heavily to improve water quality—(Time expired)

Education Funding

Senator LINDGREN (Queensland) (14:42): My question is to the Minister for Education and Training, Simon Birmingham. Can the minister inform the Senate about the government's new Quality Schools, Quality Outcomes plan?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:42): I thank Senator Lindgren, a former high school teacher, for her question and her passionate interest in this portfolio area. I am very pleased to address the question about the new Quality Schools, Quality Outcomes plan, which the Turnbull government released yesterday. As Senator Brandis has already informed the chamber, this plan will take school funding from a current record level of around $16 billion in 2016 and grow that level of school funding each and every year into the future to a level of an estimated $20.1 billion in 2020—strong growth but affordable growth, growth that we are comfortable as a government and confident as a government that we can pay for without, unlike those opposite, increasing the level of taxation on all Australians.

Importantly, it is growing levels of school funding which we are committed to distributing according to need to ensure that those in low socioeconomic areas, those students with disability, those Indigenous students and those students who may be in rural or remote areas
receive additional support out of the funding that is available, not just the funding available from the Commonwealth but, importantly, the funding available from states and territories as well.

But we know full well, as I have told this Senate before, that funding is important, but what you do with funding matters even more.

**Senator Wong:** So you say money does not matter?

**Senator BIRMINGHAM:** No, Senator Wong, money does matter, but what you do with it matters even more. How you use it effectively matters even more. The Labor Party seem to think they can spray cash around and pray for the best. What we have outlined is a detailed plan for school reform that will ensure quality outcomes in our schools, not just more money being spent. *(Time expired)*

**Senator LINDGREN** (Queensland) (14:44): Mr President, I ask a supplementary question. Can the minister tell the Senate about what the government is doing to deliver more support for students with a disability?

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (14:44): In addition to the additional $1.2 billion of long-term school funding that we announced yesterday, we are also delivering in this year’s budget additional support for students with a disability to the tune of $118 million in extra funding for this school year—2016—and next year, in 2017.

This will be the first-ever funding that is allocated and informed by the nationally-consistent collection of data on students with a disability. It will be the first time ever that we are distributing funding according to this model that identifies students and their particular level of adjustment. It takes our support for students with a disability to a record level of $5.3 billion over the period 2014 to 2017, far exceeding the previous government’s unfunded promises. It is actually using the data collection methodology that is there, but we will also make sure that we increase the robustness of that methodology so that it can truly drive funding for students with a disability from new formulas from 2018 onwards.

**Senator LINDGREN** (Queensland) (14:45): Mr President, I ask a further supplementary question. Is the minister aware of any alternative policies?

**Senator BIRMINGHAM** (South Australia—Minister for Education and Training) (14:46): Yes, I am aware of alternative policies when it comes to spending and taxing, but I am not aware of any alternative policies when it comes to actual quality reforms in our schools.

The Turnbull government has a commitment to make sure we actually drive reform in our schools that ensures better identification of young children in terms of their reading capacity and higher ambition in terms of the study of maths and science at year 12, and that we actually drive reform to keep our best, most able and most capable teachers in our schools. These are the types of reforms we are committed to.

Those opposite only want to talk about how much they are going to spend! They are only interested in the amount of money being thrown around. In the nearly 2½ thousand words they have uttered—Mr Shorten, Ms Ellis and others—since yesterday’s announcement, they have talked about funding, spending money and dollars around 25 times: once every 100...
words. And yet they have mentioned the word 'quality' just once! Just once! Quality is what matters in our schools, and real reforms will drive quality outcomes. (Time expired)

Donations to Political Parties

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:47): My question is to the cabinet secretary, Senator Sinodinos. I refer to the minister’s previous answer that he did not have, 'enough time' to respond to evidence from at least two witnesses to the New South Wales Independent Commission Against Corruption, who testified that he, the minister, knew the Free Enterprise Foundation was being used to channel and disguise illegal donations to the Liberal Party.

I ask the cabinet secretary again: did he ever participate in, or witness, discussions about the use of the Free Enterprise Foundation to channel and disguise donations by prohibited donors?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:47): The answer is no.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:47): Mr President, I ask a supplementary question. Given that the minister has now said this, will he now advise the Senate what action, if any, he has taken to support or encourage the full disclosure of donors who made donations to the New South Wales Liberal Party through the Free Enterprise Foundation?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:48): I was made aware the night before an article was to be put in the newspaper by Mr Sean Nicholls earlier this year, that there had been correspondence between the Liberal Party and the New South Wales Electoral Commission on this matter. I was not involved in any of the lead-up to that correspondence or in any of the decisions made by the division of the Liberal Party in New South Wales on this matter.

I was accorded the courtesy of being told that Sean Nicholls would run an article the next day about these processes being set in train in New South Wales, so I was not involved in any of the tactics, any of the strategy or anything to do with the process by which the New South Wales division was going to disclose any donations. You would have seen what was said subsequently by the Premier of New South Wales about the need for cooperation, and I agree with that. But I have not had any involvement in those processes.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:49): Mr President, I ask a further supplementary question. I refer to the Statement of Ministerial Standards, which requires Senator Sinodinos to provide an honest and comprehensive account of his conduct to the parliament. I also refer to his answer to my primary question, which was 'no'. I ask Senator Sinodinos this: can he explain evidence from Mr Nicolau and Mr Neeham before the Independent Commission Against Corruption which confirmed that the practice of prohibited donors making donations through the Free Enterprise Foundation was discussed at meetings of the finance committee, including when he was present?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:49): The evidence is clearly there in the cross-examination of both Mr Nicolau and Mr Neeham, and others, in order—

Senator Wong: They pinged you!
Senator SINODINOS: No—in the cross-examination, which supports the answer I have already given in this place about my knowledge or lack thereof of these particular processes.

Carbon Pricing

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (14:50): Before I begin, I acknowledge some fine young Australians in the gallery this afternoon—students from the Melbourne university Liberal Club. Welcome!

My question is to the Minister representing the Minister for the Environment, Senator Birmingham. Can the Minister advise the Senate how the government is tackling climate change without a big new electricity tax?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:50): In addition to acknowledging the 'fighters for freedom' up in the gallery today, I also acknowledge and thank Senator Smith for his question on what I understand is his fourth anniversary as a senator. I congratulate Senator Smith on his significant contribution over those four years.

In terms of significant contributions, the Australian government is making a significant contribution to address, meet, deliver and exceed our targets and commitments to the world in relation to climate change. And we are doing this, of course, without a carbon tax being required.

As was announced at the signing of the Paris climate agreement in New York last week, Australia is on track to meet and beat our 2020 targets for emissions reduction by some 78 million tonnes of emissions. We are doing that through three key pillars: the Renewable Energy Target, the Emissions Reduction Fund and the safeguard mechanism. But we are doing that, of course, without the need for a carbon tax in place.

Our policies are working; they are succeeding, and they are doing so without those impacts that drove electricity prices and gas prices up. By some estimates, in New South Wales gas prices are eight per cent lower today than they would have been with the carbon tax, electricity prices are 10 per cent lower and, of course, the Australian Treasury estimates that households have saved around $550 as a result of the removal of the carbon tax. Yet Australia is meeting and beating its emissions reduction targets and is playing an effective part in developing policies to further reduce emissions, in Australia's case with commitments to reduction of between 26 and 28 per cent below 2005 levels by 2030. This represents a halving of emissions per person—the second-highest contribution of that nature among all developed countries. This is a significant contribution and commitment by Australia that is, of course, backed up by our real action over the years in delivering on our commitments. (Time expired)

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (14:52): Mr President, I ask a supplementary question. Is the minister aware of any alternative plans to introduce an electricity tax?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:52): Yes. It would seem that last week the Labor Party demonstrated that they heard nothing from the Australian people at the last election and learnt nothing in terms of the policies they had undertaken in the past. The Labor Party are up to the same old tricks and same old approaches. Their carbon tax policy, of course, comes on top of a $100 billion tax agenda that they already have. The Labor Party are promising $100 billion of extra taxes and
then a carbon tax on top of that. Mr Shorten's carbon tax will, as it did before, put jobs at risk, damage Australia's competitiveness and increase costs for Australian businesses and, of course, Australian families.

In something quite reminiscent for Australian voters, it was Mr Shorten who last week said, 'Let's be clear—there will be no carbon tax under Labor,' but then, of course, released a policy showing that in fact there will be. (Time expired)

Government senators interjecting—

The PRESIDENT: Order! On my right.

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (14:54): Mr President, I ask a further supplementary question. Can the minister advise the Senate how a big new tax on electricity would affect jobs and growth, particularly in the manufacturing sector?

Honourable senators interjecting—

The PRESIDENT: Order! On my left. On both sides.

Senator Cameron interjecting—

The PRESIDENT: Senator Cameron, that includes you.

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:54): The Labor Party love to talk about their concern for the manufacturing industry but, with policies like this, we know they are just crocodile tears from those opposite. In fact, those opposite are pursuing policies that would have a disastrous impact on manufacturing, on mining and on the energy sector. The coal, oil and gas industry directly employs around 65,000 Australians, and the aluminium sector employs around 17,600. There would be significant impacts there. The construction sector, which the Labor Party are already trying to cripple under union corruption, provides around one million jobs across the board. We would ultimately see fewer opportunities in all of these sectors because of greater costs that would be in place, and less competitiveness for Australia, which would harm our economic transition as a nation when we can least afford it.

Indigenous Land Corporation

Senator PERIS (Northern Territory) (14:55): My question is to the Minister for Indigenous Affairs, Senator Scullion. I refer to documents, released under freedom of information legislation, relating to the Indigenous Land Corporation's annual report 2014–15, which confirmed the minister's refusal to table the annual report unless criticism of the government was removed. I note that the ILC's annual report was tabled six months late. Did the minister refuse to table the ILC report until the changes he wanted had been made?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:56): I thank the senator for the question. I have put out a statement on this matter because a number of allegations were made that were completely without foundation. I would refer you to that statement, Senator. To be helpful to the Senate, what happened was that, as in the normal course of events, a draft report was made and put forward to be tabled. In it was a foreword from the then chair. I provided information to the ILC that there were some inaccuracies in that. The new chair of the ILC then decided not to
redact any other part of that but in fact to add their own foreword, which ensured that those inaccuracies were dealt with.

This is an annual report of a very important organisation, and the chair was a very important individual. The former chair presented things as facts in such a way as to imply there had been a conspiracy or, in fact, a cover-up involving me in the original purchase of Ayers Rock Resort. Can I say that there are some contradictory elements in this. The chair herself, in an ABC opinion piece, said:

I'm not suggesting for one minute at all that there is corruption, because I have no evidence of that.

I am not actually sure where I was, Senator, in 2010. I was grovelling around in opposition and, in fact, the Labor Party were in power. It was under the Labor Party, under Minister Macklin, that the sale of Ayers Rock Resort occurred. As I say, I had—(Time expired)

Senator PERIS (Northern Territory) (14:58): Mr President, I ask a supplementary question. I refer to notes prepared for the new ILC chair, Mr Eddie Fry, for the ILC board meeting to amend the annual report released under FOI. They note that Mr Fry suggested to the minister that he write a letter defending the government's actions to be tabled with the report, but this approach was not good enough for the minister. Why did the minister interfere with the report?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:58): I am not sure what you are quoting from, Senator. I made no such direction, nor did I have any conversations to that extent. What actually happened seems to defy what you are suggesting. None of the previous chair's comments were redacted in any way and they remain there to be seen as evidence. If you read the report you will find there is a completely unredacted version of the letter. As I said, I put out a statement on the matter. One of the things I think we should really focus on is that the ILC is a very, very important organisation which has thus far—certainly under the previous administration—focused on some conspiracy that happened years ago. What I very much commend to those people involved with the ILC is that they just really start focusing on benefits for Aboriginal people through their investments. (Time expired)

Senator PERIS (Northern Territory) (14:59): Mr President, I ask a further supplementary question. I refer to the minister's answer to questions on notice 254 and 255, following additional budget estimates earlier this year, which deny that the minister or his office raised concerns about the previous board or asked the new ILC chair and board to amend the annual report. Can the minister explain why his answers to the Senate are contrary to the documentary record?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (15:00): There is no inconsistency. We did not ask the board or the chair to amend anything. As part of the process I was provided with a document that had clear factual inaccuracies. I pointed those inaccuracies out. The board made every other determination with regard to the matter, which is entirely appropriate.

Senator Wong: I ask that the minister table the document to which he is referring.

Senator SCULLION: Which document?

Senator Wong: Your letter.

The PRESIDENT: The minister has heard the question, and it is up to the minister.
Broadband

Senator McKENZIE (Victoria) (15:01): My question is to the Minister for Regional Communications, Senator Nash. Could the minister please update the Senate on the progress of the NBN rollout in regional areas? How is this supported by the recent announcement of Sky Muster broadband services?

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (15:01): I thank Senator McKenzie for her question and note her very longstanding hard work in this area. As somebody that lives in a rural community, I know how important high-quality broadband is to those people in rural and regional communities, who very much need access to this service. Whether it is a what farmer in Mallee, a small business in Mildura or perhaps even the development of a groundbreaking application by a student in Bendigo, fast and affordable broadband is a key enabler for regional growth.

I recently had the pleasure of launching the Sky Muster satellite with the Minister for Communications and want to acknowledge the very great work he has done in improving communications for people right across this country. The recent switch-on of these services will provide fast, reliable and affordable services to homes, farms and businesses in rural and remote communities. NBN has engaged a number of companies to assist with the transition of services from the interim satellite to the Sky Muster service and to connect new end users to satellite broadband. And this milestone will mark that Australians, no matter where they live, will have access to fast, reliable and affordable broadband services.

And, of course, this is part of the government's approach to making sure that we have services to more than eight million homes by 2020. The satellite service will allow connections to around 400,000 premises, and NBN expects up to 250,000 people to take advantage of this service, which will, of course, provide that high-capacity service for farms, homes and businesses to access those digital services and transact business over the internet more easily, creating new jobs, growth and opportunities.

Senator McKENZIE (Victoria) (15:03): Mr President, I ask a supplementary question. Can the minister please explain how the Sky Muster announcement links in with progress on the fixed wireless rollout?

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (15:03): I can also indicate to the chamber the great work around the speeds that the Sky Muster will provide: up to 25 megabits per second, which is going to be a great enabler. The satellite and the fixed wireless network have been a capital investment of $5.2 billion into rural and regional areas—

Senator McKenzie interjecting—

Senator NASH: I will take Senator McKenzie's interjection: that is 'absolutely fantastic'. Recently the fixed wireless network on the NBN has seen 100,000 active services, which is a fantastic achievement and very much appreciated by those people.

Opposition senators: Fantastic!

Senator NASH: I will take the interjection from those opposite, who indeed are saying 'fantastic', so clearly they agree! We know that the combination of the NBN satellite and the
NBN fixed wireless are going to deliver never-before-seen services to many parts of the country. *(Time expired)*

**Senator McKENZIE** (Victoria) (15:04): Mr President, I ask a further supplementary question. Can the minister explain how this recent announcement relates to the coalition government's focus on delivering transformational infrastructure?

**Senator NASH** (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (15:04): It is those in the coalition that understand that regional communications enable incredible growth and investment for regional businesses and entrepreneurs. To complement the government's investment in the NBN we have invested $100 million in the Mobile Black Spot Program, leveraging funding of up to $385 million for 499 new or upgraded base stations across the rural and regional areas, dramatically improving mobile coverage. Indeed, there is $60 million for round 2, which is ongoing. This is in absolute contrast to those opposite, because how much did they put towards a black spot program? Perhaps $100 million? Perhaps $50 million? Perhaps $20 million? Not one cent. Zero. Nada. Not one dollar towards a black spots program. That shows the very clear line between the coalition, who are delivering, and the opposition, who cannot.

**Senator Brandis:** I ask that further questions be placed on notice.

**QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS**

**Education Funding**

**Senator DASTYARI** (New South Wales)—I move:

That the Senate take note of the answers given by the Attorney-General (Senator Brandis) and the Minister for Regional Development (Senator Nash) to questions without notice asked by Senators Dastyari and Gallagher today relating to schools funding and to funding for pathology and diagnostic imaging.

**Honourable senators:** Fantastic!

**Senator DASTYARI:** It’s fantastic! Sorry, I am trying to compose myself after the hilarity of the comments coming from this side of the chamber.

The answer we heard earlier from the Leader of the Government in the Senate, Senator Brandis, really defied belief. This notion that the government are trying to dress up a $29 billion cut in future education funding as some kind of achievement really defies belief and it defies logic. This is the journey the government have been on, and let's be clear: they started off by saying that they were going to be on a unity ticket with Labor when it came to Gonski funding. Then the new minister, Senator Birmingham, indicated that he would be somehow favourable to funding the Gonski model. Then, on the eve of Christmas, right at the end of the year, in the dead period, the government came out with an announcement that no Gonski funding was going to be made available. Then we had the thought bubble that came from the Prime Minister himself: ‘Hey, not only should we not fund the future funding that’s needed in our schools, but let’s not fund schools at all. Let’s just palm it off to being a state responsibility.' This is a matter which, we discovered in evidence given to a Senate committee, was not even discussed with or run past the department itself. I see Senator Birmingham leaving. His own department found out about it from the media statements or by
watching it on television. Then, the weekend before the budget and a week before the calling of an election, there was this weak, measly announcement from this government that it is going to find a few extra billion dollars in the next couple of years. This is not a plan to fund schools; this is a plan to get the government through an election. This is an election strategy, not a school funding plan. Frankly, the government keeps changing its position here.

Senator Bernardi: Unlike you!

Senator DASTYARI: I will take your interjection in a moment, Senator Bernardi; do not worry about that. Funding matters. Funding schools matters. How you fund also matters. The Gonski proposal that has been put forward allows us to fund our schools properly. That is the proposal that was taken to the last election. That is the proposal that this government had purported to be signed up to, and now it is trying to hide behind this notion.

By the way, their position has changed on this. Two weeks ago, it was, 'Money doesn't matter at all.' Now it is, 'Oh, well, we're going to make the money be spent better.' The best way to spend the money is by following the Gonski model, the proposal that was developed, and you are not going to be able to achieve that without putting the money there. You are not going to be able to achieve that without actually having that funding available. What the government have now done is cut $30 billion of future funding from our schools, and the consequences of that will be devastating.

I see Senator Bernardi there shaking his head. Senator Bernardi has issues about funding schools. I appreciate that, and I understand that. It must have been a tough week for Senator Bernardi in Adelaide. There was the A-League final. His city was overrun by a bunch of halal-eating, drum-beating, Sydney-loving football fans.

Senator Bernardi: And we beat them.

Senator DASTYARI: He says they beat them. I will tell you, Senator Bernardi: you may have won the A-League final, but we get to go back to Sydney and you have to stay in Adelaide. I think that that speaks for itself.

Senator Bernardi: Why do you hate Adelaide?

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Order! Interjections are disorderly, Senator Bernardi.

Senator Bernardi: So's insulting Adelaide.

The ACTING DEPUTY PRESIDENT: Direct your comments through the chair, please, Senator Dastyari.

Senator DASTYARI: I am not quite sure that was really in line with the question. I am not sure how to cop those comments through the chair, Mr Acting Deputy President. The school funding proposal the government has put forward is a $30 billion cut in future school funding, and that is disgraceful.

Senator BERNARDI (South Australia) (15:11): I am not sure where to begin, but I should make reference to the sledge that Senator Dastyari has made against my great state of South Australia and my home city of Adelaide. I find it extraordinary that Senator Dastyari can talk about education modelling and then weave in there some halal-eating or whatever it was—abuse of South Australia. It just goes to show how Senator Dastyari and the Labor Party
are fixated only on Sydney-oriented issues and are out of touch, completely, with what is going on out there in the economy.

Going to the education of our youth, which is absolutely vital to our success and future prosperity as a nation, Senator Dastyari glosses over the fact that education funding, in real terms, has doubled over the last 20 or so years and yet, by almost every performance measure, the literacy and numeracy standards of our children and our students have been in steady decline. Something is not working. Senator Dastyari said it is just about more money. It is actually not just about more money; it is about delivering good and positive outcomes. That is something—accountability—that those on the other side of the chamber have never been very good at accepting. Their answer, like a lot of the socialist policies, is to throw other people's money at something with the appearance of achieving an outcome. They are never, ever held to account or hold themselves to account. They never put in performance standards that are going to be measurable, because it exposes how flawed and failed their policies generally are.

It is, I think, a testament to that that Senator Dastyari cannot even fill five minutes talking about education policy. He has to turn and slam Football Federation Australia and the championship league, which has been fantastic for the sport in this country, and then has to turn his ire on Adelaide and Adelaide United Football Club, which has been, I think, an inspiration to so many. Not only have we fought a number of finals; we finally took the championship home. We took the Premier's Cup home, of course, which was very important to finishing on top of the table and making the final. So, while Senator Dastyari wants to profess he is sticking up for students, he is actually sledging perhaps one of the most popular games in the country and in the world by making fun of the Adelaide United Football Club.

But that is the sort of thing we can expect. They get sidetracked. They cannot focus on one particular thing. We have seen them jump all over the place today in question time. They have not been focused, and it is clear, from my point of view, that they are like a rudderless ship over there. Their question time committee, which is planning the questions, does not know where to start. They do not have any fixed narrative, because the only thing they are consumed about on that side of the chamber is their own preselections and keeping their jobs. We know how they are tearing themselves apart, ripping into each other about who should be getting seniority in their preselections and things of that nature. It is unedifying to read about and to hear about. The whisperers, who come up to you and say, 'I am looking after myself but I am going to stick it to someone else over there in the preselection process,' are grubby to say the least but they are the sorts of side deals we see in the Labor Party all the time.

I think it is entirely unreasonable that Senator Cameron, who is a shadow minister, is put behind Senator Dastyari on the Senate ticket for the New South Wales Labor Party. It just does not make a lot of sense to me. Senator Cameron has seniority and high ranking, and it seems to me he has been marginalised and shafted just because of his extreme political views. I find that rather unusual. You have then got Senator Dastyari, who has been promoted to shadow opposition manager of whatever it was—business in the Senate or something—leading the charge against increased funding for education by the government. That is extraordinary. Here is a man that is playing the tactics of the Labor Party. He has got unfunded election promises coming out by a leader that is only supported by a tiny minority on the other side. They cannot wait to replace him—we know that from the conversations that we have on this side of the chamber with our opponents over there.
The budget tomorrow night is going to be an opportunity— (Time expired)

Senator GALLAGHER (Australian Capital Territory) (15:16): I did listen with interest to Senator Bernardi's five minutes. I would say, after making comments around Senator Dastyari's presentation, Senator Bernardi got to the budget in the last second of his five-minute speech after spending a lot of time on preselection for some reason, which was not raised too much in question time today.

I am going to focus my comments on the answer to the question that I put to Senator Nash on the $650 million worth of cuts to pathology and diagnostic imaging that were contained in the government's MYEFO in December last year. I have to say, it would only be this government that would dare to run the line that there would be no impact when cutting $650 million out of the health budget. It is probably only this government that could be that barefaced and argue that there will be no impact on patients when $650 million worth of funding is cut out of the health budget. This is off the back of $80 billion worth of cuts to the health budget. This government pretended for almost 18 months to two years that there had been no cuts, only then to replace small amounts of funding—$2.9 billion in health and $1.2 billion now in education—and pass it off as new money that we should all be grateful for. I think this is the only government that could pretend after cutting $80 billion that putting $3 billion back is something we should be grateful for and is new money. This government has sought to cut the health budget in every budget and MYEFO since elected. There is a real difference between the Liberal Party and the Labor Party when it comes to attacking Medicare, when it comes to cutting hospitals, when it comes to cutting the health system.

The minister today in her answer referred to the $650 million that is being cut from pathology and diagnostic imaging which goes to supporting bulk-billing rate—over 85 per cent of consultations are bulk-billed—as 'wasteful spending'. That was a quote from the minister in question time today. She also said that the campaign to stop these cuts was based on miscommunication and scaremongering. I do not think that is correct. I think everybody who has looked at this closely understands that when these cuts come in on 1 July—and the professional groups have been very clear about this—there will be increases to the costs for people who are getting medical tests, imaging and other diagnostics. They have not only been clearly detailed by industry but also acknowledged by the government.

The way the system will work is when a bill needs to be paid, it will have to be paid in full prior to any Medicare rebate. We have been advised that patients will have to pay up-front for individual tests up to $93 for an X-ray, $396 for a CAT scan, a minimum of $85 for a mammogram and up to $186 for an ultrasound. If you need a PET scan, which hopefully you will never need, the up-front costs could hit $1,000. Let us focus for a moment on those with chronic and ongoing conditions who have to have frequent tests and ongoing tests. This incentive program has supported and maintained bulk-billing rates in pathology and diagnostic imaging. It is actually a good outcome that bulk-billing rates are sitting at about 86 per cent. It means that people are being supported to have their tests and that financial considerations do not come into it. It means they will come to get screened; they will take preventative action to maintain their good health and that is a good outcome.

This $650 million cut, which the minister referred to today as 'wasteful spending', will increase costs for patients. It will increase out-of-pocket costs and it will have pathologists
and diagnostic imaging businesses reconsider bulk-billing. They will be the results of these cuts and to pretend otherwise is disingenuous.

Senator IAN MACDONALD (Queensland) (15:21): I have a very personal interest in the debate before the chamber and that is in relation to pathology testing. I do not keep it a secret—I do not think anybody else is interested—but I have a plastic valve in my heart which was put there 20 years ago. As a result of that, I have got to keep my blood thin, which means that I am on warfarin, which means I have to have a regular tests at a pathologist to make sure my blood is thin enough on the level to go through the artificial valve. So I am very familiar with pathology services. They perform a great service to Australians. In the 20 years I have been intimately involved with them I have seen other people there. The staff at these pathology collection places are brilliant. I have actually been through one of the pathology headquarters in Townsville and looked at some of the amazing work they do. They do very significant work. My GP and other medicos tell me that it is important to be able to refer people to pathologists to double-check for various illnesses that pathology can detect before anything else. It is a great service. I have to say that when I last went to my pathology place there were little posters on the chairs saying, 'Pathology money going up as of 1 July.' I said to the people there, whom I know very well, 'How much is this going to cost me after 1 July?' Their answer was accurate: 'Nothing—as it does now.'

That is a long way of getting around to making it quite clear that the government is not changing the Medicare rebate payable to patients. In spite of the massive campaign by the Labor Party to the contrary, the facts are there. What is happening is that this bulk-billing incentive, which I think costs something in the order of half a billion dollars, is being taken away. For half a billion dollars of expenditure by the Labor Party when in government, the increase in bulk-billing rates has been one per cent—one per cent for half a billion dollars.

Mr Acting Deputy President, I make the point that this is not government's half a billion dollars spent on trying to get more people into bulk-billing and wasted, effectively, because it clearly did not work. This is not the government's money because, as I keep saying, the government do not have any money. They only use taxpayers' money. Strangely, taxpayers never like giving the government—any government—any more than they are already giving. It is a question of value for money. Half a billion dollars has been wasted by the Labor Party, as always. That in itself is not a profound statement; that is what the Australian public have come to expect. Put Labor in charge of the money and they will just waste it. That is what happened with this. I suspect they probably had a good policy thought, but if they did it has clearly not worked.

What we want to do is take away that half a billion dollars and divert it to other areas of the health budget. I understand that an area it is going to is one that I and Senator Dean Smith, amongst many others, have had a particular interest in, which is trying to help those with hepatitis C. Fortunately, this government has recently put these miracle drugs for hepatitis C onto the PBS. In rough terms, the drug costs about $80,000 to $90,000 for a 12-week course that will almost 'cure' hepatitis C, but the patients will now get it for $36. Someone has to pay for that $90,000 per treatment that is going to people with hepatitis C. Part of it will come from the half a billion dollars wasted by the Labor Party in this silly bulk-billing incentive. I repeat: the government is not changing the Medicare rebate payable to patients. That will go on after 1 July as before.
Senator O'NEILL (New South Wales) (15:26): I will pick up on those words 'someone has to pay'. I will tell you who that someone is: any Australian who has to make an out-of-pocket payment to their diagnostic imaging service or pathologist before they can get access to vital information about their health and wellbeing that will inform their doctor's decisions about how to treat them.

We know that over 70 per cent of medical treatment decisions rely on pathology. The sorts of people who Senator Macdonald thinks should be paying out of pocket before they get their tests were described by Dr Wriedt, the President of the Australian Diagnostic Imaging Association, when he described what would happen for a mechanic with a suspected brain tumour. I want to acknowledge Senator Bilyk here, who is a very significant champion for recovery from brain cancer. She does great work in that area. This mechanic:

- Will no longer be eligible for the bulk billing incentive…
- His Medicare rebate will be cut by $62
- To pay a gap of $62 or more, he will have to pay at least $403 up front before being able to claim the Medicare rebate

Can you imagine the scenario, Mr Acting Deputy President? Your doctor says: 'I fear that you have a brain tumour. I want you to go and have an MRI.' Already you can imagine the distress in the family. I am thinking about families right across New South Wales, the great state that I represent. What do they do if they have not got the $403?

The minister today seemed to think it was quite okay. She had no shame at all in saying, 'We will cease this bulk-billing.' The cost will be a human cost in people not being able to overcome the impediment of that up-front fee before they can even get their diagnosis, to say nothing of the ongoing testing that will be part of their journey of health recovery. That is the heartlessness of this particular government and the foolishness of the sorts of decisions they are making about the way in which money is being spent. It is such a false economy to prevent people undertaking the sorts of tests that preventive health constantly recommends to us, like people with diabetes getting their blood tested to manage their illness. We know that this is a vital part of the service, yet this government believes it is a great idea to put another barrier between people and good health and wellbeing.

Dr Wriedt described this particular injustice as a non-evidence-based change. He said, 'This is a cash grab and a co-payment by stealth.' There has been no consultation: 'This is a minister who has been at pains to say she wants to work with clinicians, and yet this announcement has come completely out of the blue with absolutely no consultation.' Dr Wriedt also said: 'In simple terms, this will make it much more difficult for many patients to receive the life-saving level of care they need.' And that is the problem with this government—as if destroying Medicare was not enough, they want to have a go at access to pathology and to diagnostic imaging as well.

I also want to make some comments around education, because we have seen from this government, in the course of the period in which they have governed, a constant litany of comments along the lines of, 'the money does not matter'. Even though they promised before the last election to match Labor's funding dollar for dollar, they changed their mind upon election and they withdrew $30 billion. This tiny amount of money that they have now announced, just days before parliament rises, is an attempt to pull the wool over the eyes of
the Australian public once again—and pretend that they are actually going to invest in education. But people should remember that on 30 and 31 March this year, the Prime Minister revealed what he really thinks about public education when he said that the federal government should continue to fund private education and walk away from government education. This government told people they would match, dollar for dollar, Labor's commitment to the Gonski funding and instead, we find that, the minute they were elected, they walked away from that. We cannot trust this government on education. We cannot trust the Liberal-National Party on education—not for a single day, and certainly not when they have made this paltry offer of some money to assist, at the last hour, having declared day after day that money does not matter. Well, money does matter for the future of our children. The Labor Party believes in investing in every child in every part of the country.

Question agreed to.

Asylum Seekers

Senator DI NATALE (Victoria—Leader of the Australian Greens) (15:31): I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by Senator Di Natale today relating to the offshore processing of asylum seekers.

I rise to take note of an answer given to a question I asked of Senator Brandis, the Minister representing the Prime Minister. It relates to the great tragedy that is our offshore detention centre network, and the deaths that are occurring in those prison camps offshore.

Firstly, on behalf of the Australian Greens, let me express our condolences to the family of Omid, a young Iranian gentleman of the age of 23 found to be a genuine refugee, who was deprived of all hope, and deprived of any future for himself or for his family, who self-immolated. As a consequence of that, he died in a hospital in Brisbane. He represents everything that is wrong with our detention centre network. He was a young man and he committed no crime. He was a man who, under international convention, was found to be a genuine refugee. And yet the Australian government's response was to detain this man indefinitely, with no prospect of him being able to enjoy the freedom and liberties that he so desperately fought to find. Of course, the response from the Prime Minister was cruel. It was heartless: to suggest that the nation should not be 'misty-eyed' at the death of a young man in his prime—completely heartless. Worse still, we are continuing to prosecute those healthcare professionals who speak out against such abuses. As a result of the bipartisan consensus in this place, we have a policy that says to health professionals who speak out against the inadequate medical care that is being provided in these places of such horror: 'if you speak out
against that,' our government says, 'if you do that, we will prosecute you, and you will suffer potential imprisonment'—as a result of speaking out against an injustice.

Thankfully, the tide is turning. We have now seen Ferrovial—who have taken over the business formerly known as Transfield, who were operating the detention centre contracts in both Nauru and Manus Island—say that this is not part of their business model going forward. They have got no business in the detention centre network; they have got no business in cruelty. They are effectively saying: 'We want to have a social licence to operate, and we don’t believe that we can have a social licence if we contribute to this model of offshore detention.' If only Bendigo Bank would take the same approach, and if only many of those other companies—Wilson Security—would take the same approach. Well, there is a turning point. We are seeing some leadership, at least, within the corporate sector. And we are seeing Australians right around the country say: 'Enough is enough.'

The recent announcement by the PNG Supreme Court states emphatically that to imprison individuals that have committed no crime—to deprive them of their liberty—is illegal. For years, we have heard the Australian government talking about the actions of people seeking asylum as being illegal; well, this decision demonstrates that, in fact, it is the actions of the Australian government that are illegal. There is a better way. We need to close those camps. We need to invest that money in creating alternative pathways. And we have to recognise that we as a rich nation can and must do better.

Question agreed to.

CONDOLENCES

Rocher, Mr Allan Charles

The PRESIDENT (15:37): It is with deep regret that I inform the Senate of the death on 18 March this year of Allan Charles Rocher, a senator for the state of Western Australia from 1978 to 1981 and a member of the House of Representatives for the division of Curtin, Western Australia from 1981 to 1998.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (15:37): by leave—I move:

That the Senate records its deep regret at the death, on 18 March 2016, of Allan Charles Rocher, former senator for Western Australia and member for Curtin, places on record its appreciation of his long and highly distinguished service to the nation and tenders its profound sympathy to his family in their bereavement.

Allan Rocher was born on 16 February 1936 in Deloraine, Tasmania and educated at Burnie High School. Before being elected to parliament, Allan undertook national service and worked as a commercial arbitrator and then as a registered builder. A leader in the building industry, he went on to become the President of the Master Builders Association of Western Australia. Allan was elected as a senator for Western Australia at the 1977 election, taking up his seat on 1 July 1978. He served in the Senate until February 1981, when he then resigned to contest the by-election for the seat of Curtin in the House of Representatives.

Senator Brandis, who regrets he is unable to be here to move this motion, has told me it was around this time that he first came to know Allan Rocher, for whom he had a very warm regard. Allan served as the member for Curtin until 1998, first as a Liberal and from 1995 as an independent. He was rightly conscious of being the third of the four distinguished
individuals to serve as the member for Curtin since the creation of the electorate in 1949—commencing with Sir Paul Hasluck, Sir Victor Garland, Allan himself and now Ms Julie Bishop.

Allan was a champion of free enterprise and small business, and showed a strong commitment to providing opportunities for all Australians to benefit from national prosperity. He was part of what, in his first speech in this place, he called 'the movement against state control' towards 'the discipline of the competitive market'. This included strong opposition to protectionism. Allan was an advocate of 'budgetary restraint' and also of what he called 'reversing the trend towards centralisation of powers in Canberra'. He was deeply conscious of 'the past and potential contribution of Western Australia to the wealth-creating process'—and how right he was.

Allan served as Deputy Government Whip in the Senate and held various positions in the House of Representatives, including as Deputy Chair of Committees from 1983 to 1990 and as Second Deputy Speaker from 1994 to 1996. Allan served in the opposition shadow ministry from 1990 to 1993, including as shadow minister for defence science and personnel. Allan was a member of several parliamentary committees and participated in various international delegations. He served as parliamentary adviser in the United Nations General Assembly from September to December 1991.

Allan was a strong supporter and 'close associate' of John Howard. Despite his departure from the Liberal Party, Allan's personal loyalty to his colleagues and commitment to his principles remained steadfast. He never lost sight of the great privilege of serving in this place and knew that his most important duty was to the people of Curtin and to bettering Australia for all. I think it is important in this place to reflect on Senator Rocher's efforts to reach across the party divide during his two decades of service.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:41): I rise to speak on this motion of condolence on the passing of Allan Charles Rocher, a senator for Western Australia from 1978 to 1981 and the member for Curtin in the other place from 1981 to 1998. I convey at the outset the opposition's sympathy to Mr Rocher's friends, family and other relatives. As Senator Scullion said, former Senator Rocher was elected to the Senate in 1977, representing the Liberal Party of Australia, prior to which he had been President of the Master Builders Association as well as a company director and commercial arbitrator. In his first speech, he defended the Senate's rights and privileges, stating:

… we in the Senate provide one of the more important checks and balances within our constitutional democracy.

He also said:

Our constitutional obligations can be further strengthened, by developing the Senate's other powers of scrutiny and review of federal affairs.

Less than three years later, he made the decision to seek what he no doubt saw as greener pastures in the other place, and he resigned from this place to contest, and subsequently win, a by-election in the division named for former Labor Prime Minister John Curtin in February 1981. He went on to win re-election in that division six times, the last as an independent.

He served as a member of the opposition shadow ministry from April 1990 to April 1993, primarily as parliamentary secretary to Dr John Hewson, the then Leader of the Opposition.
His split from the Liberal Party came as a result of losing preselection in 1995, despite the support of the Leader of the Opposition, Mr Howard. As the record shows, it was a preselection battle fought amid significant debate about the role of factional powerbroker Noel Crichton-Browne in the Western Australian division of the Liberal Party. As an independent, he continued to strongly support the Leader of the Opposition, Mr Howard, characterising himself as 'a more reliable supporter of John Howard' than his endorsed Liberal opponent. He had earlier crunched the numbers for Mr Howard when he brought the ill-fated leadership of Alexander Downer to a close. Mr Howard returned the favour, stating Mr Rocher was likely to become Speaker in a Howard coalition government. However, although Mr Rocher retained Curtin in 1996, this did not transpire. Mr Howard supported his repatriation to the Liberal Party, although others, including the then state president, David Johnston, and the President of the Western Australian Legislative Council, George Cash, were less encouraging. Mr Rocher remained an independent and was defeated in the 1998 election by Ms Bishop, the now Deputy Leader of the Liberal Party. He went on to serve as consul-general in Los Angeles.

As with many Liberals from Western Australia, Mr Rocher strongly asserted the principles of individual rights in economic affairs. Quoting from Hayek's publication *Individualism and economic order* in his first speech to the Senate, he emphasised a belief in free markets with minimal government interference. Indeed, he took on established interests in business and the National Country Party, whom he saw as paying lip-service to economic freedom whilst being, in the words of Hayek:

... defenders of privileges and advocates of government activity in their favor rather than opponents of all privilege.

A reversal of the trend towards centralisation of powers in Canberra was another cause Mr Rocher espoused, as well as what he perceived as the need for fairer treatment of Western Australia in the distribution of Commonwealth government assistance.

He passed on 18 March 2016 at the age of 80—a long and full life. We, the opposition, extend our sympathies to his family, friends and former colleagues at this time.

Question agreed to, honourable senators standing in their places.

**Patterson, Hon. Dr Rex Alan**

The PRESIDENT (15:45): It is with deep regret that I inform the Senate of the death on 6 April 2016 of the Hon. Dr Rex Alan Patterson, a former minister and member of the House of Representatives for the division of Dawson, Queensland, from 1966 to 1975.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (15:46): by leave—On behalf of Senator Brandis and The Nationals in the Senate, I move:

That the Senate records its deep regret at the death, on 6 April 2016, of the Honourable Dr Rex Alan Patterson, former minister and member for Dawson, places on record its appreciation of his long and highly distinguished service to the nation and tenders its profound sympathy to his family in their bereavement.

Rex Patterson was born on 8 January 1927 in Bundaberg, Queensland, and grew up in the Bundaberg area in a cane farming family. As well as a strong student at Bundaberg High School, he was a very fine sportsman, playing competitively in tennis, cricket, rugby league
and athletics—interests he long maintained and for which he was widely known. As soon as he turned 18 in 1945, he enlisted in the Royal Australian Air Force, serving until soon after the end of the war.

After studying commerce at the University of Queensland, and as a young man teaching in schools in Mackay and Proserpine and working as a drover on stock routes in northern Australia, in 1949 Rex Patterson joined the research staff of the federal Bureau of Agricultural Economics. He was to remain a public servant until 1966, along the way studying further at the Australian National University and, with the assistance of Fulbright and other fellowships, at the universities of Illinois and Chicago.

Rex Patterson's work for his PhD in agricultural economics led to practical policy change when he returned to Australia, with a major federal commitment to the development of beef roads—an example of how he maintained a balance of the academic and the practical. It was said in another context that he was:

... as familiar with the business end of a cane knife as he is with the principles of agricultural economics.

After serving as Assistant Director of the Bureau of Agricultural Economics from 1960 to 1964, he was appointed in 1964 as Director of Northern Development in the Department of National Development. His extensive experience from the 1940s to the 1960s in Queensland, the Northern Territory and Western Australia, including many rough experiences in the outback, both reflected and deepened his commitment to northern development.

By 1965, he had come to the view that the greatest contribution he could make to this was by resigning from the public service and entering parliamentary politics as a Labor candidate. As he explained:

My reason for standing for Parliament is that I firmly believe the north will never be developed for the benefit of Australians and their children unless more voices which genuinely support the north are heard in the national Parliament.

During the campaign for the February 1966 by-election in the previously safe Country Party seat of Dawson, based on Mackay, Dr Patterson was energetically supported by the then Deputy Leader of the Labor Party, Gough Whitlam. The stunning swing to Labor that saw Dr Patterson elected led on to an intervention by him which, aided by Tom Burns, is widely regarded as saving Gough Whitlam from expulsion from the Labor Party following his reference to its federal executive as '12 witless men'.

Dr Patterson served from 1966 to 1972 as Labor's Shadow Minister for Primary Industry and National Development, time and again impressing with his command of the issues, especially of northern development, and often embarrassing ministers in successive coalition governments, including Prime Minister Gorton himself. An enthusiast for the Ord River scheme and for other projects, he particularly championed the importance of water conservation, dam construction, long-term rural finance and also beef roads and other transport infrastructure to support export of primary products. Seeking to encourage wheat, sugar and other exports to China, Dr Patterson took part in Gough Whitlam's mission to Beijing in 1971, just before Dr Kissinger's secret visit there which prepared the way for President Nixon's opening to China.
After the 1972 election, Senator Wriedt was appointed as Minister for Primary Industry in the Whitlam government and Dr Patterson was appointed Minister for Northern Development. To this was added, in October 1973, the position of Minister for the Northern Territory, in which role Dr Patterson was sworn in by Her Majesty the Queen—in what I understand is the only time that an Australian minister has been sworn in by the Queen herself rather than by the Governor-General.

In June 1975, he became the Minister for Northern Australia. In October 1975, just weeks before the dismissal of the Whitlam government—when Senator Wriedt succeeded Rex Connor as Minister for Minerals and Energy—Dr Patterson became Minister for Agriculture, and Paul Keating was appointed to the ministry and succeeded him as Minister for Northern Australia. During his service as a minister from 1972 to 1975, Dr Patterson's passionate commitment to northern development was strongly evident, as was his frustration with what it was possible to achieve.

He worked hard to promote sugar exports, including negotiating sugar agreements with several countries. He was also instrumental in promoting the construction of dams, beef roads and much else. He played a leadership role in the wake of the Australia Day floods in Brisbane in 1974. At the end of that year of natural disasters, his leadership in the reconstruction of Darwin after Cyclone Tracy devastated it on Christmas Day 1974 was later said by Major General Alan Stretton, who was entrusted with command of the reconstruction, as deserving greater public recognition than it received.

The straight-talking, independent streak that led Dr Patterson to resign from the Public Service and enter politics a decade before was again evidenced in repeated public disagreements with ministerial colleagues—on a government enforced minimum price for coal exports, which he opposed; on uranium mining, which he favoured; on sugar, an industry he was strongly committed to protecting and promoting; on the abolition of the superphosphate bounty, which he believed would damage agriculture and his own party's electoral standing; and on other issues as well.

Dr Patterson lost his own seat of Dawson to the National Party in the federal election of 1975. But his widely acknowledged expertise saw him subsequently work as an economic consultant, with a particular focus on international trade in commodities, and as a primary producer in his home region of Mackay. He served in many leadership positions in community organisations, reflecting his interest in sport, animal welfare and other activities.

For anyone who was involved in or aware of politics in the late 1960s and 1970s, it was impossible not to be aware of and greatly respect Dr Patterson's deep intellectual and practical understanding of issues, his impact and his passion. We mourn the passing of a man who made a profound contribution to his party, to the public life of this country and to the cause of Northern Australia—about which he cared so passionately and about which so many of us today also care so deeply.

Dr Patterson's wife, Eileen, whom he married in 1954, predeceased him. He is survived by their daughter, Jayne; his grandchildren, Peter and Jaime; and a great-grandson, Jack. We offer them and other family and close and loyal friends our deepest sympathy.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:54): On behalf of the opposition, I rise with sadness to acknowledge the passing of the Hon. Dr Rex...
Alan Patterson and convey our condolences to Dr Patterson's family and friends. Rex Patterson was a quintessential member of a great Labor generation—one of those who forged the path for the election of the Whitlam government—and brought to it significant expertise as well as a few idiosyncrasies. He had substantial academic qualifications and had risen to a senior level in the Public Service before disillusionment with the Liberal Party-Country Party government led him to seek Labor Party preselection in his home state of Queensland. He would take the seat of Dawson off the Country Party in a by-election in 1966, one of those transformative victories that paved the way for the eventual election of the Whitlam government in 1972.

Highly educated, the opportunity to serve in the ministry in areas complementary to his credentials demonstrated him to be a man of ideas and vision. A fighter for his causes, he was particularly strident in his views on agricultural matters, speaking as a man with both practical and academic experience of Australian rural life. But, above all, Rex Patterson understood that the role of governments is to take real action to help people.

Rex Patterson was a Queenslander through and through. Born in Bundaberg in 1927, sugar and, I am sure, many other commodities ran through his veins. Upon the completion of his secondary education at Bundaberg High School his first stop was the University of Queensland, where he completed a bachelor of commerce degree and distinguished himself as a fine sportsperson, most notably in cricket, tennis and athletics. He also served in the RAAF at the end of World War II. Following completion of his undergraduate degree, he went on to complete a masters degree in agricultural science and a doctorate in agricultural economics. This further study took him to the ANU and then to the first of two significant periods in the United States at the universities of Illinois and Chicago.

From 1949, Rex Patterson was employed by the Australian Bureau of Agricultural Economics, and between 1958 and 1960 he returned to the United States as a recipient of a Fulbright scholarship. He used this opportunity to study the development and economics of transport in Northern Australia. The Northern Territory News wrote:

Using data accumulated from his work in the north, and with the help of computers at the University of Illinois, he developed a technique of analysis for determining the most economic and effective methods of moving cattle. His findings demonstrated the need for significant infrastructure development, particularly the construction of beef roads. This became a focus of his professional work as a Commonwealth public servant as he rose to the position of Director of Northern Development.

Eventually, it was due to his ongoing frustration with the lack of commitment of the Liberal Party-Country Party government to these policies that he returned to Queensland to contest a by-election in the seat of Dawson. Rex Patterson was elected in the 1966 Dawson by-election, a watershed moment in Gough Whitlam's rise to prominence. He later held his seat, centred on Mackay, in the general election that year, at which Labor suffered significant losses elsewhere, and continued to be returned at elections until 1975, when he was finally unable to withstand the tide that swept Malcolm Fraser to power.

In a speech in the parliament Dr Patterson made clear his views on the Holt government and also set the agenda for the policies he pursued throughout his time in parliament. Putting the case for proactive policy development, he said:

The government's policy is to wait until an emergency comes and then do something about it. … I listened with amazement to the Prime Minister say that the drought has demonstrated a need for greater
investment in rural areas, particularly to guard against a recurrence of drought from which we have had the good fortune to be relatively free for a long time. I do not know what circles the Prime Minister moves in, but apparently they are confined to some parts of southern Australia.

Dr Patterson's passionate commitment to Northern Australia, and to the development and realisation of Australia's potential, marked his parliamentary career. He saw that the pathway to future development for Australian agriculture, particularly in Northern Australia, was through opening up exports to our region. And whilst he may not have been an advocate for free trade in the way we would understand it today, Dr Patterson worked tirelessly to break down barriers to trade for Australian agriculture in particular. He was a member of the landmark trip to China taken by Gough Whitlam as opposition leader—famously condemned by the then Australian government but vindicated shortly thereafter by the visit of the President of the United States, Richard Nixon. Of trade with China, Rex Patterson said:

… the trade stakes, as far as Australia is concerned, are so high in the China game that these personal political consideration should be scrapped. The future economic welfare of the Australian economy and of the people in rural areas should be the only criterion.

Dr Patterson went to China with the principal objective of opening up the wheat market. Given his roots in Bundaberg and Mackay it should not be of any surprise that he returned with an opening of exports for sugar as well. This sits alongside successful efforts to open markets for sugar in other countries, including Malaysia. He also spoke of the importance of exports and predicted future demand for commodities, including milk and milk products as well as wool and wool technology.

In addition to beef roads, Dr Patterson was also a strong advocate of other infrastructure development schemes in northern Australia. He was a great proponent of the Ord River scheme and sought the development of other such schemes, particularly in northern Queensland. It was a source of great disappointment that many of his grand plans and ideas did not come to fruition—although this was never a consequence of lack of advocacy on his part. He was also a proponent of continued uranium mining in the Northern Territory. It was as the Minister for the Northern Territory that Rex Patterson had a direct and profound impact on the lives of tens of thousands of people. When sworn to the portfolio in 1973 he became the only Australian minister to have been sworn in by a reigning monarch, Queen Elizabeth II. The NT News greeted his appointment by saying that he knew 'the saddle, the springless seat of a Jeep and the remoteness of the outback far better than most Territorians'.

Dr Patterson made immediate progress on the pathway to self-government for the Territory and in the beef and mining industries. But it was in response to Cyclone Tracy, which struck on Christmas Day 1974, that Rex Patterson's skills as a minister came to the fore. With recent experience in control of and recovery from floods in Brisbane and other parts of Queensland, Dr Patterson took command of the government's response to this natural disaster of epic proportions and supported and facilitated the mass evacuation of Darwin, earning praise from the highest levels and later acknowledgement that he never received full recognition for the part he played in that emergency.

Rex Patterson was once described by the Bulletin as a 'prickly, independent man in a prickly portfolio which has little independence and a more imposing title than responsibilities'. This undersold the impact Dr Patterson had as a minister, but the character description did highlight some of the difficulties he encountered during his time in
government, including with his colleagues. Most marked of these was with the other Rex—Rex Connor, the Minister for Minerals and Energy. A minister who strongly advocated development himself, Rex Connor clashed with Dr Patterson, particularly over coal prices in Queensland. It is deeply unfortunate that such quarrels between ministers, which were by no means isolated, contributed to the fortunes or lack thereof of the Whitlam government.

In October 1975 Rex Patterson became Australia's Minister for Agriculture, the portfolio in which he had served as shadow minister in opposition but that had to that point eluded him in government. However, the actions of Sir John Kerr in dismissing the government meant that Dr Patterson served a mere few weeks in that portfolio. It is beyond doubt that, were it not for the intervention of events beyond his control, Australia would have seen the drive and tenacity that typified Dr Patterson's approach to his previous responsibilities, exercised through the agricultural policy landscape. As with so many careers that came to a premature end, our country was deprived of the true potential of this minister. After losing his seat, the seat of Dawson, in the 1975 election, Rex Patterson remained working in the areas he loved. He was a consultant in agricultural economics and a primary producer.

In conclusion, I say this: Rex Patterson was a man who was respected where it counted. He dismissed governments that merely hoped to provide for the Australian people, decrying the attitude of the Liberal and Country parties, who 'hoped' but never acted. His life and service to our nation were filled by big ideas backed up by understanding and experience as well as accomplishment. Rex Patterson passed on 6 April in his home town of Mackay at the age of 89. We farewell him, and we extend our deepest sympathies to his daughter, Jayne, and his grandchildren and great-grandchildren as well as all his friends and colleagues.

Question agreed to, honourable members standing in their places.

Aldred, Mr Kenneth James

Charles, Mr Robert (Bob) Edwin

The PRESIDENT (16:04): It is also with deep regret that I inform the Senate of the death of two members of the House of Representatives—firstly, on the weekend of 16 and 17 April 2016, of Kenneth James Aldred, a member for the divisions of Henty from 1975 until 1980, Bruce from 1984 until 1990 and Deakin from 1990 through to 1996, and also, on 17 April 2016, of Robert (Bob) Edwin Charles, a member for the division of La Trobe from 1990 through until 2004.

PETITIONS

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

National Stronger Regions Fund

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

The petition of the undersigned shows:

Community support for the Wangaratta Aquatics Plan for the Future, an initiative to secure North-East Victoria's aquatic provision for the next 50 years and a crucial strategic project dedicated to addressing the wellbeing of our community, a rapidly ageing population, complex health requirements, limited population growth and areas of pronounced socio-economic disadvantage.

Your petitioners ask that the Senate:
Consider supporting this important initiative, and its current application under the Department of Infrastructure and Regional Development's National Stronger Regions Fund — Round Three.

by Senator Ryan (from 83 citizens).

National Stronger Regions Fund

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

The petition of the undersigned shows:

Community support for the Wangaratta Aquatics Plan for the Future, an initiative to secure North-East Victoria's aquatic provision for the next 50 years and a crucial strategic project dedicated to addressing the wellbeing of our community, a rapidly ageing population, complex health requirements, population growth and areas of pronounced socio-economic disadvantage.

Your petitioners ask that the senate:

Consider supporting this important initiative, and its current application under the Department of Infrastructure and Regional Development's National Stronger Regions Fund — Round Three

by Senator Ryan (from 231 citizens).

Road Safety Remuneration Repeal Bill 2016

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

The petition of the undersigned shows:

- The Australian trucking industry mainly consists of small family businesses. These businesses are at the heart of their local communities, particularly in regional areas
- Although even one accident is unacceptable, the trucking industry's safety record is steadily improving. Between 1982 and 2014, the rate of fatal articulated truck crashes fell more than 75 per cent
- The industry supports sensible measures to improve safety, including major reforms to the chain of responsibility laws administered by the National Heavy Vehicle Regulator (NHVR), and enforced by state enforcement agencies and police
- The road safety remuneration system, as established by the Road Safety Remuneration Act 2012, does not relate to safety, despite the name, and now threatens the livelihoods of tens of thousands of owner drivers

Your petitioners ask that the Senate pass the Road Safety Remuneration Repeal Bill 2016.

by Senator Williams (from 182 citizens).

Petitions received.

NOTICES

Presentation

Senator Moore to move:

That there be laid on the table by the Minister for Indigenous Affairs, no later than 9.30 am on Wednesday, 4 May 2016, reports from Social Ventures Australia relating to the Indigenous Advancement—Jobs, Land and Economy Programme and Australian Government funding for Indigenous rangers and Indigenous Protected Areas.

Senator Wong to move:

That there be laid on the table by the Leader of the Government in the Senate (Senator Brandis), no later than 9.30 am on Wednesday, 4 May 2016, answers to all unanswered
questions for all portfolios, that were placed on notice during the consideration of the 2015-16 additional estimates.

Senator Ludlam to move:
That the Senate—
(a) notes that:
(i) on 27 November 2015 the Adnyamathanha traditional owners released a statement outlining their opposition to the nomination of Barndioota station to host a National Radioactive Waste facility with the statement detailing environmental conditions in the area, including flooding and yarta ngurrakh (earthquakes and tremors), the importance of ground water and many mound springs close to the proposed site,
(ii) on 29 April 2016 press releases were issued from three different organisations that represent the Adnyamathanha traditional owners detailing their opposition to the nomination of Barndioota station,
(iii) the area is of cultural significance to Adnyamathanha,
(iv) Yappala was declared an Indigenous Protected Area (IPA) by the Federal Government in 2014,
(v) there is extensive archaeological evidence of occupation in the surrounding area, and
(vi) there has been a lack of consultation with Adnyamathanha; and
(b) calls on the Government to:
(i) acknowledge the opposition from the Adnyamathanha traditional owners, and
(ii) respect previous commitments on non-imposition and the importance of community consent, and remove the Barndioota site as a nominated site.

Senator Simms to move:
That the Senate—
(a) offers its deepest condolences to the family of Mr Xulhaz Mannan who was violently killed in Bangladesh in April 2016;
(b) recognises the immense contribution Mr Mannan made to the lesbian, gay, bisexual, transgender and intersex (LGBTI) community in Bangladesh which included founding Roopbaan, Bangladesh’s only LGBTI magazine;
(c) notes that same-sex sexual relations are criminalised in Bangladesh which may result in LGBTI people being forced into exile; and
(d) calls on the Government to continue to advocate for the decriminalisation of homosexuality in Bangladesh and throughout the world.

Senator Waters to move:
That the Senate—
(a) notes:
(i) how well positioned Australia is to take advantage of the huge jobs and commercial opportunities from investing in research and development in clean energy technologies,
(ii) that the Australian Renewable Energy Agency (ARENA) is the institution that will enable us to be global leaders in clean technology innovation, and
(iii) that the 2014 Budget proposed $1.3 billion in cuts to ARENA for the financial years 2017-18 to 2021-22 which have so far been blocked but which have caused considerable uncertainty for ARENA; and
(b) resolves that the $1.5 billion of currently legislated funding for ARENA for the financial years 2016-17 to 2021-22 will not be reduced.

**Senator Di Natale** to move:
That the Senate—
(a) notes the historic meeting of the International Parliamentarians for West Papua taking place on 3 May 2016, in London, United Kingdom; and
(b) calls on the Australian Government to join with the International Parliamentarians for West Papua in recognition that:

(i) continued human rights violations in West Papua are unacceptable, with many, including the United Nations Secretary-General’s Special Advisor on the Prevention of Genocide, warning that without action by the international community, the West Papuan people risk extinction,

(ii) everyone has a right to genuine self-determination, including the West Papuan people, and

(iii) the only way to achieve this peacefully is through an internationally supervised vote on self-determination.

**Senator Di Natale** to move:
That the Senate—
(a) recognises the success of the Child Dental Benefits Scheme, which has provided access to dental care to children aged 2 to 17 since 2014;
(b) notes:

(i) that the broad exclusion of dental care from Australia’s public health system causes hardship and poor patient outcomes for millions of Australians,

(ii) that Aboriginal and Torres Strait Islander people, those living in rural and regional Australia and low income earners, have more than twice the rate of untreated dental decay as high income earners, and

(iii) the ongoing delay of $1.3 billion in Commonwealth funding committed for state dental services under the National Partnership Agreement;

(c) rejects the Government’s recent cuts to Medicare-funded dental care, noting that 80 per cent of services are delivered through non-government practices; and

(d) calls on the Government to address the inequity in dental health outcomes by committing to the expansion of Medicare-funded and state-funded dental care to all Australians over time.

**Senator Di Natale** to move:
There be laid on the table by the Minister representing the Prime Minister (Senator Brandis), no later than 3 pm on Wednesday, 4 May 2016, all documents created between October 2013 and May 2016 relating to the funding of hospitals in regional Victoria, and, in particular, the funding of Wangaratta hospital, including the withdrawal of $10 million, and any commitments made to the former Member for Indi (Ms Mirabella) in relation to such funds.

**Senator Xenophon** to move:
That the Senate—
(a) notes:

(i) the tragic death of South Australian woman, Ms Gayle Woodford, who worked as a remote area nurse in the Anangu Pitjantjatjara Yankunytjatjara Lands,
(ii) the online petition calling for increased safety measures for remote area nurses, started by Ms Joanne Norton on Change.org following Ms Woodford’s death which has now been electronically signed by more than 130,000 people,

(iii) a survey of members of remote health worker organisation the Council of Remote Area Nurses of Australia Plus (CRANAPlus) which shows one in three remote area nurses has experienced physical violence, and

(iv) the important and vital work of remote area nurses in outback Australia, and their right to be safe in the course of their employment; and

(b) calls on the Government to:

(i) immediately review the adequacy of current safety measures for remote area nurses,

(ii) abolish single-nurse posts in remote areas or mitigate the risks they pose,

(iii) implement a policy that remote area nurses attend out-of-hours emergencies in pairs (whether that is two nurses, a community member, security officer or other),

(iv) require that all emergency services vehicles be fitted with GPS technology which would allow the vehicle to be tracked and located easily, and

(v) allocate the necessary funding to effect subparagraphs (b)(i) to (b)(iv) above.

Senator Gallagher to move:

That there be laid on the table by the Minister representing the Minister for Health, no later than 9.30 am on Wednesday, 4 May 2016, any instrument that would give effect to the measure Medicare Benefits Schedule—changes to diagnostic imaging and pathology services bulk-billing incentives, identified on page 174 of the 2015-16 Mid-Year Economic and Fiscal Outlook.

Senator Lindgren to move:

That the Senate—

(a) notes that—

(i) on 30 April 1975, Saigon, the capital city of South Vietnam, fell to North Vietnamese forces, effectively marking the end of the Vietnam War, and

(ii) many South Vietnamese and Australian service personnel who served in the Vietnam War commemorate this day and remember the service and sacrifice of the men and women who were killed and injured;

(b) reiterates its sincere appreciation for the service of all veterans of the Vietnam War; and

(c) expresses that the Australian Vietnamese communities are still affected by the effects of the Vietnam War.

Withdrawal

BUSINESS

Leave of Absence

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (16:06): by leave—I move:

That leave of absence be granted to the following senators:

(a) Senator Day for 4 May 2016, for personal reasons; and
(b) Senator Fierravanti-Wells from 2 May to 6 May 2016, on account of parliamentary business.

Question agreed to.

COMMITTEES

Economics References Committee

Reporting Date

Senator McEWEN (South Australia—Opposition Whip in the Senate) (16:06): by leave—at the request of Senator Ketter, I move:

That the Senate adopt the recommendation contained in the report on part 2 of the Economics References Committee's inquiry into corporate tax avoidance, that the report on part 3 of the inquiry be presented on 30 September 2016.

Question agreed to.

NOTICES

Postponement

The Clerk: Postponement notifications have been lodged in respect of the following:

Business of the Senate notice of motion no. 1 standing in the name of Senator Carr for today, proposing the disallowance of the Migration Amendment (Offshore Resources Activity) Regulation 2015, postponed till 4 May 2016.

Business of the Senate notice of motion no. 2 standing in the name of Senator Siewert for today, proposing the disallowance of the Social Security (Administration) (Trial Area – East Kimberley) Determination 2016, postponed till 3 May 2016.

Business of the Senate notice of motion no. 3 standing in the name of Chair of the Environment and Communications References Committee (Senator Urquhart) for today, proposing a reference to the Environment and Communications References Committee, postponed till 4 May 2016.

COMMITTEES

Reporting Date

The Clerk: Notifications of extensions of time for committees to report have been lodged in respect of the following:


Environment and Communications References Committee—oil or gas production in the Great Australian Bight—extended from 12 May to 20 June 2016.

Foreign Affairs, Defence and Trade References Committee—operations of Defence Housing Australia—extended from 30 April to 22 June 2016.

CHAMBER
Rural and Regional Affairs and Transport References Committee—Perth Freight Link—extended from 29 April to 3 May 2016.

The DEPUTY PRESIDENT (16:08): Does any senator require the question to be put on any of those proposals? There being none, we will proceed.

MOTIONS

Marine Parks

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:09): I move:

That the Senate:

(a) recognises that Australia has some of the world's greatest marine natural environments, with rich biodiversity and unique species;

(b) notes that:

(i) in 2016 Australian reefs, including the Great Barrier Reef and reefs off the coast of Western Australia, have experienced coral bleaching, and

(ii) the Government has undermined Australia's world-leading system of marine parks with the suspension of management plans for these marine parks; and

(c) calls on the Government to:

(i) make the marine parks operational without further delay, and

(ii) commit adequate funding for management, buyout and education.


The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator RYAN: The coalition government is committed to a system of marine reserves based on sound science and genuine consultation with communities and businesses. The Labor-Greens previous government bungled the creation of new marine reserves in 2012. They trampled over sustainable maritime communities to achieve a political outcome. They rushed consultation and shut marine communities out of the process. We will strike a sensible balance which protects the environment, supports a sustainable fishing industry, attracts tourism and provides cultural, recreational and economic benefits for coastal communities. The government has already undertaken genuine consultation with local communities, including more than 260 regional public meetings all over the country between February and August last year and received over 13,000 written submissions. The government is considering the findings and recommendations from the review and we will release the review reports soon.

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:10): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator SIEWERT: I would suggest that the minister has just misled the chamber with his very inflammatory comment: 'trampled over communities'. There was an extensive consultation process. The fact is that the coalition just do not like the fact that the world-leading marine reserve system was put in place in this country, and they got a bit of feedback, so they decided that they would trash the management plans, which effectively trash the marine protected areas around this country. There was no trampling over communities. These
marine parks have very high levels of supports. The fact is that, while they are still reviewing the process, our reefs are bleaching. One of the best ways we can help those reefs recover is to get the marine parks back in place and take the pressure off them so that we can stop the impact as much as possible. The fact is that some of the reefs may actually die. Sometimes they recover and sometimes they do not. This will help them recover. *(Time expired)*

Question agreed to.

**Commonwealth Scientific and Industrial Research Organisation**

**Senator McEWEN** (South Australia—Opposition Whip in the Senate) (16:11): At the request of Senator Carr, I seek leave to amend general business notice of motion No. 1153 standing in his name and in the name of Senator Wong.

Leave granted.

**Senator McEWEN:** I move the motion as amended:

That the Senate—

(a) notes with concern:

(i) the proposed 350 job losses at the Commonwealth Scientific and Industrial Research Organisation (CSIRO), including around 100 jobs to be cut from the Land and Water Business Unit,

(ii) evidence from the CSIRO’s senior management that these cuts respond to the Government’s Statement of Expectations, as well as its cuts to science funding delivered through the Department of the Environment,

(iii) the critical importance of the CSIRO’s land and water research, including urban water, to the State of South Australia, as well as its public good value to the nation,

(iv) the CSIRO’s failure to consult with its research partners before deciding to cut public good research in the Land and Water Business Unit,

(v) the CSIRO’s misleading advice to the Minister for Industry, Innovation and Science about the capacity of the academic sector to take up the research the CSIRO is proposing to abandon, and

(vi) the risk to national public good presented by the CSIRO’s proposed restructure;

(b) further notes that the Australian Labor Party, as the alternative government, has publicly stated that it would set different priorities for the CSIRO, recognising the value of its environmental and other public good research; and

(c) calls on the Government to use the ministerial authority under the Science and Industry Research Act 1949 to direct the CSIRO Board to:

(i) delay the proposed cuts until after the federal election,

(ii) carefully consider the impacts of the proposed cuts on Australia’s national research capability and reputation,

(iii) ensure that CSIRO management consults meaningfully with the organisation’s research partners and staff, and

(iv) ensure that management takes immediate steps to address the significant effect of the proposed cuts on staff morale across the CSIRO.

**Senator RYAN** (Victoria—Minister for Vocational Education and Skills) (16:12): I seek leave to make a short statement.

**The DEPUTY PRESIDENT:** Leave is granted for one minute.
Senator RYAN: I thank the chamber. As Senator Carr himself, the then Minister for Innovation, Industry, Science and Research, said at Senate estimates on 3 June 2008 in relation to Labor cutting the CSIRO budget and closing CSIRO locations:

... the government has made the budgetary decision. The implementation issues are matters for the CSIRO and the board. The CSIRO board has to sign off on these decisions.

When asked about the shutting down of the CSIRO Rockhampton site, he said:

I have had representations on the site and a number of members of parliament have drawn to my attention the importance of the facility. The simple fact of the matter is that these budget changes have been made as a result of decisions of government and that $63 million over four years has to be found by the organisation.

The CSIRO is an independent statutory agency governed by a board of directors. The board, in conjunction with senior management, are responsible for operations, including staffing and setting the CSIRO's priorities. Advice from the CSIRO is that there will be no net job losses overall across the agency. There have been no changes in government funding to the CSIRO. Any suggestion that this was as a result of changes to the CSIRO budget is incorrect.

Senator LAMBIE (Tasmania) (16:13): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator LAMBIE: I rise to speak on notice of motion No. 1153 regarding cuts to the CSIRO. I note that in December last year our Prime Minister, in a statement on his National Innovation and Science Agenda, said:

Our businesses, universities and research organisations like the CSIRO are also among the best in the world.

He also announced $1.1 billion to incentivise innovation and entrepreneurship, reward risk-taking and promote science, maths and computing in schools by focusing on our four priority areas, yet in the same breath the PM allows the CSIRO to shed 275 jobs Australia wide, undermining decades of incredible innovation. This move will have a particularly devastating effect on my home state of Tasmania, with 35 scientists expected to lose their jobs. At a time when jobs and good economic management is crucial in Tasmania, it seems incomprehensible the government would cut highly skilled jobs. With dwindling job opportunities, Tasmanian scientists will have no choice but to move interstate, damaging Tasmania's strong scientific reputation. (Time expired)

Question agreed to.

BUSINESS

Consideration of Legislation

Senator LEYONHJELM (New South Wales) (16:15): At the request of Senator Day, I move:

That pursuant to standing order 136(1)(a), the Racial Discrimination Amendment Bill 2014 be restored to the Notice Paper and that consideration of the bill be resumed at the stage reached in the last session of the Parliament.

Question agreed to.

Days and Hours of Meeting

Senator MOORE (Queensland) (16:15): At the request of Senator Wong, I move:
That the resolution of the Senate relating to the meetings of the Senate be varied by omitting paragraph (3), and substituting the following paragraph:

"(3) That the hours of meeting for Tuesday, 3 May 2016, be from 12.30 pm to 6.30 pm and 8.30 pm to adjournment, and for Wednesday, 4 May 2016, be from 9.30 am to 7.20 pm and 8 pm to adjournment, and that:

(a) the routine of business from 8.30 pm on Tuesday, 3 May 2016, shall be:
   (i) Budget statement and documents 2016-17, and
   (ii) adjournment; and

(b) the routine of business from 8 pm on Wednesday, 4 May 2016, shall be:
   (i) Budget statement and documents – party leaders and independent senators to make responses to the statement and documents for not more than 30 minutes each, and
   (ii) adjournment.”.

Question agreed to.

MOTIONS

Donations to Political Parties

Senator RHIANNON (New South Wales) (16:16): I move:

That the Senate—

(a) notes that:
   (i) there is strong evidence that Leighton Holdings paid millions of dollars to Unaoil in 2010 and 2011, and was involved in serious corruption in Iraq,
   (ii) since 2010, Leighton Holdings has donated at least $143,000 to the federal Liberal Party of Australia and the Australian Labor Party,
   (iii) in 2014-15 the property industry donated $1.8 million to the Liberal Party of Australia and $591,167 to the Australian Labor Party,
   (iv) in 2014-15, Westpac, ANZ, NAB, the Commonwealth Bank and the Macquarie Group donated $1,057,361 to the major parties, and
   (v) in 2013-14, Brickworks provided $263,000 in donations to the Liberal Party and offered in-kind campaign support to the federal Liberal Party to repeal the carbon price;

(b) the High Court of Australia Justices Kiefel, Bell, Keane and Chief Justice French stated in McCloy v NSW that reliance by political candidates on private patronage may, over time become so necessary as to sap the vitality as well as the integrity of the political branches of government; and

(c) calls on the Government to amend the Commonwealth Electoral Act 1918 to ban donations from property developers, tobacco industry business entities, liquor business entities, gambling industry business entities, mineral resources or mining industry business entities, and industry lobby groups who represent these entities.

The DEPUTY PRESIDENT: The question is that general business notice of motion No. 1155 be agreed to.

The Senate divided. [16:20]

(The Deputy President—Senator Marshall)

Ayes ....................12
Noes ....................34
Majority ...............22
Question negatived.

**DOCUMENTS**

**Department of Agriculture and Water Resources**

**Order for the Production of Documents**

**Senator McEWEN** (South Australia—Opposition Whip in the Senate) (16:22): At the request of Senator Cameron, I move:

That there be laid on the table by the Minister representing the Minister for Agriculture and Water Resources, no later than 3.30 pm on Tuesday, 3 May 2016, the correspondence between the former Secretary of the Department of Agriculture, Dr Paul Grimes, and the Minister for Agriculture and Water Resources, ordered to be provided in the Acting Australian Information Commissioner's decisions The Herald and Weekly Times and Department of Agriculture [2016] AICmr 16 (17 March 2016), and Joel Fitzgibbon and Department of Agriculture [2016] AICmr 17 (17 March 2016).

**Senator RYAN** (Victoria—Minister for Vocational Education and Skills) (16:23): I seek leave to make a short statement.

The **DEPUTY PRESIDENT**: Leave is granted for one minute.

**Senator RYAN**: I thank the chamber. The public interest at stake is the principle of confidentiality of communications between ministers and secretaries, which the government believes is central to effective governance and public administration. The AAT’s review will
assist in the development of that area of the law and should be allowed to proceed without interference. Production of the document in the way proposed would prejudice the impartial adjudication of a matter currently before a tribunal, which is of course an established and accepted ground for a public interest immunity claim sub judice convention.

Question agreed to.

MOTIONS

Hospitals

Senator DI NATALE (Victoria—Leader of the Australian Greens) (16:24): I move:

That the Senate—

(a) notes that the ongoing uncertainty around hospital funding continues to threaten Australia's health system, putting patients at risk; and

(b) calls on the Government to restore fair and equitable funding for hospitals by reinstating the hospital funding model developed by former Prime Minister, Mr Kevin Rudd, in which the Commonwealth and states share the costs of delivering hospital services, and abolished by then Prime Minister, Mr Abbott, in the 2014 Budget.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (16:24) I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator RYAN: I thank the chamber. States will be significantly better off by approximately $2.9 billion over the three years of the health-funding agreement reached at COAG covering 2017-18 to 2019-20. The agreement retains activity based funding as the main financing mechanism, including the use of the national efficient price, and caps national growth in Commonwealth funding at 6.5 per cent a year. Under a coalition government, spending on health increases year on year over the forward estimates. Only the Turnbull government has a real and fair hospital-funding policy on the table which has been agreed to by all states and territories. Our policy is responsible and affordable and will deliver certainty for states and territories over the forward estimates.

Question agreed to.

COMMITTEES

Community Affairs References Committee

Reference

Senator MADIGAN (Victoria) (16:25): I move:

That the following matter be referred to the Community Affairs References Committee for inquiry and report by 30 June 2016:

The ramifications for professional sports people of Australia's participation in the international sports anti-doping framework, with particular reference to:


(b) the operation in domestic professional sports of the:

(i) Australian Sports Anti-Doping Authority Act 2006 (the ASADA Act),
(ii) National Anti-Doping Scheme, and
(iii) National Anti-Doping Framework;
(c) the investigatory powers of ASADA in comparison with similar bodies in other jurisdictions and conventional law enforcement agencies;
(d) the judicial process provided for under the ASADA Act, including, but not limited to, the rights accorded to accused sportspersons and others during the investigatory phase, the rules governing admissibility of evidence at each stage of the process, the standard of proof applicable at each stage of the process, and rights to appeal any finding of guilt or associated penalties;
(e) how professional sporting competitions have responded to the obligations imposed by the World Anti-Doping Agency (WADA), and the effects on the individual sportsperson;
(f) the effect on domestic professional sporting competitions of the regulation by WADA and the rulings of the Court of Arbitration for Sport; and
(g) any related matters.

The DEPUTY PRESIDENT: The question is that business of the Senate notice of motion No. 4 be agreed to.

The Senate divided. [16:30]

(The Deputy President—Senator Marshall)

Ayes ..................... 17
Noes ..................... 28
Majority ............... 11

AYES

Di Natale, R
Lambie, J
Leyonhjelm, DE
Madigan, JJ (teller)
Muir, R
Rice, J
Simms, RA
Waters, LJ
Xenophon, N

Hanson-Young, SC
Lazarus, GP
Ludlam, S
McKim, NJ
Rhiannon, L
Siewert, R
Wang, Z
Whish-Wilson, PS

NOES

Abetz, E
Cameron, DN
Dodson, P
Gallacher, AM
Lindgren, JM
Ludwig, JW
McAllister, J
McKenzie, B
Moore, CM
Paterson, J
Reynolds, L
Ryan, SM
Singh, LM
Sterle, G

Bushby, DC (teller)
Collins, JMA
Edwards, S
Gallagher, KR
Lines, S
Macdonald, ID
McEwen, A
McLucas, J
O’Sullivan, B
Peris, N
Ruston, A
Seselja, Z
Smith, D
Urquhart, AE
Question negatived.

**DOCUMENTS**

*Select Committee on Wind Turbines*

*Order for the Production of Documents*

**Senator MADIGAN** (Victoria) (16:32): I, and also on behalf of Senators Xenophon, Leyonhjelm, Day, Muir, Lazarus, Lambie and Wang, move:

That—

(a) the Senate notes:

(i) the President's report to the Senate on government responses outstanding to parliamentary committee reports as at 1 December 2015, listed the report of the Select Committee on Wind Turbines among the reports the government has failed to respond to within the required 3 month timeframe, and

(ii) the Government still has not provided a formal response to the committee's report, although it has been some 7 months since the report was tabled; and

(b) there be laid on the table by the Minister representing the Minister for the Environment (Senator Birmingham), no later than 3.30 pm on 10 May 2016, a copy of the government's response to the report of the Select Committee on Wind Turbines, dated August 2015.

**Senator RYAN** (Victoria—Minister for Vocational Education and Skills) (16:33): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

**Senator RYAN**: The government opposes the motion. The government's response to the committee's report is being finalised and will be tabled in due course.

**Senator WATERS** (Queensland—Co-Leader of the Australian Greens) (16:33): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

**Senator WATERS**: The Greens do not subscribe to the discredited theory of wind farm syndrome and we did not support the establishment of the inquiry by crossbench senators to further sabotage the clean energy industry. Spending further public funds researching non-existent diseases while completely failing to regulate the well-documented harm from air pollution from coal fired power stations is foolish. However, the Greens do support this motion on the principle that all Senate inquiry reports deserve a response in a timely fashion from the government.

The DEPUTY PRESIDENT: The question is that general business notice of motion no. 1156 be agreed to.

The Senate divided. [16:38]

(The Deputy President—Senator Marshall)

Ayes .................... 37
Noes .................... 27
Majority ................. 10

AYES

Brown, CL

Cameron, DN

CHAMBER
Senator MADIGAN (Victoria) (16:41): I seek leave to amend general business notice of motion No. 1157 standing in my name and the names of Senators Leyonhjelm, Day, Lambie, Wang, Xenophon, Lazarus and Muir.
Leave granted.

Senator MADIGAN: I move the motion as amended:

That there be laid on the table by the Minister representing the Minister for Sport (Senator Nash), no later than 4 pm on Friday, 6 May 2016, a copy of the following documents relating to the Australian Sports Anti-Doping Authority (ASADA) and the National Anti-Doping Framework:

(a) the 4 March 2014 final report by ASADA investigator, Mr Aaron Walker, on the ASADA investigation known as ‘Operation Cobia’ into the Essendon Football Club’s 2012 player supplements program;

(b) the independent review of Operation Cobia conducted by former judge of the Federal Court of Australia, Mr Garry Downes, and commissioned by the former Minister for Sport, Mr Dutton;

(c) the report of the independent review of ASADA commissioned by the former Minister for Sport, Ms Ellis, the existence of which was reported by journalist, Mr Sean Parness, in The Australian on 10 July 2009;

(d) the decision of the Australian Football League (AFL) Anti-Doping Tribunal signed by chairman Mr David Jones and members Mr John Nixon and Mr Wayne Henwood, dated 31 March 2015, which cleared 34 Essendon footballers who played for the club during the 2012 AFL season of an alleged violation of the 1 January 2010 AFL Anti-Doping Code;

(e) the October 2013 report to ASADA management in which ASADA investigators reportedly detailed a strong case against Gold Coast Suns footballer Mr Nathan Bock and high performance manager Mr Dean Robinson over the use of banned peptide CJC–1295;

(f) all documentation in the possession or control of ASADA, the Minister or her department, whether held electronically or in hardcopy, that relates to ASADA’s subsequent decision not to pursue anti-doping rule violations against Mr Bock and Mr Robinson including, but not limited to, all correspondence, file notes, minutes, memoranda, agreements, decisions, reports, and any other form of document whatsoever relating to this issue; and

(g) all documentation in the possession or control of ASADA, the Minister or her department, whether held electronically or in hardcopy, that relates to ASADA’s decision to reopen its investigation into former AFL footballer, Mr Bock, including, but not limited to, all correspondence, file notes, minutes, memoranda, agreements, decisions, reports, and any other form of document whatsoever relating to this issue.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (16:42): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator RYAN: I thank the chamber. The document Senator Madigan has asked to be tabled contains sensitive personal information of those involved in the investigations outlined in this motion. Many of these documents concern matters that have not yet been finalised and, as such, it would be highly inappropriate for them to be released at this point in time.

Question agreed to.

MATTERS OF URGENCY

Climate Change

The DEPUTY PRESIDENT (16:43): I inform the Senate that the President has received the following letter, dated 2 May 2016, from Senator Siewert:
Pursuant to standing order 75, I give notice that today I propose to move 'That, in the opinion of the Senate, the following is a matter of urgency: The record-breaking coral bleaching on the Great Barrier Reef and Kimberley reefs and the choice between the Adani coal mine and healthy reefs.'

Is the proposal supported?

*More than the number of senators required by the standing orders having risen in their places—*

**The DEPUTY PRESIDENT:** I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

**Senator Di Natale** (Victoria—Leader of the Australian Greens) (16:44): I move:

That, in the opinion of the Senate, the following is a matter of urgency:

The record-breaking coral bleaching on the Great Barrier Reef and Kimberley reefs and the choice between the Adani coal mine and healthy reefs.

Last week I had the great privilege to visit the Great Barrier Reef, which is one of the world's great natural wonders. It is the only living thing seen from space. There is nothing like this great jewel anywhere in the world. So it was with a great sense of exhilaration that I was able to experience healthy parts of that great underwater world, but there was also a great sense of sadness to experience parts of the reef that are dead and dying. Seeing those vast expanses of ghostly white coral reefs, some of them a sickly yellow colour, it was almost an apocalyptic scene—small fish that rely on the reef for food and camouflage exposed and vulnerable—knowing that a great part of the reef will never recover from this bleaching event that is very directly related to human induced global warming. And we are seeing the same drama being played out on our Kimberley coastline as the waters remain warm.

As the bleaching event on the east coast comes to its tragic conclusion for this season, we know that we risk losing up to 50 per cent of those great coral reefs in the northern part of the Great Barrier Reef. If we lose those reefs, we will lose many of the fish and other species that rely on it. We will lose some of the most incredible biodiversity anywhere on earth. The reef is something to be protected in and of itself but it is also to be protected for those jobs that rely on it for tourism, the 69,000 people whose livelihoods depend on it, and the $6 billion each year generated from the Great Barrier Reef. Yet, in the midst of the loss of one of Australia’s—and indeed the world’s—greatest assets, here we are continuing to export coal from Queensland knowing that the coal that we are selling to the rest of the world is accelerating the decline of those incredible coral reefs.

We have a choice. We can say no to new coalmines and protect the reef, or we can do as both the old parties want us to do, and that is open up new coalmines and sign the death warrant for those incredible precious places. We Greens say, 'Let us bring on the transition that is so critical, which will create jobs and international investment, protect tourism and, most of all, protect that incredible, unique gift. Let us not take that gift from our children.'

**Senator Back** (Western Australia) (16:48): I rise to speak to the urgency motion that was moved by Senator Di Natale. I make the point to those who might be interested in this process—and I am sure the wider Australian community is interested in our coastlines and particularly the Barrier Reef and, in my case, the Kimberley region of north Western Australia—that this coral bleaching event that has been reported and commented on today is
certainly a severe challenge but it is a global challenge. We know that the same thing is happening across the Pacific. We know that it is happening in areas such as Hawaii, the Seychelles and, closer to home, in Indonesia. We also know, of course, that we are in the midst of experiencing a global El Nino phenomenon. Australia is taking action. It is taking serious action.

In this debate we mention the Great Barrier Reef and the north Kimberley, but it is interesting to note that even the corals in Sydney Harbour have recently been reported to be experiencing this phenomenon. On Christmas Island—where nobody would suggest that there is any coalmining or similar to it—there has been significant bleaching recently in Flying Fish Cove on Christmas Island. The Australian Institute of Marine Science estimates that 70 to 75 per cent of corals in shallow water, less than eight metres, in excess of 30 to 40 per cent of corals between eight and 20-metres depth and, unexpectedly, at least 10 per cent of corals at depths of 30 to 50 metres around Christmas Island have been affected. It is less so on Cocos Island. Further to the west north-west there has been limited bleaching of the coral reefs. It is a widespread issue and we see that it is largely due to the El Nino effect.

We will now explore to what extent the Adani coalmine is likely to have an impact on this. But, before doing so, I do want to draw to the attention of the Senate the action that Australia is taking and has taken. We were one of the first countries to sign up to the Paris climate change agreement recently, when my colleague, the Minister for the Environment, Greg Hunt, was in Paris to sign that. Australia is now on target to beat the five per cent below 2000 levels, which we are committed to, by 2020. In fact, there is a prediction that we will exceed it by almost 80 million tonnes. The fact that we obliterated and got rid of the $15.4 billion carbon tax has largely been to the advantage of all Australians, especially when it comes to their electricity and other power prices.

As to the health of the reef, Minister Hunt has required the independent expert scientific panel on reef science, led by our former Chief Scientist, Professor Ian Chubb, to report to him. Last week we announced $60 million worth of projects under the Reef Trust, which will improve water quality and reef resilience. Under that same Reef Trust, the coalition has already committed to spending nearly a $100 million from the $140 million that has been put to one side. So there is very, very serious concern in this space. There will, for example, be no capital dredge spoil in the Great Barrier Reef Marine Park as a result of decisions by the coalition. There is funding for crown-of-thorns starfish culling programs, working with farmers in the catchment area to control run-off and improve water quality.

When we speak of coal—and the Adani coalmine has been brought into question in this particular space—I want to draw the Senate's attention to work that was reported to us recently from the Grantham Institute, the IEA's CCC. It relates to the impact of annual savings of carbon dioxide emissions. In China, the annual saving of carbon dioxide as a result of the Chinese changing from low-energy, high-sulphur coal to high-energy, low-sulphur coal, including that provided from Australia, has been some 400 million tonnes. That compares or contrasts with the figure of less than 25 million tonnes by all of the emissions trading schemes of the EU in that equivalent 12-month period—400 million tonnes of carbon dioxide saved versus less than 25 million from the EU. As I mentioned, Australia has the highest energy content coal in the world at 6,190 kilocalories per kilogram. For example, by contrast, for the United States west coast it is 5,000 and, for lignite, 4,100. Indeed, we have
the second-lowest sulphur levels, at 0.7 per cent. So it is the case that, in wanting to see the emission of carbon dioxide driven down internationally, we have seen that a change by the Chinese from low-energy, polluting coal to high-energy Newcastle coal has had this remarkable effect.

It is the case, when you have a look out to 2040, 2050 and beyond, that both China and India, and Asia generally, will be relying on coal well into the future. I come from a state where LNG sales, production and exports will get to the stage by 2018-19 where we will be the highest exporter of LNG in the world. This, of course, is tremendous news for the environment. It has been shale gas in the United States of America that has allowed that country to reduce its carbon dioxide emissions by moving to the use of natural gas in electricity generation. But the figures in front of me for coal generation in East Asia out to 2040 are that China will expand by at least 1.3 times, South-East Asia by 4.3 times and India by 2.7 times. So the point that I want to make in this discussion is that we will have coal into the future. We need to make sure it is clean, high-energy, low-sulphur coal. We in this country are lucky to be able to supply that to those markets in those countries for which gas and coal, but particularly coal, will be supplying their electricity demands into the future.

Renewables are, of course, of interest. I have long been an advocate of solar energy. In fact, in my welcoming Senator Dodson to the Senate, he may or may not know that I was chief executive at Rottnest Island in the late 1980s to the mid-1990s and instituted, I think, some seven or eight uses of solar energy in that context, including the provision of solar hot water systems into every tourist house on the island. The contrast for me is industrial wind turbines—on which, if time permits, I will conclude my contribution.

But what has happened, of course, is that in Europe they now have an energy crisis in terms of costs as a result of decisions they have taken with renewables. Between 2005 and 2014, residential electricity rates in the EU went up by an average of 63 per cent—78 per cent in Germany, 111 per cent in Spain and 133 per cent in the UK. In that time, the US domestic electricity price went up by 32 per cent. Ours went up initially by some 40 per cent until we got rid of the carbon tax, and we reduced the domestic electricity price by some 10 per cent, so we are also back to somewhere about 32. The fact is that Europe cannot afford its renewable energy, and it is now having to make decisions relating to it. We have seen severe power shortages, job losses and the bankruptcy of major green-energy giants like Spain's Abengoa, which had received a couple of billion dollars of subsidies from the Obama administration. Spain now is confronting some $27 billion from failed wind and solar projects, and there has been an estimate of a loss of two jobs for every so-called green job that has been developed.

We must move forward logically. We must move forward in circumstance in which the countries and the participants—be they domestic, residential or indeed industrial—can afford what we are looking at in this context. Some of the content that has been presented about the proposed Adani mine is disappointing. It is 300 kilometres inland from the Queensland coast. I do not think anybody would be pretending that it is having a direct effect on the Great Barrier Reef or indeed on bleaching around the Kimberley coastline.

**Senator SINGH** (Tasmania) (16:58): The Great Barrier Reef is one of the most outstanding coral reefs on earth. It is, however, one of the most fragile and complex ecosystems in the world. That is something that has been made very clear by anyone in this
place who saw Sir David Attenborough’s fascinating and extensive documentary that really peeled back the issues currently facing the Great Barrier Reef. It peeled back its structure, its past, its entire ecosystem and indeed its uncertain future. Unfortunately, that uncertain future is an international tragedy that is happening before our eyes. It is very clear that the changing global problem of the reef, with the rise of acidification and the rise of the ocean temperature, is killing the coral within it. It is killing this beautiful outstanding coral reef that we have on this earth, and in the face of it being in such grave danger it is up to us to do our utmost in this place to protect it.

Now, of course, it is those in government, particularly the minister, who should be doing their utmost. One may think that Minister Greg Hunt has the problem under control. What assurance on earth can we be given by Minister Greg Hunt to understand that he has that problem under control? I certainly do not have any assurance because, unfortunately, the record of the current minister in being the Minister for the Environment is absolutely lacking in every way, shape and form.

If carbon pollution is the root of the problem—and it is the root of the problem, because evidence has been provided by scientists, including by the Bureau of Meteorology and by the Great Barrier Reef Marine Park Authority itself that climate change is the problem, therefore carbon pollution is the problem—then how can this minister approve a coalmine that will add carbon pollution and exacerbate the current problems facing the Great Barrier Reef? Leading scientists have made it very clear that this is the worst mass coral bleaching event for the most pristine parts of the Great Barrier Reef.

Last year I went to Cairns and went out to the Great Barrier Reef. I spoke to those stakeholders who work tirelessly in the protection of the reef—and they include tourism operators. Indeed, they told me about the effects of coral bleaching, climate change, acidification and run-off, and about all of this having a dire consequence on our reef.

The biggest and most crucial part of all this is that it is irreversible. These are irreversible consequences that are occurring on our reef, and yet here we are in 2016—on the back of all of this and on the back of the fact that the World Heritage Committee gave us the closest shot of actually listing the Great Barrier Reef as endangered—approving a brand-new coalmine that is going to exacerbate the problems. Not only will it exacerbate the problems for the reef but also it will not lead us to achieve the Paris climate commitments that we have signed up to.

There is one shining light, and of course that is the global market. At the moment it does seem that the company, Adani, that is the proponent of this new Carmichael mine does not seem to be able to find the finances that it needs to get it off the ground. So it does not seem like it is going to be a practical reality. We may be saved in that sense. Of course we all know that around the world the market is moving away from fossil fuels and moving into renewable energy, which is exactly why Labor wants to encourage and support this transition through our commitment to 50 per cent renewable energy by 2030. I understand, therefore, that Adani has put this project on hold, stating that the global coal market, which no-one expects to recover in the foreseeable future, makes the project commercially unviable. Anyone could have told Minister Hunt that. Anyone could have told Minister Hunt the scientific evidence in relation to the approval of this mine. But, all of that aside, he in fact went ahead and gave the approval for the process twice—twice!
In the meantime, the big three coal markets in the world—the US, China and India—account for about three-quarters of coal consumption, and all of it is in steady decline in those three nations. Indeed, even in India itself, which is the country to which the Carmichael mine hoped to export, the energy minister, Piyush Goyal, has said himself that he wants to move India out of imports within three years. Within three years—so where then would the Carmichael mine find its export market?

But this all goes back to a bigger issue, and that is what is at stake. And what is at stake is, as I said at the outset, an outstanding coral reef on this earth that happens to be located in northern Australia—in Queensland—and we all have a job to protect it. Indeed, in the words of the former Liberal leader John Hewson—and I would not usually agree with him—the Adani coalmine is a 'massive mistake' for this country. I have to agree with him in that sense.

Of course there is a series of legal challenges underway in relation to the project as well as attempts to secure finance, so I do hope that it probably will not see the light of day. But putting that aside, there is a bigger issue at stake here, and that is how the government is going to care for, look after and make sure that there are the necessary resources for our Great Barrier Reef. That is something that I simply cannot see the current government giving any assurance on.

The minister says that he has the problem under control, but we know Minister Hunt's record. He is someone who actually thinks that the way to tackle carbon pollution is through a direct action policy—a policy that his own Prime Minister referred to as a 'fig leaf' solution in itself. We know that time and time again, whether it is from the Prime Minister or from the environment minister himself, who wrote a PhD thesis on an emissions trading scheme, that they have completely sold out on their principles when it comes to climate change and when it comes to tackling carbon pollution. This is ensured by the conservatives in government controlling those in the cabinet, to keep them in their positions. Of course in the meantime the biggest losers are those parts of our environment that actually lose out, such as the Great Barrier Reef.

I think that Sir David Attenborough did a fascinating and very thought-provoking documentary in his Great Barrier Reef. Indeed, when he told the US President, Barack Obama, about the Great Barrier Reef you could see the anguish on the President's face about what is going on in this country. Why are we approving a coalmine at the time when this reef is in danger and when we know that the cause of its danger is climate change—that it is carbon pollution?

Why aren't we doing our utmost to tackle carbon pollution, to move to renewables? That is exactly what a Labor government will do. We will invest heavily in ensuring that this country moves to being a country of renewable energy rather than a fossil fuel based economy—because that is exactly what is happening around the world. That is why we signed an agreement in Paris. We know that for the future—not for us, but for our children and our grandchildren—we have to live in a more carbon-free world, and that is a world that has less pollution, that has our natural resources protected and that, of course, has our people protected. They will be in the new jobs of tomorrow—jobs that we probably have not even thought of but that look at the energy development of wind, solar, geothermal and wave, which will provide us with the energy we need. No-one doubts that we will continue to need
energy; we are energy-rich consumers. But that energy does not need to come from fossil fuels in the future, because that is to the detriment of our entire planet.

Senator SIEWERT (Western Australia—Australian Greens Whip) (17:08): I rise to make a contribution to this debate on coral bleaching on the Great Barrier Reef and Kimberley reef. In particular, I want to focus on my home state of Western Australia. While I care very deeply about the Great Barrier Reef and am devastated that those reefs up there have been devastated by coral bleaching, I am particularly concerned about the reefs off the coast of the Kimberley because these reefs have been hit before by coral bleaching and it is happening again. We had AIMS off the coast of Western Australia recently, and they came back and confirmed what we feared: there are a number of reefs up there—for example, Scott Reef—that have suffered the worst bleaching they have ever seen. I remember that when I first entered the Senate I talked about the coral bleaching event that was happening at the time, in the mid-1980s, while the reef was still recovering from a previous hit. But this is the worst that they have ever seen, and there are other reefs off the coast of Western Australia that are also affected.

Crucially, unlike the east coast—where, as I understand it, the waters are starting to cool—the waters in that northern area of Western Australia remain warm at the moment. As I understand it—as has been explained to me by scientists—that water does remain hotter and is not expected to cool down until some time in May. In other words, we have not seen the end of this coral bleaching event off the coast of Western Australia. Of course, as coalmines continue to be approved and as those mines get going and pump more carbon dioxide into the atmosphere, we will have more and more events like this. The point with coral bleaching is that sometimes you have a bleaching event and the coral recovers. Quite often a fairly large percentage will recover. But you can get between five and 10 per cent that dies and is dead forever. These repeated coral bleaching events, driven by global warming, will kill these reefs—make no mistake.

The dinosaurs on the other side of this chamber need to get their heads around the fact that continuing the fossil fuel cycle will kill off our reefs. That is what is going to happen. The reefs cannot take this sort of pressure and, as the events speed up, they will not have time to recover. It is also why we need to make sure that we get our marine parks back in place. Some of those reefs that have been bleached off the coast of Western Australia are the very reefs that right now should be covered by management plans and marine parks. But this government has cancelled those management plans that could be in place to remove the pressure from the reefs, to enable them to recover much more quickly. We are setting up a disastrous situation for our coral reefs around this country, and this government has to learn that. (Time expired)

Senator IAN MACDONALD (Queensland) (17:11): We have just heard speakers from the Greens political party and the Australian Labor Party—federally, that is—again denigrating one of the biggest job providers in Queensland, which is our Great Barrier Reef. The reef is a natural attraction that people in their droves come from North America and from Europe to see, yet the Greens and the Labor Party, falsely, would have these people believe that the reef has been destroyed. That is why, in one of their finest moments in life, the tourism operators in Cairns refused to take Senator Waters and Senator Di Natale out to the reef. I applaud them for doing that. I am not quite sure how the senators got there, but it appears from question time that they did get there. I suspect it was probably by the
Greenpeace vessel shortly after the time that it dropped oil into the Cairns harbour, which has had an impact on the Great Barrier Reef. The only vessel that has done real damage to the Great Barrier Reef in recent years has been that Greenpeace vessel. I think the former Leader of the Greens, Mr Bob Brown, was chairman of Greenpeace when it dropped oil into Cairns harbour, polluting the Great Barrier Reef. Perhaps that is how they got out there. But all credit to those courageous tourism operators in Cairns who drew attention to the lies being promulgated by the Greens and the Labor Party by refusing to convey them out to the reef.

I enter this debate as the only one of the listed speakers who actually lives adjacent to the Great Barrier Reef, which I have done for most of my life. I am also one of those who has actually seen the Barrier Reef for the last 50 years or so and who has an understanding of how it is resilient and how it will protect itself. I want to put this debate in perspective as one of the few who are not just reading what the Greens and the radical environment groups propagandise but have actually experienced what this is about. I also want to put this in perspective by again highlighting this little booklet put out by the Marine Conservation Society entitled The Big Blue Legacy: the Liberal National Tradition of Marine Conservation. Indeed, it is a wonderful book. I have had my issues with the Marine Conservation Society and with the other groups that have supported this, but they have fairly indicated that every single initiative for our marine health has been at the core of the Liberal and National parties. I pay tribute to my friend former senator Robert Hill for introducing the world's first oceans policy, which led to the establishment of these marine protected areas.

I also have an interest in this because I was the Minister for Fisheries, Forestry and Conservation at the time Senator Hill and Mr David Kemp were the environment ministers who introduced the green zones. I can tell you as fisheries minister that that was a challenge, but these are initiatives which the coalition has taken. Labor has never done anything at all, and the Greens of course shout from the sidelines but are never likely to seriously have any tangible benefit to the Great Barrier Reef.

You have heard from Labor speakers here, and no wonder they are confused. They have confused everyone else. The last Labor speaker spent all of her speech attacking the coalition federal government and Mr Hunt in particular for approving the Adani mine, but clearly she does not realise that the last two necessary approvals for the Adani mine have been given by the Queensland Labor government. So, for all the attacks of the Labor Party on Mr Hunt, the government that has given power to the Adani mine to go ahead—rightly so; I must say it is one of the few decisions made by Premier Palaszczuk's government and by far the most sensible decision her government has ever made—is the Queensland Labor government. The Adani mine, in the Queensland Labor government's defence, has a number of very strenuous conditions. Mr Hunt's approval of the Adani mine has a great series of conditions attached to it. And, of course, the Adani mine is some 300 kilometres from the coast. The Greens would, as they did with the Port Hinchinbrook debate, misrepresent the issue to gullible Australians who will believe their rhetoric. Of course, 300 kilometres inland is nowhere near the Great Barrier Reef and all the protections in place to protect the Great Barrier Reef.

While the Greens and the Labor Party denigrate the Great Barrier Reef and the marvellous resource it is for any number of Australians and their employment, they never mention the research that came out of the Australian Institute of Marine Science just three or four weeks ago at a function that I was privileged to attend with the whole of the board and the senior
officers—all of the senior scientists who have an interest in the Great Barrier Reef. What did they determine which you never hear the Greens or the Labor Party mention? It was that the coral coverage on the Great Barrier Reef is actually increasing. In the four zones of the Great Barrier Reef, three of them are substantially increasing their coral coverage. Have you ever heard Senator Waters mention that? Have you ever heard Senator Singh mention that? Have you ever heard any of the Greens or the conservation societies mention that? No, because it does not fit their rhetoric. It does not fit the misinformation they continue to peddle to gullible Australians, no doubt with the hope of getting a vote at the next election. So the coral coverage is actually increasing in three of the four zones. In the most northern zone it is coming down but from a very high base.

The reef has always had challenges. The crown-of-thorns starfish has been around for at least 50 years that I know of, and we have been addressing it. We keep funding different things—different initiatives, different programs—to address that. The Commonwealth government takes very seriously any threat to the Barrier Reef; and that is why we have immediately provided some substantial funding to target monitoring of the coral bleaching through the University of Queensland. We have announced $60 million worth of projects under the Reef Trust that will greatly improve water quality and reef resilience. Minister Hunt has also sought and received detailed briefings by the independent expert scientific panel on reef science, led by former Chief Scientist Professor Ian Chubb.

These are real initiatives—real, tangible actions—things that are seriously addressing the issues on the Great Barrier Reef, but they are not the headline-grabbing stuff that the Greens political party and the Labor Party choose to embark upon. But, in doing what the Greens and the Labor Party are doing federally, they are destroying the jobs and livelihoods of many small businesses along the Queensland coast, some in the community in which I live, by falsely pretending to international would-be tourists that the Barrier Reef is dead. The Barrier Reef has been changing since time immemorial. It is a resilient organism. It has its problems but it recovers and, with government help, it will. But I tell you what does not help: when the Greens attempt to destroy the livelihoods and jobs of many small businesses and workers along the coast of Queensland.

The rhetoric about the Adani mine is simply not true. You heard Senator Singh make some allegations that Adani have decided to shelve it. That is simply not true. It is a misstatement. It is not at all factual, and yet this is the standard of debate we get from the Greens and the Labor Party when it comes to the Barrier Reef. It is a great asset and it is something I am proud to say will be there forever.

Senator LINES (Western Australia) (17:21): What we have heard from the Turnbull government today is absolute rhetoric and, quite frankly, nonsense. It is such a shame that in debates such as this all the climate deniers in the Turnbull government, whose numbers are growing day by day, seemingly get up and say, 'Well, let's just leave the Great Barrier Reef and, indeed, our coral reefs right around Australia, to chance.' That is what I heard in that contribution: let's just leave it to chance and things will be okay. Well, they are not okay and they have not been okay for quite some time.

Perhaps the Turnbull government does not appreciate that the Great Barrier Reef is the largest coral reef ecosystem on earth and one of the best known marine areas in the world. Whilst some senators might like to argue that somehow it belongs to Queensland and that just
living in Queensland gives you a greater say or greater knowledge about the reef and its parlous state, that is a nonsense. This is an important part of our whole ecosystem and deserves to be treated in the best possible way. What is happening with the coral bleaching right now needs to be reversed, but we have just heard rhetoric. I heard one senator talk about carbon tax. For goodness sake, it is time that the Turnbull government got a credible policy on climate change. Quite frankly, it is time the climate sceptics—and there are plenty of them in the Turnbull government—started to inform themselves about just what is going on. Last week's report on the coral bleaching of the Great Barrier Reef—and, in fact, of reefs right around this country—was alarming to say the least.

The reef attracts more than two million visitors each year—and why would not it? It has been a magnificent piece of Australia, and we want to keep it that way. But it is not going to be kept that way simply by chance. 'By chance' is all we have heard from those opposite. The reef supports a lot of jobs, but fundamentally it is a very important ecosystem. We know the biggest threat to the Great Barrier Reef, even according to the government's Great Barrier Reef Marine Park Authority, is climate change, but you would not hear that from the government. Once again, they are in denial. This should be something that we, as an Australian parliament, seek to protect. All of us should read the science, accept the science and get on with it. Certainly, Labor accepts the science of climate change.

Right now there is more than 1,000 kilometres of the Great Barrier Reef that has signs of significant bleaching. In the worst affected areas, in the Great Barrier Reef's previously pristine far north, many corals are now expected to die. That is a fact, not fiction. The bleaching alert is at level 3, the highest possible level, and research shows this year's bleaching event is 175 times more likely today than in a world where humans were not emitting gases. It cannot be left to chance. It is pointless for the Turnbull government to bury its head in the sand, and it does not help our climate—or, indeed, the Great Barrier Reef and the other reefs across Australia, particularly in the Kimberley, which are also under threat.

It is time those climate deniers who make up a significant part of the Turnbull government were told clearly that they are the threat to climate in this country. We know that if greenhouse gases keep rising then by the mid-2030s the reef will start experiencing deadly coral bleaching events like the current one every two years and that, as the corals will not get breathing time—they need around 15 years to fully recover—the entire reef could die. That is what we are looking at right now. Those are the scientific facts. Do not bury your head, make it up or leave it to chance, as we have heard from the Turnbull government. Ocean temperatures rose by one degree Celsius due to human made climate change during March's bleaching, and that is the worst on record. Another fact is that scientists agree that the bleaching of the Great Barrier Reef and the other reefs at risk around Australia would be almost impossible without climate change, but that is not what you hear from the Turnbull government. We just hear their carping and having a go at Labor and referring back to some of the positive plans that we had in place.

Labor has already put out very ambitious climate change policies. We did that last week, and I am very proud of them. We remain committed to taking real action on climate change. Despite the bullying and the loud outcries from the Turnbull government, we will continue to be the party that advocates for proper action, real action, on climate change. Unlike the Liberal Party, who still have an ineffective policy under which our emissions are rising—that
is another fact—we do accept the overwhelming scientific consensus that human activity since the industrial revolution has increased average global temperatures, leading to climate change. We believe that fact. It is a fact. It is supported by most of the world's scientists, and we accept that, unlike the climate deniers who form part of the Turnbull government.

Labor has promised to deliver 50 per cent renewable energy by 2030. We are looking at how we can make Australian a better place, how we can make it a cleaner place, how we can create jobs and how we can protect our environment. We want to take advantage of the $2.5 trillion investment in renewable energy in the Asia-Pacific region, and we want to do that by 2030. The target proposed by the Abbott-Turnbull government of 26 to 28 per cent by 2030 will see us fall well short of the commitments made by the United States, the United Kingdom, Germany, Canada and other European nations, and it will not help us keep global warming to under two degrees Celsius—something our coral reefs desperately need. That simply is not good enough. The response we have had from the Turnbull government is inaction. They are sticking with their failed Direct Action Plan. It is a scattergun approach. Its rewarding of polluters is simply not good enough. We have gone from being a leading nation on climate change under Labor to well and truly trailing down near the bottom. And it does not really matter what spin the Turnbull government put on their policies, those are the simple facts, the simple truths, out there for all to see.

Labor has a clear plan to combat climate change by getting Australia's pollution levels back under control—not anything you hear from those opposite—and by ensuring that Australian businesses and workers are in the best position to benefit from the huge investment and job opportunities that come from a renewable energy and clean technology future. Isn't it interesting? We hear those opposite telling us that our economy is in transition yet we never hear them addressing climate change or putting forward positive policies that cut our emissions to help with that transition or to increase job opportunities and that is because the climate deniers in the Turnbull government are well and truly in control. They want to keep doing the same old same old whilst our position, formerly as a leader on climate change, drops further and further behind because those that want to put their head in the sand, that want to pretend that somehow the Great Barrier Reef will take care of itself are well and truly in control.

Labor's climate change action plan provides a pathway for an orderly transition to a low-pollution economy and there are six key elements to our program. We have seen nothing from those opposite, just them sticking to a direct action policy that Mr Turnbull, when he was not the Prime Minister relying on the support of the climate deniers, too criticised. The climate deniers in the Turnbull government have managed to silence the Prime Minister and the unfortunate sad fact is that the Great Barrier Reef is under threat because of the inaction of the Turnbull government.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (17:31): I rise to speak on the matter of urgency that the Greens put forward today, which is the record-breaking coral bleaching on the Great Barrier Reef and Kimberley reef and the choice between the Adani coalmine and healthy reefs. We are in the midst of the worst coral bleaching that the Great Barrier Reef has ever seen, the worst mass bleaching event. And it is completely heartbreaking because in my regular conversations with coral reef scientists, mostly in Queensland, they tell me that, prior to about 30 years ago, we did not have any mass
coral bleaching. They are utterly convinced with no doubt in their minds that it is climate change driven by the burning of fossil fuels that is what is behind these last 30 years of coral bleaching and is what is driving this current worst episode.

It is utterly heartbreaking because the decisions that we make in this place, in this parliament and the decisions that the state parliament in Queensland makes our directly affecting the future of the reef. I love the reef. I had the great pleasure of going there as a youngster many times and it made a real impression on me. I have fought in this place for the last five years for policies to better protect the reef. It is beyond doubt that climate change is the biggest threat that the reef faces; the government's own statutory body says that and every scientist you will talk to says that. So why has the approval of the largest coalmine in the southern hemisphere come in the middle of a coral reef bleaching episode? I could not believe the timing of the Queensland Labor government to issue the mining lease for the Adani mine just as the bleaching had begun on the reef.

There seems to be some sort of cognitive dissonance here because the clear choice between fossil fuels and no reef, or clean energy, jobs and prosperity and protecting what we can of the reef—given that some climate change is already locked in—seems very clear to me. Of course we would back the reef, of course we would back the prosperity of those clean energy jobs and of course we would stand with those coalmining workers and help them transition into long-term sustainable employment. There have been 16,000 coal workers sacked already by their own coal companies because it is cheaper to mechanise and because the coal price has tanked. That industry is on the decline and those workers are being shed. The companies do not care about them—they have made their profits and now they are sacking those workers—yet there is still no plan from either level of government to help those workers retrain for a clean energy future. There is no plan to genuinely protect the Great Barrier Reef from the climate change that is already locked into the system and from it increasing due to the effects of even more fossil fuel burning.

I have spoken with a number of key scientists in the last few weeks and it has been genuinely heartbreaking to hear their assessment. I have to say, even after having seen it with my own eyes, it is really hard to internalise the extent of the devastation on the reef. I do not want to believe it either. I would love to live in Senator Ian Macdonald's world where climate change is a complete myth, the reef has never been in better health and go back to sleep; everything is fine. I would love to live in that world but it is not reality.

The scientists that I meet with are literally heartbroken and are weeping for the fate of the reef. I wish we could do better by them and by this beautiful icon that is so big you can see from space. It is the largest living organism you can see from that distance. It has got some of the most amazing corals and some of the most wondrous creatures—some of which we still discovering in the deep sea. It is a truly iconic and beautiful place and that is why 1.6 million tourists come every year to visit it. It is beautiful, it is amazing and it is an underwater paradise. What are those 63,000 mostly tourism workers that need that reef to stay healthy for their jobs going to do when the reef continues to bleach? (Time expired)

The DEPUTY PRESIDENT: Senator Lambie, you have the call.

Senator Waters: Mr Deputy President, I rise on a point of order. I understand I have got five more minutes given that Senator Lazarus is no longer speaking.
The DEPUTY PRESIDENT: I put the proposition to the Senate and got concurrence of the Senate that the times be set in accordance with the list that had been circulated and I am working on that list.

Senator Waters: Mr Deputy President, we are up to about list No. 5.

The DEPUTY PRESIDENT: I am working on the list in front of me so your time has expired.

Senator Waters: Can we have that clarified?

The DEPUTY PRESIDENT: Your time has expired, Senator Waters. I call Senator Lambie.

Senator LAMBIE (Tasmania) (17:36): I rise to speak on the matter of urgency put to the Senate by the Greens, which is:

The record-breaking coral bleaching on the Great Barrier Reef and Kimberley reefs and the choice between the Adani coal mine and healthy reefs.

This matter of urgency is fundamentally dishonest and part of the usual Greens environmental scare campaign to gain attention. Clearly, this matter of urgency is trying to establish a link between the establishment of a coalmine in North Queensland and coral bleaching on the Great Barrier Reef and Kimberley reefs. There is no link between coalmines in Queensland and coral bleaching, just like we will never stop climate change by making our pensioners, families and small businesses pay more for their electricity.

This is another Greens untruth which is designed to cause guilt and play on the gullible while thousands of Queensland jobs and businesses in the tourism industry are placed at risk. If you are an international student and you want to dive on the Great Barrier Reef and you listen to the Greens you will expect to find a wasteland. This is crap. The Great Barrier Reef is still a great wonder of this world. If you are an international tourist and you want to dive on the Great Barrier Reef and you listen to the Greens you will be expected to believe that coral bleaching only began to happen after the industrial revolution. I wonder what happened about 8,000 years ago to the Great Barrier Reef when the sea levels rose and Tasmania became separated from the mainland of Australia? I am sure that geological records show that in the natural cycles of climate change the Great Barrier Reef's coral suffers damage and then naturally repairs.

If you listened to the Greens, with their extremist views on the environment, you could be forgiven for thinking that once coral is damaged or bleached that is it: it will never recover or regenerate—another Green untruth. My research shows that in fact a coral reef in northern Australia, the Scott Reef, was severely damaged by the warming of the seas during the 1998 El Nino. It lost 90 per cent of its coral to climate induced bleaching, and in 12 years the reef regenerated itself. Marine scientist James Gilmour and his team found that the reef increased its coral cover from nine per cent to 44 per cent in just 12 years. More recently, marine scientists Dr Carly Kenkel and Kate Quigley have discovered that coral is changing with its environment, growing more resistant to warmer conditions. They also accept that there is nothing humans can do to stop the reefs turning white in the short term. Surveillance and conservation are the best we can do until Mother Nature plays her regenerative role.

You cannot have a decent, reasonable debate with the Greens when they continue to refuse to acknowledge and accept the science of natural, cyclical climate change, which is also
acknowledged by Tim Flannery in his book *The Weather Makers* and, of course, Al Gore in his book *An Inconvenient Truth*. The Greens refuse to acknowledge the fact that, as found in the 600,000 years of ice core samples taken from the Antarctic, the average global temperature has been much hotter than today's average of about 14 degrees and, of course, much colder. The oceans have risen and fallen. The coral has been destroyed and bleached and then regenerated. The Greens' extremist views on coral bleaching, cyclones, droughts, floods and other naturally occurring weather events immediately place the blame on Australian families, workers and businesses because they are not paying more for their electricity and power. They also place a guilt trip on coalmine workers and the Queensland communities that depend on the wealth and prosperity they create. This is a dangerous policy, because if we put another tax on our power and electricity and make them more expensive without our overseas competitors doing the same thing then the only outcome that will be achieved will be a continuing loss of Australian manufacturing jobs and a severe decrease in the wages and standard of living of all Australian workers.

This is the truth: we cannot stop climate change; we can only make plans to survive climate change. If we followed the alarmist views and extremist policies of the Greens, we could stop emissions of CO$_2$, live in a cave and burn candles. Let's get real! The natural cycles of climate change, which even Al Gore and Tim Flannery acknowledge in their works, and which have happened for at least the last 600,000 years, will continue to happen. That is the truth.

The DEPUTY PRESIDENT: Senator Waters, if you wish to speak again, you will need leave of the Senate to do so.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (17:41): I seek leave to continue for the five minutes remaining for this session.

The DEPUTY PRESIDENT: Leave is granted. The session will end at 5.45. You have until then.

Senator WATERS: Thanks very much, Mr Deputy President. Can I clarify that I do not have the five minutes on the speakers list but instead a lesser time?

Senator Canavan: There is a hard marker of 5.45.

Senator WATERS: Thank you. I rise to speak on the matter of urgency, which is the coral bleaching that is currently blighting the Great Barrier Reef and the choice between the Adani coalmine and healthy reefs. As I was contributing earlier, the science is perfectly clear: the reef is facing the worst coral bleaching event en masse that it has seen in its entire ancient history of existence.

The scientists I speak with have made painfully clear to me the link between climate change, global warming and that coral bleaching. It is now beyond doubt that the action of burning fossil fuels is contributing to both the increased water temperatures and ocean acidification that is driving those coral bleaching events and wreaking havoc on this amazing natural wonder.

Senator Richard Di Natale and I were able to see that bleaching with our own eyes last week. It is hard to believe it until you see it. I do not want to believe it. We saw a mixture of semi-healthy reefs, and then we went further north and saw a seriously damaged reef. The contrast was incredibly heartbreaking.
We can still change direction and save as much as possible of this amazing icon that employs 69,000 people who need that reef to stay as healthy as possible for their livelihoods. We can stand with those workers. We can stand with those workers in coal communities who are being sacked by the coal companies, given that the coal price has completely bottomed out, and we can retrain and transition them into clean energy employment. We can save those jobs and we can do our best to save what is left of the Great Barrier Reef, but we need a rapid change in direction.

Instead, we see coalmine after coalmine being approved by both this government and the Labor government in the state of Queensland. The Adani coalmine, which would be the largest coalmine in the southern hemisphere, was approved by Minister Hunt late last year, and the mining lease for that mine was granted as the coral bleaching that the reef is currently facing was rolling out. The timing by Minister Lynham in the Queensland parliament could not have been more insulting to the scientists, to tourism workers or to anyone who loves this precious icon. We see fossil fuel donations, by Adani as well as by other coalmining companies, made to both sides of politics federally. In my view, it is really blinding these people to the science and to the impacts of their own actions on the natural world.

We can power our cities and homes with clean energy. We Greens have released a plan for 90 per cent renewable energy by 2030. We have a pathway for that. The technology is there and the science says it is doable. If we do not follow that path, I fear for the future of our coral reefs. The scientists I speak to tell me that sadly, even with a two-degree rise—if we can somehow manage globally to constrain warming to two degrees—we will actually lose all coral reefs. They are incredibly susceptible. They say that if we constrain warming somehow to 1½ degrees—and I hope that we can—we will lose 90 per cent of coral reefs globally. So we have got to get our skates on.

We know what the solutions are. We know that clean energy can both create jobs and keep the lights on—which the Liberals want to claim renewables cannot do—and safeguard what is left of our precious reef. But instead we see the donations from the coalmining companies and the coal seam gas companies simply blinding the big parties in this place to the reality of global warming. They are condemning the Great Barrier Reef to devastation and those 69,000 people to joblessness if they continue on this coal fuelled obsession. It is about time to get some science advice, actually listen to it and think about the future for a change.

Question agreed to.

**DOCUMENTS**

**Consideration**

The DEPUTY PRESIDENT (17:45): We will now proceed to the consideration of documents which are listed on page 7 of today's red.

**Gambling**

Senator McKIM (Tasmania) (17:45): In relation to the response by the Tasmanian Treasurer, Mr Gutwein, to a resolution of the Senate of 23 February 2016 concerning poker machine licensing in Tasmania, I move:

That the Senate take note of the document.
I am in possession of a letter dated 12 April 2016 that the Tasmanian Treasurer, Mr Gutwein, has written to the President of the Senate, the Hon. Stephen Parry. The first point that needs to be made here is that this letter is notable for what it does not say about poker machines in Tasmania as much as for what it does say. There are a few things that need to be placed on the record here. Firstly, there are well over 3,000 poker machines in Tasmania, and Tasmanians lose about $200 million a year through poker machines. That is not the amount of money that Tasmanians put into poker machines; that is the amount of money that Tasmanians lose on poker machines every single year, or certainly in the 2014-15 period.

These machines are deliberately designed to be addictive, and the type of machine that is allowed in Australia is regarded by industry experts around the world as the most addictive type of poker machine that is in existence. These machines are designed with one aim and one aim only, and that is to fleece people of their money. Tasmanians, as I said, lost just under $200 million to poker machines in 2014-15, about $114 million of which was lost to poker machines in pubs and clubs—that is, poker machines embedded in the Tasmanian community. Another $80 million was lost to poker machines in casinos and on ferries in Tasmania. The Tasmanian community has been polled recently. In a poll conducted by EMRS and the Social Action and Research Centre in Tasmania, 84 per cent of Tasmanians believe the community has not benefited from having poker machines in pubs and clubs, and four out of five Tasmanians want poker machines reduced in number or removed entirely from local venues.

So Mr Gutwein has failed to acknowledge the extent of the harm that his greed is causing—because he is the Tasmanian Treasurer and, as such, he is basically the biggest poker machine addict in Tasmania. I want to place on the record here that Mr Gutwein is skating on very thin ice indeed in terms of the language he uses in the letter, and he is perilously close to—if not through the ice on—a charge of misleading the Senate in relation to this letter, because he says, 'A comprehensive review of licensing options will occur.' He is speaking there of what the government's plan is around the fact that the current gaming machine licence in Tasmania, which was a sweetheart monopoly deal between the then Tasmanian Labor government and Federal Hotels, expires in 2023.

But of course what Mr Gutwein has not said and the reason he is on thin ice in terms of making the claim that a comprehensive review of licensing options will occur, is that, in establishing the parliamentary committee that is the first step in the so-called comprehensive review, he has failed to allow the terms of reference to be amended to consider the number, the type, the design and the location of poker machines in Tasmania—that is, any discussion around the number of poker machines in the Tasmanian community will not be considered by the Tasmanian government; any submission around the design of poker machines in Tasmania will not be considered by the Tasmanian government; any submission around the location of poker machines in Tasmania—should they be allowed, to their insidious effect, in our communities or should they be confined to casinos in Tasmania?—will not be able to be considered. This is not a comprehensive review, as Mr Gutwein has falsely claimed in this letter to the President of the Senate. This review is a whitewash designed to deliver the outcome that Mr Gutwein wants, and that—(Time expired)

Question agreed to.
In relation to a response to an order for the production of documents that the Senate carried on 20 April 2016, relating to the Perth Freight Link, I move:

That the Senate take note of the document.

It has become a matter of routine for this government to defy such orders of the Senate. I thank the Australian Labor Party and I thank the majority of crossbenchers, who voted with the Greens in order to achieve some basic transparency on this government's plan to ram a freeway of between four and six lanes—it will not disclose—through the Beeliar Wetlands and the Beeliar Regional Park, destroying around 100 hectares of priceless and irreplaceable banksia woodland, and now apparently to dive a tunnel under the suburbs of North Lake and Palmyra and into East Fremantle before surfacing in East Fremantle, creating a catastrophic traffic jam and falling short of the entrance to the port of Fremantle by a kilometre or two. It is the most destructive, unwanted, unnecessary and reviled project in modern Western Australian political history. The government again chose to defy an order for the production of documents as to who on earth is making the decisions and who, inside the Commonwealth and state political structures, believes that this is actually a project that is in the public interest.

There is twisted logic, where the ideal of maximum transparency for governments and maximum privacy for citizens is reversed. We see instead maximum transparency for citizens in the obliteration of privacy through dragnet data retention—that being simply one example—and minimum transparency for government and corporate interests through defiance of Senate resolutions such as this. I am presuming that the clerks are keeping count. I have long since lost count of how many of these Senate resolutions this government has defied, and it is time that it was called on the failure to provide even basic levels of transparency when it comes to funnelling money out the door—billions of dollars in this instance.

It is the same for WestConnex. It would have been the same for the East West Link in Victoria except for community action. Community action will prevail in Sydney, and community action will prevail in the case of the Perth Freight Link, but in the meantime the minimum that we ask of this government is some transparency. This is not your money. This is taxpayers' money that you hold in trust, and you come in here and lecture us about transparency. National Party senators get on their feet and say, 'No disbursement of moneys worth more than $100 million unless a public business case and a cost-benefit analysis have been conducted, published and put into the public domain.'

We are not asking for much. In this instance we simply want to know: who is actually driving this agenda? Who is it who wants to tip a billion dollars worth of concrete into the Beeliar Wetlands, obliterating Aboriginal sacred sites, destroying neighbourhood amenity and pumping diesel fumes through subterranean stacks into surrounding areas? And it does not even reach the port. Transport Minister Nalder—who should have been sacked months ago for this debacle—will not even tell the people of Western Australia how this atrocity gets to the container yard.
You talk about fiscal responsibility and economic maturity on the eve of this budget that will no doubt carry hundreds of millions of dollars of public funds into this project that nobody wants. The state government is in the Supreme Court of Western Australia today arguing on appeal that the rules and the policies of the state EPA, which it so casually violated in ticking this thing off, should be considered as merely guidelines, just window dressing—that is, not worth the paper they are printed on. That is the argument that the state government is making in the Supreme Court today: that the EPA should not be held to account on its own policies for the kind of environmental destruction that is contemplated here.

In the last sitting week, the Senate ordered the government to provide all documents relating to the random and sudden decision of the Prime Minister to write out a $260 million cheque for a tunnel that nobody wants, to connect this road from the destruction of the wetlands to nowhere in particular—a couple of kays short of the port. It is a tunnel that has not even been designed yet. It is time that this government was held to account. Put these documents into the public domain, as the Senate has ordered you to do, and let us get some transparency over this project.

Question agreed to.

**Asylum Seekers**

**Order for the Production of Documents**


**DELEGATION REPORTS**

**Parliamentary Delegation to Canada**

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (17:57): by leave—I present the report of the Australian parliamentary delegation to Canada, which took place from 6 to 12 June 2015, and the report of the Australian parliamentary delegation to the United States of America, which took place from 20 September to 2 October 2015. I seek leave to incorporate in Hansard the tabling statement relating to the delegation to Canada.

Leave granted.

The statement read as follows—

Report of the Parliamentary Delegation to Canada

Mr President, from 6 to 12 June last year I was privileged to be one of four Members of Parliament to participate in a delegation to Canada. The delegation formed part of the official 2015 bilateral parliamentary visits, and was one of four such delegations which included Canada.

The delegation visited Ottawa, Ontario, Vancouver and Victoria. The delegation met with Members of the Federal and Provincial legislatures including the Presiding Officer of the Federal Parliament, public servants at the forefront of policy making, law enforcement and defence officials as well as business representatives.

Through these meetings, Members of the Delegation were able to discuss and learn more about issues of mutual interest to both Australia and Canada. Topics of discussion included: immigration, citizenship and multiculturalism, small business and tourism, defence matters, policing illicit drugs such
as 'ice', indigenous matters, Foetal Alcohol Syndrome Disorder, and Environmental matters. The Delegation also toured the HMCS Calgary and received a briefing from the Canadian Maritime Forces Pacific and Joint Task Force Pacific.

The Delegation was also pleased to be able to meet with the Hon Andrew Scheer MP, Speaker of the Canadian House of Commons. Discussions were centred on the respective role of, and election process for the position of Speaker in the Canadian and Australian Parliaments.

Continuing the theme of strengthening Parliamentary ties, the Delegation also met with Members of the Canadian Commonwealth Parliamentary Association, Federal Ministers and Members, Provincial Members and the Deputy Clerk and Clerk of Committees of the British Columbia Legislative Assembly.

In addition to discussions about matters of mutual national interest, the Delegation was fortunate to be able to receive a briefing about the Canadian Parliament's response to the 2014 terrorist attack which occurred within the Canadian parliamentary precinct.

In closing, I would like to thank everyone who gave their time to meet the delegation and provide additional information to Members. I would also like to thank His Excellency Tony Negus APM, Australian High Commissioner to Canada and his staff who assisted and accompanied the delegation during its visit to Canada.

I would also like to make particular mention of Mr Lucas Robson, who so ably assisted Members during the visit and arranged an engaging and well-orchestrated visit program. Finally I would like to thank Stephanie Mikac, delegation secretary and the Members of the Delegation for their enthusiasm and participation during the visit.

Mr President, I commend the report to the Senate.

BILLS

**Australian Crime Commission Amendment (National Policing Information) Bill 2015**

**Australian Crime Commission (National Policing Information Charges) Bill 2015**

**Registration of Deaths Abroad Amendment Bill 2016**

**Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015**

**Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016**

**Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015**

**Income Tax Rates Amendment (Managed Investment Trusts) Bill 2015**

**Medicare Levy Amendment (Attribution Managed Investment Trusts) Bill 2015**

**Income Tax (Attribution Managed Investment Trusts—Offsets) Bill 2015**

**Water Amendment (Review Implementation and Other Measures) Bill 2015**

**Consideration of House of Representatives Message**

Messages received from the House of Representatives requesting the Senate to resume consideration of the bills, which were transmitted to the Senate for concurrence during the last session of the parliament but on which proceedings were interrupted by the prorogation of the parliament.
Senator CANAVAN (Queensland—Minister for Northern Australia) (17:59): by leave—I move:

That the Senate resume consideration of the bills, that messages be transmitted to the House of Representatives informing it that the Senate has agreed to its requests and that the second reading of these bills be made orders of the day for a later hour.

Question agreed to.

Corporations Amendment (Crowd-sourced Funding) Bill 2015
Criminal Code Amendment (Firearms Trafficking) Bill 2015
Parliamentary Entitlements Legislation Amendment Bill 2014

Consideration of House of Representatives Message

Messages received from the House of Representatives requesting the Senate to resume consideration of the bills which were transmitted to the Senate for concurrence during the last session of parliament but on which proceedings were interrupted by the prorogation of the parliament.

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:00): by leave—I move:

That the Senate resume consideration of the bills, that messages be transmitted to the House of Representatives informing it that the Senate has agreed to its requests and that the second reading of these bills be made orders of the day for the next day of sitting.

Question agreed to.

Supply Bill (No. 1) 2016-2017
Supply Bill (No. 2) 2016-2017
Supply (Parliamentary Departments) Bill (No. 1) 2016-2017

First Reading

Bills received from the House of Representatives.

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:01): I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Senator CANAVAN: by leave—I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to these bills, allowing them to be considered during this period of sittings.

I table a statement of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE
IN THE 2016 WINTER SITTINGS
SUPPLY Bill (No. 1) 2016-2017
SUPPLY BILL (NO. 2) 2016-2017

SUPPLY (PARLIAMENTARY DEPARTMENTS) BILL (NO. 1) 2016-2017

Purpose of the Bills
The Bills request legislative authority for appropriations to fund expenditure to be incurred in 2016-2017.

Reasons for Urgency
Appropriations proposed will provide funding for expenditure for the first part of 2016-2017, facilitating the continuation of normal Government business. Passage of the Bills by 30 June 2016 will ensure continuity of the Government's programs and the Commonwealth's ability to meet its obligations as they fall due. Should passage not be granted by 30 June 2016 then activities to be funded by the Bills will be deferred or significantly delayed.

(Circulated by authority of the Minister for Finance)

Question agreed to.

Second Reading

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:02): I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

SUPPLY BILL (NO. 1) 2016-2017

Supply Bill (No. 1) 2016-2017, together with Supply Bill (No. 2) 2016-2017 and Supply (Parliamentary Departments) Bill (No. 1) 2016-2017, seeks appropriations to facilitate the continuation of normal Government business.

Supply Bill (No. 1) 2016-2017 provides for appropriations for proposed expenditure on the ordinary annual services of the Government for the first part of 2016-2017, broadly until about the end of November.

The bill seeks approval for appropriations from the Consolidated Revenue Fund of just over $35 billion.

The bill must be passed in this session to ensure funding is available to all entities from 1 July 2016, thereby ensuring the continuity of program and service delivery.

The provisions in the bill are generally based on 5/12 of the estimated 2016-2017 annual appropriation with special provision, where necessary, for entities with a disproportionately high level of expenditure early in the financial year. This includes the Australian Electoral Commission.

I wish to emphasise that this bill seeks provision only for appropriate money to fund government expenditure on an interim basis until Appropriation bills have passed. It does not include Budget measures.

This arrangement allows for Appropriation Bill (No. 1) 2016-2017, or a similar bill, to be passed in 2016-2017 by the next Parliament if necessary.

Details of the proposed expenditure are set out in the Schedule to the bill and the Portfolio Budget Statements tabled in the Parliament with the Budget Appropriation bills.

SUPPLY BILL (NO. 2) 2016-2017

Supply Bill (No. 2) 2016-2017, along with Supply Bill (No. 1) 2016-2017 which was introduced earlier, and Supply (Parliamentary Departments) Bill (No. 1) 2016-2017, are the Supply bills for the first part of 2016-17.
Supply Bill (No. 2) 2016-2017 provides for appropriations that are not for the ordinary annual services of Government, such as for capital works and services and payments to states, territories and local governments, broadly until about the end of November.

This bill seeks approval for appropriations from the Consolidated Revenue Fund of just over $6 billion.

The bill must be passed in this session to ensure funding is available to all entities from 1 July 2016, thereby ensuring the continuity of program and service delivery.

The provisions in the bill are generally based on 5/12 of the estimated 2016-2017 annual appropriation, the same approach as for Supply Bill (No. 1) 2016-2017.

The bill also provides the Debit Limit for the Nation-building Funds, the Building Australia Fund and the Education Investment Fund; the general purpose financial assistance payments; and, the national partnership payments. The Debit Limits relate to the estimated expenditure for the first part of 2016-17.

As with Supply Bill (No. 1) 2016-2017, this bill seeks provision only for appropriate money to fund government expenditure on an interim basis until Appropriation bills have passed. It does not include Budget measures.

This arrangement allows for Appropriation Bill (No. 2) 2016-2017, or a similar bill, to be passed in 2016-2017 by the next Parliament if necessary.

Details of the proposed expenditure are set out in the Schedules to the Bill and the Portfolio Budget Statements tabled in the Parliament with the Budget Appropriation Bills.

Supply (Parliamentary Departments) Bill (No. 1) 2016-2017

The purpose of Supply (Parliamentary Departments) Bill (No. 1) 2016-2017 is to provide interim funding for the running costs and other expenditure of:
- the Department of the Senate;
- the Department of the House of Representatives;
- the Department of Parliamentary Services; and
- the Parliamentary Budget Office.

This bill seeks approval for appropriations from the Consolidated Revenue Fund of just over $97 million for Parliamentary expenditure for the first part of 2016-2017, broadly until about the end of November.

Supply (Parliamentary Departments) Bill (No. 1) 2016-2017 must be passed in this session to ensure funding is available to Parliamentary Departments from 1 July 2016, thereby ensuring the continuity of Parliament's operations.

The provisions in the bill are generally based on 5/12 of the estimated 2016-2017 annual appropriation, excluding Budget measures.

As with the other Supply bills introduced earlier, I wish to emphasise that this bill seeks provision only for appropriate money to fund government expenditure on an interim basis until Appropriation bills have passed. It does not include Budget measures.

This arrangement allows for Appropriation (Parliamentary Departments) Bill (No. 1) 2016-2017, or a similar bill, to be passed in 2016-2017 by the next Parliament if necessary.

Details of the proposed expenditure are set out in the Schedule to the Bill and the Portfolio Budget Statements for the Parliamentary Departments tabled in Parliament with the Budget Appropriation bills.

Debate adjourned.
Tax and Superannuation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2016

First Reading

Bill received from the House of Representatives.

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:03): I move:

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

Question agreed to.

Bill read a first time.

Senator CANAVAN: by leave—I move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the bill, allowing it to be considered during this period of sittings.

I table a statement of reasons justifying the need for this bill to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2016 WINTER SITTINGS
Tax and Superannuation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill

Purpose of the Bill
To ensure that low-income households who did not pay the Medicare levy in 2014-15 will generally continue to be exempt in 2015-16 if their incomes have increased in line with (or by less than) CPI.

Reasons for Urgency
The amendments to the Medicare levy surcharge thresholds apply to tax assessments for the 2015-16 income year and later years and require passage before 30 June 2016 to enable the Australian Taxation Office sufficient time to put in place systems and processes to allow for the efficient administration of the tax system and a smooth roll out of Tax Time 2016.

(Circulated by authority of the Treasurer)

Question agreed to.

Second Reading

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:04): 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—

TAX AND SUPERANNUATION LAWS AMENDMENT (MEDICARE LEVY AND MEDICARE LEVY SURCHARGE) BILL 2016

This bill amends the Medicare Levy Act 1986 to increase the Medicare levy low-income thresholds for singles, families and seniors and pensioners in line with increases in the consumer price index. These changes will ensure that low-income households who did not pay the Medicare levy in the
2014-15 income year will generally continue to be exempt in the 2015-2016 income year if their incomes have risen in line with, or by less than, the consumer price index.

In addition to providing a concession to low-income households, the Medicare levy low-income thresholds ensure that people who pay no personal income tax due to their eligibility for structural offsets — such as the low-income tax offset or the seniors and pensioners tax offset — do not incur the Medicare levy.

The changes to the thresholds mean that no Medicare levy will be payable for individual taxpayers with income under $21,335 in 2015-16 (increased from $20,896). Single seniors and pensioners with no dependants who are eligible for the seniors and pensioners tax offset will not incur a Medicare levy liability if their income is less than $33,738 (increased from $33,044).

Couples and families who are not eligible for the seniors and pensioners tax offset will not be liable to pay the Medicare levy if their combined income is less than $36,001 (increased from $35,261). Couples and families who are eligible for the seniors and pensioners tax offset will not be liable to pay the Medicare levy if their combined income is less than $46,966 (increased from $46,000). The thresholds for couples and families go up by $3,306 for each dependent child (increased from $3,238).

The increase in thresholds will apply to the 2015-16 year and future income years.

Full details of the measure in this bill are contained in the explanatory memorandum.

Debate adjourned.

Northern Australia Infrastructure Facility Bill 2016
Northern Australia Infrastructure Facility (Consequential Amendments) Bill 2016
Second Reading

Debate resumed on the motion:
That these bills be now read a second time.

Question agreed to.

Bills read a second time.

In Committee

Bills—by leave—taken together and as a whole.

The CHAIRMAN: The question is that the bills stand as printed.

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:06): I table a supplementary explanatory memorandum relating to the government amendments to be moved to the Northern Australia Infrastructure Facility Bill 2016.

The CHAIRMAN (18:06): Thank you, Minister. Amendments (1) to (3) on sheet GX128 circulated by the government are claimed to be covered by section 53 of the Constitution. The third paragraph of section 53 provides that the Senate may not amend any proposed law so as to increase any proposed charge or burden on the people. Clause 41 of this bill appropriates up to $5 billion from the consolidated revenue fund for the purpose of providing grants of financial assistance to the states and territories for the construction of northern Australia economic infrastructure.

Amendments (1) to (3) on sheet GX128 circulated by the government do not change the amount appropriated by the bill. They extend the geographical locations which the facility may consider when determining grants of financial assistance.
Quick and Garran in their famous commentaries on the Constitution stated:

…the Senate is only forbidden to amend tax bills and the annual appropriation bill; it may amend two kinds of expenditure bills, those for permanent and extraordinary appropriations … The Senate may amend such money bills so as to reduce the total amount of expenditure or to change the method, object, and destination of the expenditure, but not to increase the total expenditure originated in the House of Representatives.

That can be found on page 671.

Amending a bill to change the allocation of proposed expenditure and the purposes for which money is to be appropriated has long been considered to be within the power of the Senate, provided that the total proposed or available expenditure is not increased. In these circumstances, the Senate has taken the view that changing definitions to extend the allocation of funding are appropriately made by amendments rather than requests for amendments. The amendments will therefore be treated as amendments in accordance with the precedents of the Senate.

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:08): by leave—I move government amendments (1) and (3) on sheet GX128 together:

(1) Clause 5, page 3 (after line 25), after the definition of Investment Mandate, insert:

Local Government Area means a local government area recognised by the Australian Bureau of Statistics.

(2) Clause 5, page 4 (line 2), omit "Exmouth", substitute "Meekatharra".

(3) Clause 5, page 4 (lines 6 to 12), omit paragraphs (d) to (f), substitute:

(d) the following Statistical Areas level 2:

(i) Gladstone;
(ii) Gladstone Hinterland;
(iii) Carnarvon;

(e) the Local Government Areas of Meekatharra and Wiluna (despite paragraph (b));

(f) the territorial sea adjacent to areas covered by paragraphs (a) to (d).

These amendments seek to expand the definition of northern Australia to include the Statistical Areas Level 2 of Exmouth, Carnarvon as well as the local government areas of Meekatharra and Wiluna in Western Australia. The amendments follow discussions that the government has had with the Western Australian government and other Western Australian stakeholders about the appropriate definition of northern Western Australia. They are also consistent with other minor adjustments the government has made to the boundary of northern Australia, if you like, if you broadly took that boundary to be the Tropic of Capricorn. In the Northern Territory and Queensland, there have also been some adjustments below the tropic to take into account those parts of Northern Australia which are connected to those areas below the Tropic of Capricorn.

I should say that this bill has been out for some time for consultation since January this year. It was the subject of a joint parliamentary inquiry. There were no submissions on this particular issue to that inquiry, and the committee did not make any recommendations with regard to it. Nonetheless, since the tabling of that report, the government has received representations from Western Australian stakeholders, as I have indicated. After considering
those representations, we are more than happy to agree to this minor adjustment to the definition of northern Australia.

Senator MOORE (Queensland) (18:10): The opposition will be supporting these amendments. I would not be able to talk with their current member Alannah McTiernan, if I actually did not strongly support these amendments. We have had considerable discussion, I know, in contributions this afternoon. In the original discussion around this legislation, a number of senators talked about submissions that had been made to them about the need to widen the definition, particularly in Western Australia. I think this is a good response from the government and it will actually now engage with people in those local government areas in Western Australia who feel they need to be part of the process, so we are supporting these amendments.

Question agreed to.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (18:11): I am standing in for Senator Rachel Siewert, so I will be seeking leave to move the amendments standing in her name. The first amendment that we will be moving to this bill, as we foreshadowed in our second reading contributions, relates to the fact that, if you want sustainable development in the north, you do not build massive new coalmines and you do not build whopping great dams that will probably never fill up as the climate continues to change.

As we spoke about earlier in the day, we are supportive of sustainable infrastructure in the north that respects the natural values of the area, that works with local communities and respects their wishes for their land. In fact there are many clean energy opportunities, many communications opportunities and many conservation economy opportunity for the north that we would happily back and would love to see receive taxpayer support. However, when it comes to a dirty energy slush fund, as this one seems to be, then it is an entirely inappropriate usage of taxpayer funds to be giving out low-interest loans potentially to the likes of Adani to help build their mine, their railway or their port. So that is just not on, as I outlined in quite a lot of detail in my earlier contribution in the second reading stage of this bill.

Our amendment amends the definition of the economic infrastructure covered by the bill to exclude fossil fuel projects and also nuclear projects or any associated infrastructure that would facilitate those fossil fuel or nuclear projects.

As I say, if you are seeking taxpayer support, then in this age of climate emergency we do not need free taxpayers' dollars going to prop up unsustainable coalmines that cannot get private funding, because the coal price has tanked and people realise climate is a thing. You need instead to be seeking support for clean energy alternatives.

With no further ado, I, and also on behalf of Senator Siewert, move amendment (1) on sheet 7907 for the Australian Greens:

(1) Clause 3, page 2 (lines 17 to 23), omit subclause (2), substitute:

(2) Northern Australia economic infrastructure is infrastructure that:

(a) provides a basis for economic growth in Northern Australia; and

(b) stimulates population growth in Northern Australia; and

(c) is not related to a fossil fuel or nuclear project.

Note 1: Infrastructure that relates to a fossil fuel or nuclear project includes a railway, mine, pipeline, port or electricity infrastructure.
Note 2: Infrastructure located outside Northern Australia can be Northern Australia economic infrastructure as long as it meets the requirements set out in paragraphs (2)(a) to (c).

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:14): The government will not be supporting this amendment moved by the Greens. I should foreshadow that the reasons for the government opposing this amendment will relate similarly to other Green amendments that are to be moved in this debate.

Fundamentally, this bill is about providing infrastructure and investing in infrastructure in Northern Australia. By definition, the types of infrastructure are used by multiple users or indeed multiple industries. The kinds of infrastructure that we have foreshadowed that this facility could fund include ports, airports, rail lines and water infrastructure. Of course, at various points, the resources industry in northern Australia—along with other industries—will be a significant user of ports, airports, water infrastructure and the like, and it would be nonsensical to exclude a very important industry, the resources industry, from using that infrastructure, because it would undermine the objectives of this act. Indeed, I would go so far as to say that, if we excluded the fossil fuel industry or the resources industry broadly from using infrastructure funded by this facility, we would effectively handicap this bill completely, and it would be very hard to find a piece of infrastructure in northern Australia that would not at some point be used by the resources industry.

Given that the resources industry accounts for more than 50 per cent of the gross value added in northern Australia, it is a very significant industry, and I am sure that most—not all, but the vast majority—of the major infrastructure that this facility is looking to fund would need to be used by the resources sector as well as other industries to make it economic. Indeed, one of the reasons that the government has stated that we need something like this is that the population is sparse in the north and therefore financing and funding the high fixed costs of infrastructure across a small population base is very challenging. It would only be made more challenging if the Greens' amendment were to succeed. Effectively, the fossil fuel industry could not contribute to the financing of infrastructure in northern Australia and you would not build much. That would also be the case for a lot of infrastructure in parts of southern Australia as well.

The second point I would like to make about the Greens' amendment—and, again, this is a point that could be made about various other amendments the Greens are seeking to move—is that they are seeking to impose a level of requirements and obligations on infrastructure in northern Australia that do not exist for government financing of infrastructure in southern or other parts of Australia, including northern Australia, under a different facility. For example, the Clean Energy Finance Corporation—which the Greens were integral in establishing—does not specifically exclude investments in fossil fuels, like the Greens are attempting to do here. So it is unclear why they would be seeking to impose this obligation on the Northern Australia Infrastructure Facility and not on other facilities, very similar facilities, that they have supported in the past. Indeed, the government has explicitly based a lot of the legislation and the draft investment mandate here on the example of the Clean Energy Finance Corporation as well as other similar infrastructure funds overseas.

So, for those reasons the government will not be supporting this amendment, as it will, in my view, undermine the objectives of this bill. There is no need to specifically exclude
industries. Indeed, doing so would undermine the ability to finance commercial and functional infrastructure in the north.

**Senator MOORE** (Queensland) (18:17): Labor will not be supporting this particular Greens' amendment. We are concerned that there has not been a lot of consultation around the development of the wording for this particular amendment and there is some confusion about 'multiple users' for infrastructure. As the minister pointed out, there could be multiple users of infrastructure—for example, a railway. While Labor generally believes that mining projects should be able to pay their own way, if that is the intent of the amendment, this particular amendment does not make that as clear as it should be.

Further, we note that Infrastructure Australia will be consulted as part of the mandate. In my earlier contribution, I talked about the importance of having Infrastructure Australia involved in the process. We note that Infrastructure Australia's recently released priority list does not place a high priority on the sorts of projects in northern Australia that are discussed in this amendment. The mandatory and non-mandatory criteria in the draft mandate also make the recommendation of such projects under the NAIF unlikely.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (18:18):
The contribution by the minister brought to mind several issues that I wish to respond to and also ask for some further information on. I thought it was very interesting that the minister, I think, belled the cat when he said that there would not be much infrastructure funded under this facility if it were to exclude fossil fuel infrastructure. We had feared that that was the case, but thank you for so explicitly stating that this is in fact a dirty energy slush fund with no intention of any non-fossil fuel infrastructure investment. If I am verballing you there, Minister, I would happily be wrong about that, and I will ask you a question about that in just a moment.

I thought it was somewhat bizarre that the minister was referring to the Clean Energy Finance Corporation as not explicitly excluding fossil fuels, when in fact the Clean Energy Finance Corporation is entitled the Clean Energy Finance Corporation and its investment mandate is indeed prescribed to exclude fossil fuels. So I might just ask the minister to reflect in his own time on that particular fact.

Minister, I am aware that there has obviously been some interest in this fund since it was first proposed and a number of inquiries have been made. I cannot remember the formal terminology that you have used. 'Expressions of interest' is the nub of what I am trying to get at. I know there have been some discussions between the Queensland government Treasurer Mr Curtis Pitt and the former Treasurer of your government specifically about the Adani project as well as a number of other projects that might avail themselves of this fund should it be established—which it now seems will happen, given that Labor is happy to fund fossil fuels. Minister, my question is: what are the non-fossil fuel expressions of interest, if any, that have been put to the process so far? I have asked in Senate estimates about this, and I understand there are quite a number of projects. But, given your remarks about them being 'mostly' fossil fuels, can you detail whether there are in fact any that are not?

**Senator CANAVAN** (Queensland—Minister for Northern Australia) (18:21): I think the senator is mischaracterising a number of statements I made. The statement I did make was that most infrastructure in the north would at some point be used by the resources sector. But the senator does seem to be being a little bit unclear at times as to whether she is repeating my
statement with regard to that or somehow relating to fossil fuel investments as a class. As I outlined, this bill is seeking to fund infrastructure—not fossil fuel investment per se and certainly not energy investments per se. It is seeking to fund infrastructure which is used by multiple industries, and of course the resources industry, being a significant industry in the north—indeed, in some locales it is well above 50 per cent of the gross value added—it is a significant user of infrastructure in the north.

To the specific question of whether we have a list of fossil- and non-fossil-fuel investments, which I think the senator asked for: we have taken expressions of interest. There are a number of proposals. But I do not have a breakdown of that, because, as I say, we are not seeking to invest in fossil-fuel projects per se. These are infrastructure projects, some of which, of course, will be more heavily used by other resources industries than others, depending on their location and their use, or they may not be. But I do not have that information, because this has been an expressions-of-interest process. I have general information about what the projects are and possibly costs, but no assessment has been completed at this stage on those projects, so I cannot provide the senator with that detailed information at this stage.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (18:22): Thank you, Minister. I just have some follow-up questions. I find it pretty hard to think of a different industry that would want to use a coalmine. So, perhaps to help me understand your assertion about multiple users of infrastructure, could you please share what you do have about the projects that have gone through that expression-of-interest phase, particularly as they pertain to Queensland and especially if there has been any update since I last checked on that in estimates, approximately six months ago.

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:23): I want to make clear that we are talking about infrastructure investment, not mines, not hotel rooms and not individual businesses. We are talking about infrastructure that this fund is seeking to invest in. As the government has always said, for infrastructure like rail lines, airports, water infrastructure et cetera, not all but most of that type of infrastructure, of course, is used by multiple industries. An airport is used by the tourism industry and can sometimes be used to transport freight and other things, and ports are likewise. As I say, we do not have a particular breakdown of infrastructure by industry, for the very good reason that it will almost certainly be used by multiple industries.

But the senator did ask about some projects in Queensland. The information I have relates to the project itself, its location and in some cases—not in all cases—indicative costs. In Queensland, there are projects like the Burdekin Falls Dam expansion; upgrades to the Cairns Airport, which has been in the media a little bit; a travel lift facility at Cairns as well; the Connors River Dam and Pipelines; an expansion of the Ayr Aerodrome; the Great Keppel Island redevelopment, which has various marinas, I think, and the power and water infrastructure that is needed for Great Keppel Island—of course, as I said, it is not the actual resort itself that is proposed. There are projects like the Hann Highway, Hell's Gate Dam, the Lower Fitzroy River Infrastructure Project, Nullinga Dam, Palm Cove harbour and an expansion of the port of Townsville. A solar schools program in Queensland has been proposed to us. There are projects like the Rockhampton Airport; Townsville Airport; the Townsville Eastern Access Rail Corridor, which is connected to the port of Townsville.
upgrades; water supply in Townsville; waterfront development in Townsville; Urannah Dam; and the Whitsunday Coast Airport extension. So there is quite a comprehensive list of Queensland projects. As I indicated to the senator, most if not all of those projects would probably be used by multiple industries.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (18:26): Thank you, Minister, for that helpful list. I jotted down most of that, but I will get the Hansard later. If you can provide the information that you alluded to about the approximate costs as well, I would appreciate that. As I say, I jotted most of that down. You mentioned one project which sounded like it might have some clean energy leanings: the solar schools program. Can you share whether there are any other projects either in Queensland or in what is now the new territorial scope of the bill, which you just fixed up a few minutes ago after the drafting errors—are there any other clean energy proposals so far that have gone through the EOI process?

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:26): I maybe should make it clear too that the EOI process has very much been a receival point, if you like, for the government. As I indicated earlier, there has been no completed assessment of these projects. There has been no information provided to me about the detail of these projects apart from what they are. That will be a matter for the board, of course, as the legislation indicates that it is not for the minister responsible to direct the board. It is for the board to make proposals that the minister and the government can consider.

In saying that, I have had discussions with the Clean Energy Finance Corporation and the Export Finance and Insurance Corporation, who you may see providing the back office for this facility. There is a will to work together. If there are clean energy projects which can have some complementarity between both the NAIF and the CEFC, those two bodies will work together. There is certainly no restriction against the NAIF itself or, of course, the CEFC in providing funds to clean energy type projects. There will probably have to be some natural complementarities between the two that they will need to work out.

On this list that I have in front of me, there are some other energy projects. It is not clear to me whether they are specifically renewable energy as such, but, as I have said, these are projects that have been submitted to us, and state governments and other stakeholders have been free to do so.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (18:28): Thanks, Minister. Could you tell me what they are, please?

Senator CANAVAN (Queensland—Minister for Northern Australia) (18:28): There is a subsea cable project, but I am not sure what that relates to. There is a communities virtual pipeline as well, but, again, that might be telecommunications related. I do not have that information in front of me. There is a national tidal test centre, which may be related to tidal power. But, as I say, Senator, at this stage these are projects that have been proposed to us. The government is not seeking to assess the merits of these one way or the other. We are seeking to establish the board and the staff of the NAIF to do that, and they will provide us that information in due course.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (18:29): Thanks, Minister. Just in relation to the board, we have some amendments that I will come to
after the break that relate to the proper level of assessment that we say should be undertaken for these projects, in that they should go through the normal channels of environmental laws, and they should also have rigorous, independent, cost-benefit analyses done. But I note that you have referenced the role of the board. Can I ask you when appointments to that board will be made and what process will be used for that?

Sitting suspended from 18:30 to 19:30

The TEMPORARY CHAIRMAN (Senator Reynolds): The committee is considering the Northern Australia Infrastructure Facility Bill 2016 and a related bill. The question is that the Australian Greens amendment No. 1 on sheet 7907 be agreed to.

Senator SIEWERT (Western Australia—Australian Greens Whip) (19:30): I apologise for not being able to be here a bit earlier. I understand from Senator Waters that she had asked the minister a question about how the make-up of the board is going to be determined and the process for appointment of the board. Could the minister answer that particular question?

Senator CANAVAN (Queensland—Minister for Northern Australia) (19:30): Thank you, Senator Siewert, for reminding me of that question! The government has been consulting with state governments about the formation of the board. We hope to be in a position to announce the board as soon as this bill receives royal assent.

Senator SIEWERT (Western Australia—Australian Greens Whip) (19:31): Does that mean that you have already determined the people who you think will be on the board?

Senator CANAVAN (Queensland—Minister for Northern Australia) (19:31): The government does have a list of people who we believe will be appointed, but we will make that announcement after the bill receives royal assent.

Senator SIEWERT (Western Australia—Australian Greens Whip) (19:31): I can understand why it is not appropriate to release the names, but I wonder if you could articulate the sort of expertise that you have in that particular group of people at the moment who will be on the board?

Senator CANAVAN (Queensland—Minister for Northern Australia) (19:32): There is a provision in the legislation which requires the government to ensure that board members have particular expertise. I may be able to find that provision precisely for the senator—thank you to my advisers! Section 15(4) has a number of different fields of experience that board members are required to have, or will not be eligible for the board unless they do have those experiences. Those include:

(a) banking and finance;
(b) private equity or investment by way of lending or provision 13 of credit;
(c) economics;
(d) infrastructure planning and financing;
(e) engineering;
(f) government funding programs or bodies;
(g) financial accounting or auditing;
(h) law.

My understanding is that the members who have been under consideration will have a mix of all of those skills.
Senator SIEWERT (Western Australia—Australian Greens Whip) (19:33): I thank the minister for his answer. That is what I expected. Obviously, I presumed that you would be looking at that broad field of expertise; my question then related to what of that mix of expertise you have targeted particularly? And are they all covered or do they focus on one particular area?

Senator CANAVAN (Queensland—Minister for Northern Australia) (19:33): Obviously, I have been involved in this process in consultation with Minister Frydenberg. He, of course, was responsible for the consideration of these appointments through government processes as the cabinet minister. We have not particularly targeted individual areas. There is a mix of skills and experience and, of course, individuals are not necessarily matched up against each of those skills and experience, but all the individuals have a mix of skills based on that section in this bill.

Senator MOORE (Queensland) (19:34): Can the minister tell us, in those magic figures between four and no more than six, whether you have come to any agreement? Is it four, five or six?

Senator CANAVAN (Queensland—Minister for Northern Australia) (19:34): My understanding is that there will most likely be a full complement of positions announced.

Senator SIEWERT (Western Australia—Australian Greens Whip) (19:34): One presumes that means six—just to be specific!

The TEMPORARY CHAIRMAN (Senator Reynolds) (19:34): The question is that Australian Greens amendment (1) on sheet 7907 be agreed to.

The committee divided. [19:39]

(The Temporary Chairman—Senator Reynolds)

Ayes .....................10
Noes .....................31
Majority..................21

AYES
Di Natale, R
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Waters, LJ

NOES
Abetz, E
Bilyk, CL
Cameron, DN
Carr, KJ
Fawcett, DJ
Gallagher, KR
Lindgren, JM

Hanson-Young, SC
McKim, NJ
Rice, J
Simms, RA
Whish-Wilson, PS

Back, CJ
Bushby, DC
Canavan, MJ
Edwards, S
Gallacher, AM
Ketter, CR
Lines, S

CHAMBER
Question negatived.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (19:41): I move Australian Greens amendment (5) on sheet 7907:

(5) Page 6 (after line 13), at the end of Part 2, add:

8A Cost-benefit analysis to be undertaken

The Facility must not make a decision to provide financial assistance for the construction of Northern Australia economic infrastructure unless:

(a) a cost-benefit analysis has been prepared in relation to the infrastructure; and

(b) the cost-benefit analysis has been published on the Facility's website for a period of at least 30 days before the decision is made; and

(c) the public has been consulted in relation to the infrastructure; and

(d) regard has been had to any submissions received as result of the consultation.

This amendment relates to the requirement, which we say should apply to any project that is seeking support under the Northern Australia Infrastructure Facility, for a cost-benefit analysis to be undertaken. As people out there listening might assume, to do that would in fact be a good requirement, but sadly our environmental laws, whilst alluding to that, do not explicitly require it. It is my understanding that the bill does not explicitly require it either.

Again, I would have thought that the bar for seeking not just project approval but actual taxpayer support for your project would mean that the highest standards would be applied to make sure not only that your project met all of the legal requirements in relation to environmental approvals and other project approvals but also that you had done a proper and fulsome cost-benefit analysis about whether or not this was a good spend of public money. This amendment proposes that all proposals be subject to an independent cost-benefit analysis—not one done by the proponent, like environmental impact statements so often are, but a genuinely independent cost-benefit analysis that not just looks at the economic costs and benefits but genuinely looks at the environmental, climatic, cultural and social costs of the project. We will be seeking support for this amendment. Again, I am holding my breath as to whether we will get it. But I would urge that an assessment process of the highest standard be undertaken with large projects like this, which have huge potential for environmental damage in particular but which also have the huge boost that comes with public support through funding. The highest standards should be applied.
Minister, could you please outline for us the assessment process that these projects will be required to undertake in order to successfully receive approval under various different bits of legislation and also to receive the tick under this proposed fund.

Senator CANAVAN (Queensland—Minister for Northern Australia) (19:43): The government will not be supporting this amendment for reasons similar to those I outlined earlier in speaking to the initial Greens amendment. For similar reasons, this is not a requirement of other similar government programs. As I said earlier, the Clean Energy Finance Corporation, which this legislation and the mandate have been heavily influenced by, has no specific requirement under its legislation to conduct these kinds of cost-benefit analyses or the detail that has been outlined here by the Greens. We do not think it is appropriate to try to replicate assessments that will be done, of course, by other processes, as outlined by Senator Waters in her contribution.

In terms of what is required under the legislation and the related investment mandate—the proposed investment mandate that the government has put out—as I indicated in my summing-up speech, there will be no major changes to it. It requires that all projects must meet particular criteria, including that they be in the public benefit. It is going to be up to the board how they apply the investment mandate for that criteria and other criteria, but it is a mandatory criteria under that mandate that it is of public benefit. The government sees no need to impose additional red tape on infrastructure in northern Australia, particularly when this kind of process does not apply to other areas where government assistance is provided, including through a very similar facility: the Clean Energy Finance Corporation’s arrangements.

Senator MOORE (Queensland) (19:45): I want to clarify that we are going to amendment (5) and skipped amendments (2) to (4). I wanted to make that clear because I am actually intersequence. As for amendment (5), we in the Labor Party know that the role of Infrastructure Australia will clock into the process when projects over $100 million are on the table. When projects over $100 million are in discussion, the NAIF board will be required to consult with Infrastructure Australia, which we talked about in our contribution as being a core element of our support for the process. Further, the mandatory criteria for the proposed investment includes a clear requirement that the proposed project will be of public benefit.

In considering public benefit, it is spelt out that the board will 1) give preference to those projects that will serve or have the capacity to serve multiple users and 2) produce benefits to the broader economy and community beyond those able to be captured by project proponents. The mandate, which we actually strongly support having in the process, also requires that the project is located in or will have significant benefit for northern Australia. Projects do not need to be entirely within those boundaries if they produce significant benefits to northern Australia—for example, a project that enhances north-south connectivity may be eligible.

We therefore believe that, given the process, the mandate and the cut-in of the Infrastructure Australia process, which does take into account the whole range of issues around public interest, the benefit will be demonstrated, including, as you pointed out, having a transparent cost-benefit approach. On that basis, we are not supporting the amendment proposed by the Greens.

Senator SIEWERT (Western Australia—Australian Greens Whip) (19:47): With regard to the very points Senator Moore has just made around the issues of public benefit: I am sorry,
but in whose definition is the public benefit? We want a clear process set out that actually
does look at the environmental, social and cultural aspects of particular developments. I am
sorry, but comparing it to the Clean Energy Finance Corporation is erroneous given that these
projects have the potential to dig things up that potentially have a significant impact on the
climate to put in place significant infrastructure that may in fact not be in the long-term public
interest. It may be counted, depending on who is doing the assessment, as having some public
benefit in the short term but may not in the long term, particularly when you focus on the
issue of climate. That is why we want in the legislation the requirement to do this type of very
significant cost-benefit analysis so that those sorts of issues are clearly mandated to be looked
at. Otherwise, some of the flawed decision-making we have seen in the past about things that
might be in the public benefit might well get approved when they ought not to be.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (19:49): I
have one follow-up point to the point that Senator Siewert just made. I thank Senator Moore
for providing detail about the parameters around the proposed definition of 'public benefit',
but I would like some clarification from the minister. Is it actually the case that you are
defining 'public benefit' to be two points, the first that it can serve multiple uses and the
second that it has broader benefits to the economy? Is that your complete definition of 'public
benefit'? Where is the social facet? Where is the environmental facet? Where is the cultural
facet? That cannot possibly be your complete definition. Can you please elaborate on what the
full definition is?

Senator CANAVAN (Queensland—Minister for Northern Australia) (19:49): The
particular provisions that Senator Moore was referring to are included in the draft investment
mandate that the government has released. I will clarify that the provisions Senator Moore
was reading out are not a definition of 'benefit' per se; it is a fleshing out of what we expect to
be included at least in the assessment of public benefit. The relevant provision is provision 2
in schedule 1 of the investment mandate. That schedule is very simply that the proposed
project will be of public benefit, and the description of that, to flesh it out, is that, in
considering the public benefit, the board will give preference to the projects that serve
multiple users and produce benefits to the broader economy and community. So it is in
considering the public benefit that those two considerations are taken into account. It is
particularly there to try to provide some definition for the board about what is economic
infrastructure, because there is not a steadfast rule here. We have landed on this particular
definition that they should give preference to projects that have those two characteristics, but
those are not the only elements that may be considered when assessing public benefit.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (19:51):
Thank you. I am interested in that point particularly, given that you say they are not the only
elements to be considered. 'Public benefit' is a term that has been used in many different
pieces of legislation in various different jurisdictions for many decades, and certainly in the
environmental context it has been tested in the courts many a time, which is why I am
particularly alarmed that you are not defining it in the bill and you are leaving it as what
sounds to be a fairly vague and non-encapsulated suggestion to the board in what will become
the final investment mandate. I do not think that is a strong enough test for people who are not
accountable to be handing out $5 billion for large fossil fuel infrastructure. So I am afraid
everything you have just said makes me all the more certain that we need independent cost-
benefit analysis that looks at the environmental, social, cultural and climate impacts of these very sorts of projects that could seriously damage those values. Would you care to reassure me in any way that the board will be given some more guidance other than that two throwaway things might guide their consideration? I fear that that is quite dangerously uncertain guidance to give to any board.

**Senator CANAVAN** (Queensland—Minister for Northern Australia) (19:52): I have made the government's points about this particular amendment—I believe we are debating Greens amendment (5)—so I would simply make the point, in response to Senator Waters's point, that I do not believe the Greens amendment actually defines benefit or cost in any particular way; it says only that a cost-benefit analysis must be done. Of course, our mandate, as I have said, directs the board to ensure that projects are of public benefit. It will be for them to determine how they go about that.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (19:53): Minister, frankly, I fear for the board's future. What sort of protections are you going to put in place for the board against being sued by unsuccessful applicants for their potential misapplication of the test of public benefit?

**Senator CANAVAN** (Queensland—Minister for Northern Australia) (19:53): Like any board, they will have to be accountable to this place and to the government for their application of these requirements. The other point to make here is that, in other parts of the investment mandate, it says that finance cannot be provided unless there are regulatory approvals in place. So we believe that there are sufficient protections here: the board will provide finance only where rigorous assessment processes occur, in other parts that regulate particular elements of infrastructure projects that are put forward. They will have obligations, of course, to ensure that all aspects of the mandate are adhered to.

Question negatived.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (19:54): by leave—I move Australian Greens amendments (2) to (4) and (6) on sheet 7907 together:

(2) Clause 5, page 3 (line 19), before "In this Act", insert "(1)".

(3) Clause 5, page 4 (after line 13), after the definition of *Northern Australia economic infrastructure*, insert:

*principles of ecologically sustainable development* has the meaning given by subsection (2).

(4) Clause 5, page 4 (after line 17), at the end of the clause, add:

(2) The following principles are *principles of ecologically sustainable development*:

(a) decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations;

(b) if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation;

(c) the principle of inter-generational equity—that the present generation should ensure that the health, biodiversity and productivity of the environment is maintained or enhanced for the benefit of future generations;

(d) the conservation of biodiversity and ecological integrity should be a fundamental consideration in decision-making;

(e) improved valuation, pricing and incentive mechanisms should be promoted.
Clause 10, page 7 (lines 17 to 30), omit the clause, substitute:

10 Matters covered by Investment Mandate

The Investment Mandate:

(a) must include a direction that the Facility must have regard to the principles of ecologically sustainable development when deciding whether to provide financial assistance; and

(b) may include directions about the following:

(i) objectives the Facility is to pursue in providing financial assistance;
(ii) strategies and policies to be followed for the effective performance of the Facility’s functions;
(iii) loan characteristics for circumstances in which financial assistance is used to provide or support loans;
(iv) providing financial assistance for purposes other than to provide or support loans;
(v) eligibility criteria for financial assistance;
(vi) risk and return in relation to providing financial assistance;
(vii) any other matters the Minister thinks appropriate.

Again, this goes to the veracity of the assessment that is undertaken for such projects to receive public support. In a point related to the previous one, about the need for independent and full cost-benefit analyses, this requirement would say that the investment mandate has to specifically include consideration of the principles of ecologically sustainable development when the board is making its decision. As you rightly point out, Minister, there will be other assessment processes that are undertaken. Some of those, depending on which state approval is required, may require the consideration of ESD. Indeed, the consideration of ESD is meant to be a fairly standard thing these days—given our level of scientific knowledge about a whole variety of aspects of the natural world—and so it is perplexing that the board, having such weighty decisions and such vast amounts of dollars to hand out, is not required at least to take account of the principles of ESD, let alone be bound to implement decisions that would further ESD. So, Minister, I ask for your explanation as to why that fairly standard procedure and requirement for consideration has not been included in the investment mandate to date.

Senator CANAVAN (Queensland—Minister for Northern Australia) (19:56): The government will not be supporting these Greens amendments. I just make a couple of points. The first is that the amendments from the Greens here seek to insert into the legislation a provision equivalent to a provision in the Environment Protection and Biodiversity Conservation Act 1999. As I mentioned here in an earlier contribution, any projects that require environmental approvals—and, of course, those that trigger the federal EPBC Act—will be required to be consistent with, and seek approval under, that act, so those provisions in that act would apply to those projects.

Again I note—and I said I would note this many times—these provisions are not in the Clean Energy Finance Corporation Act or mandate. There is no specific insertion of the principles of ESD into that particular act or mandate, so it is not clear to me why we would do something different for northern Australia from what we do for clean energy. Further, adding these types of provisions into this Northern Australia Infrastructure Facility Bill has the potential to impose greater barriers or greater bureaucracy onto the approval or processes for infrastructure in northern Australia than in southern Australia, because, of course, only
projects that trigger the EPBC Act would need these types of principles applied—and they should be applied and will be applied, and finance will not be provided unless approvals are granted under that act. But it is not clear why we would seek to increase the scope of that act for all potential infrastructure projects that may be covered by this particular fund, even those that may not trigger the EPBC Act itself, and in a way that is different from a very similar piece of legislation, the Clean Energy Finance Corporation legislation.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (19:58): Minister, I think you have answered your own question there in firstly saying that you did not need to consider ESD because the EPBC Act would require it to be considered, but then finishing up by saying that you might have a project that did not need EPBC approval and therefore would not have ESD factored in. That is a perfect example of why you should have ESD in this particular bill and investment mandate: either to catch those situations that are not covered by the scope of the federal laws—which, as you well know, only cover matters of national environmental significance—or, indeed, to capture projects that somehow might not trigger those particular protected matters under our federal laws. Again, it does not seem that there has been a lot of thought put into the rigour of the assessment process for handing out wads of public money, largely to fossil fuel projects and other very large, potentially destructive projects.

Why is it not in the CEFC? Because clean energy is consistent with ecologically sustainable development. So, Minister, I am somewhat incredulous at your lack of understanding in that regard. Again, is there any better justification for why this government could not be bothered to put this very simple, very standard parameter into its decision-making process? It speaks volumes that you want to set up a dirty energy slush fund that does not have to consider the principles of ecologically sustainable development.

**Senator CANAVAN** (Queensland—Minister for Northern Australia) (19:59): No, it does speak volumes of the inconsistency of—sometimes—the approach of the Australian Greens here, may I say, because they have not applied these principles to legislation they supported in the Clean Energy Finance Corporation but now seek to do so with this legislation. To say somehow that clean energy projects are automatically consistent with the ESD is not a particularly accurate interpretation of the EPBC Act. The senator would know well that many of those projects themselves require approval under that act and of course would need to be consistent with those provisions.

The government has a position on what projects in this country require approval under the EPBC Act and require from a Commonwealth government perspective them to be consistent with that act, including the principles of ecologically sustainable development. The appropriate place to decide the scope and coverage of those provisions is in debates about the environmental approval process, and I will leave those finer details to the Minister for the Environment. But what we are debating here is trying to develop infrastructure in the north, not seek a backdoor way to impose red and green tape on projects in the north because we actually want to develop the north. We want to get projects going. We want to get jobs created. All of those projects and jobs and investments will have to be consistent with our laws in this nation but we are not about to impose higher hurdles and barriers, which would make that more difficult.
Senator MOORE (Queensland) (20:01): For the record, Labor will not be supporting this particular amendment but we do support the implementation of ecological sustainable development in project assessment. In our recent announcement, under a Labor government, Infrastructure Australia will be specifically tasked to include sustainability when assessing project proposals. As we know, Infrastructure Australia is a part of the intended process under the NAIF. This amendment is not necessary for inclusion in the legislation.

Question negatived.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:01): I move Australian Greens amendment (1) on sheet 7908:

(1) Schedule 1, page 4 (after line 6), at the end of the Schedule, add:

Environment Protection and Biodiversity Conservation Act 1999

6 After subsection 49(1A)

Insert:

(1B) A provision of a bilateral agreement does not have any effect in relation to an action if:

(a) the action includes the construction of Northern Australia economic infrastructure; and

(b) financial assistance is to be granted in relation to the infrastructure under the Northern Australia Infrastructure Facility Act 2016.

7 At the end of section 49

Add:

(4) In this section:

Northern Australia economic infrastructure has the same meaning as in the Northern Australia Infrastructure Facility Act 2016.

This is a particularly important amendment because it goes to which government body gives the final approval for projects which have sought public funding under the Northern Australia Infrastructure Facility Bill. The import of this amendment is such that say a state government is proposing a rail line for Adani's coalmine, for example—would not be out of the question given the Queensland government has indeed deliberated doing just that—in such an instance, where the state government is a proponent for a project and might also be responsible for issuing the final approval for their own project, it would be a complete lack of independence and rigor to not have that additional level of federal approval, which, under our current laws, is required but under the policy of this government would not be required. Were it not for the Senate, they would have taken away though those federal approval powers, delegated them down to those very same state governments, who may well be the proponents for projects seeking funds under this facility.

To cut a long story short, if you want state governments to put their hands out for federal money then you need to make sure that the federal government is actually the one giving the environmental approval or placing conditions upon it or even refusing approval where it offends those environmental laws, and not simply allowing a state government to give itself the tick and then get the federal taxpayer money to do a project that is potentially environmentally damaging.

Minister, I am interested in whether or not you, the department or whichever minister has done the work on the details of this bill? I recognise that you are relatively new to this
portfolio. Has this issue been considered by anyone in government? What is the government's plan to safeguard against state governments being in charge of giving themselves approvals in order to then access federal funds to undertake the project?

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:04): Once again, the government will not be supporting these amendments by the Greens for very similar reasons that I have outlined before. The Senator asked how the government has formed its views about the particular provisions in this bill. As I indicated earlier, the government, with advice from the department, investigated similar arrangements both here and overseas but in particular here of course. For the Clean Energy Finance Corporation, many of the provisions are very similar to that act and its investment mandate.

I once again make the point that these kinds of exclusions or restrictions are not in that legislation or mandate. We do not see a reason to duplicate those provisions in this particular facility. As I said, any projects requiring or triggering the EPBC Act would need those approvals before receiving finance from the Northern Australia Infrastructure Facility. While the government does have a view on setting up one-stop shops and making sure we reduce and eliminate any unnecessary regulation on the approval of major projects in this country, the appropriate place to debate the level and extent of those bilateral agreements is in the context of our environmental laws and the EPBC Act in particular, not in this legislation itself; although keeping in mind that bilateral agreements themselves have been a provision of the EPBC Act for some time—not inserted by this government but a policy that we have adopted and have a mandate for from the Australian people. So once again, the government will not be supporting these amendments because we see them as unnecessary and because they duplicate provisions that already exist in the legislation.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:06): I seek a point of clarification: those provisions still exist in the legislation because the government were not able to rip them out. If those opposite are lucky enough to form government after the election—and I know there are many people that hope they are not—they will rip those provisions away and then what? The government will be left with a federal fund of taxpayers' money potentially going to state governments who might have just ticked off on their own project—there is no accountability there. Surely someone in your great department have turned their mind to this.

I get that the government do not support my amendment—that is your prerogative—but surely somebody has turned their mind to protection mechanisms so that there is some oversight and transparency and accountability when federal money could potentially go to state proposed projects, where they are in charge of issuing their own approval.

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:06): I am sure it will not surprise the senator to say that we will disagree here on this point. The government's view is that we have very rigorous environmental laws in this country. We support those laws, and those laws will be maintained. Indeed, under this facility—I will say it again—finance will not be provided unless approvals are given under those laws.

The senator is right: the government has made various proposals to reform our environmental laws—reforms that have been long considered by both sides of politics. Our view is that those reforms will not weaken our environmental protections. They will remain rigorous and some of the strongest in the world, if not the strongest. We can disagree on that
point, Senator Waters. That is your prerogative. The point I am making is that I see it as nonsensical to try to impose on projects in northern Australia a set of environmental obligations and laws that are different to those in other parts of the country. That is not the objective of this bill. The objective of this bill is actually to facilitate and encourage investment in infrastructure in northern Australia. These amendments from the Greens would act in counter to the overall objective of this legislation. For that reason, the government will not support them.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:08): Minister, just so I have your position clear: do you really not have any difficulty with the scenario where the federal government is not in charge of issuing any form of environmental approval and has no say over the environmental conditions of a project, and where the states entirely manage that process under a proposed delegation of powers that your government supports and has been trying to get through for years? You have no difficulty with the states being completely in charge of that approval process and with federal taxpayers’ money being given out with no requirement for ESD or for a cost-benefit analysis because you have just voted down the amendments that we sought to insert? Have I got that right?

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:08): I make the point again that if this was so important to the Greens why didn’t they insert it into the Clean Energy Finance Corporation Bill when they had the opportunity? These provisions do not exist in that legislation, and therefore projects funded by the Clean Energy Finance Corporation can potentially be in exactly the same boat as the senator is suggesting. I do not quite understand their double standard in this case, apart from the fact that one bill deals with clean energy and this bill deals with northern Australia infrastructure. It seems the Greens want to treat infrastructure in northern Australia differently to clean energy. They have their own priorities that they can explain to the people of northern Australia. We do not see why there would need to be inconsistent provisions across these particular facilities, which are very similar.

As I said earlier, the various secretariats for assisting in this area have already spoken to each other and are supporting each other. They will work together in collaboration and there is no need to introduce inconsistencies between them. We as a government remain confident in the strength of our environmental laws. Of course, any finances provided will need approval under those environmental laws.

Senator WHISH-WILSON (Tasmania) (20:10): Minister, could you give us an indication of what kind of asset classes and projects the northern Australia fund will be looking at.

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:10): Yes. While the legislation is broad, in the proposed mandate we have specified some conditions, or some preferences, for infrastructure that must be or have the capacity to be used by multiple users and/or have wider public benefit. The government has expressed that it is particularly looking at infrastructure that can facilitate a wider degree of private investment over an area—infrastucture such as ports, railway lines, airports, water infrastructure and telecommunications networks, and energy distribution networks as well, for that matter. Roads potentially fit that definition, but we have always made the point, to be clear, that this is a lending facility. The projects will need to prove in some way how they are going to pay
the money back to the government. Roads typically will not provide such security, but they are not specifically excluded either. It is a very broad range of infrastructure that can be proposed, but there are strict conditions about how the facility will interpret the mandate and apply them to particular projects.

Senator WHISH-WILSON (Tasmania) (20:11): Would it be fair to say that the Clean Energy Finance Corporation is only looking at one asset class, which is renewable energy infrastructure?

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:11): I did make the point earlier—I do not think Senator Whish-Wilson was in the chamber—that there actually is not any specific restriction against the Clean Energy Finance Corporation investing in fossil fuels per se, which the Greens have sought to exclude in this bill. There actually is not. The provisions that the Greens seek to have included here are of a very different nature to what exists for the Clean Energy Finance Corporation. We see no reason to apply different standards, as I said earlier, to infrastructure in northern Australia than exist for the Clean Energy Finance Corporation under its arrangements.

Senator WHISH-WILSON (Tasmania) (20:12): As you know, Minister, we helped set that up. We played a pivotal role in the Clean Energy Finance Corporation. It does have two very important words in its title, with ‘clean energy’ being the two critical ones. It is about reducing emissions. You have correctly pointed out that you have tried to change the investment mandate of the Clean Energy Finance Corporation since you have been in power, but it was specifically set up to invest in renewable energy projects of low risk. So you could perhaps equate that to brownfield assets, in the broader investment class, that could generate returns, but it was designed to reduce emissions.

I spoke on this in my contribution in the second reading debate today. As you are aware, the Senate Select Committee into the Scrutiny of Budget Measures has been looking into infrastructure financing for 15 months. It interests me that your previous employers, the Productivity Commission, made it very clear in their evidence to us that all infrastructure projects that are financed by taxpayers and the government should have a transparent cost-benefit analysis put up. If the minister chooses to ignore that, at least we can surmise the reasons the minister ignored it. Having worked for the Productivity Commission yourself, Minister, why do you feel that, sitting in your chair today with a different hat on, you could ignore such an important recommendation?

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:13): As I outlined earlier, the arrangements we are putting in place will require the Northern Australia Infrastructure Facility to consult with Infrastructure Australia where a project is of a value greater than $100 million. That is consistent with the Australian government's assessment proposals for infrastructure.

The senator asked specifically about my previous employer. I disagreed with plenty of recommendations that went into reports at the Productivity Commission. I do not necessarily disagree with the recommendations the senator has highlighted, although I probably have not read those reports as closely as he has. But the government is comfortable with the provisions in this legislation that will require consultation with Infrastructure Australia for those large-scale projects, that will require the facility and the board of the facility to ensure that projects it seeks to propose to the minister for financing are of public benefit.
Senator WHISH-WILSON (Tasmania) (20:14): I remember the Productivity Commission saying in estimates—and I think you were in the room, Senator Canavan—'Transparency is in our genes'. I know you follow their work very closely. What we discovered in this committee was that there is actually a pool of private funds out there—investors' funds and corporate funds—looking to invest in the kinds of projects that you have outlined for this northern Australia fund. The reason that they do not want to invest in these kinds of projects off their own bat is the risk profile of the projects. When you ask them about the risk profile, they talk about the politicisation of infrastructure spending in this country, particularly the lack of transparency around how these projects are selected by Infrastructure Australia, who only advise the minister, as you know; they do not go any further than that. They said that, if cost-benefit analyses were done, were transparent and were made public—full triple-bottom-line analysis, including the environmental issues that Senator Waters has outlined here today—then that would give business confidence to overcome the market failure that is clearly obvious and is why we have got infrastructure gaps and underinvestments in places like northern Australia. You know, probably better than most people in this chamber, how important these kinds of things are, and it astounds me that you are sitting here tonight knocking back perfectly good amendments that would probably attract private investment and make these projects a lot more efficient.

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:16): I will just make the quick point that the amendments that Senator Whish-Wilson is referring to have been dealt with. The amendment before the chair at the moment deals with bilateral agreements, not cost-benefit studies. But the senator pointed to the needs of the private sector, and those needs and patterns in private sector finance for infrastructure are front and centre of the government's mind in proposing this. On the advice that I am provided with, infrastructure finance has become increasingly difficult in this country. Before the global financial crisis, the average maturity of debt to infrastructure projects was 11 years. At the moment, it has dropped back to six years, I believe, from the advice I have been provided with. For an infrastructure project of a long life—typically over decades, not years in single digits—that makes the risk of investing in projects with such a short rollover period quite high. That is one of the factors that has led the government to land, if you like, on this design that would provide some level of concessionality to the private sector both in terms of rates and, perhaps more importantly, in terms of the maturity and length of time that proponents of projects would have to make a buck and be able to put themselves in a cash-flow position to pay back their financiers.

On the senator's particular concerns about transparency here for the private sector on project selection: this particular facility is a different situation than Infrastructure Australia itself. We are seeking to partner with the private sector on individual projects that often they may put forward themselves or be involved in directly. We fully expect that the Northern Australia Infrastructure Facility will work in close consultation with those proponents. Transparency is a two-way street, so we fully expect that those private sector proponents will provide sufficient detail for the board to make an informed judgement of the commerciality or otherwise of their projects. Indeed, there are requirements in the draft mandate for financial modelling and other analysis to be provided to the board by those proponents so they can make that decision. We believe that, in the confines of some matters being commercial-in-
confidence, there will be the level of transparency between the board and the proponents that will allow informed decision making and the right projects to be selected.

Senator WHISH-WILSON (Tasmania) (20:19): In fact there is a section in our select committee report about commercial-in-confidence and why it should be jettisoned for the exact same reason that I just mentioned. I thought I would point out, Minister Canavan, that the most obvious thing to the committee when we were taking evidence—and we were looking at assets of exactly the kind that you have outlined, in places all around the country, including, as I mentioned today, Rockhampton—was that the private sector, be they investment funds or be they corporates, had a very high expected rate of return on their investment in these assets. They were interested in brownfield assets and, when we looked at greenfield assets, which are by nature higher risk, that expected rate of return climbed. When we asked, ‘Why is that risk premium so high on infrastructure spending, which is supposed to be a fairly safe and boring investment?’—the reality is quite different; they have actually got a lot of risks inherent in them—we heard that the expected premium was really high because of the same issues that I mentioned: the lack of transparency and the concern around social licence for investment in these kinds of projects. They said: ‘If you want to reduce our expected rates of return, if you want to reduce the risk premiums in these projects, have fully transparent, comprehensive cost-benefit analysis published. Have these things out there so that we can actually look at the detail and we can make decisions based on these projects.’

The same applies to a government-sponsored infrastructure bank or infrastructure fund that is making direct investments using taxpayers’ money. We do not need a commercial-in-confidence law to hide behind. If we want to make the best decisions and get the best bang for our buck, we need to be fully transparent. I just thought I would point that out, Senator Canavan. I am sure you would appreciate the logic behind that. I am not sure why we are going down this road, when it is so obvious and we have got literally 20 or 30 pages of evidence just on these issues from some very key stakeholders around the country, including investment banks and companies that already invest in infrastructure. It is the politicisation and the unknowns that are causing the lack of certainty and the perception of high risk in infrastructure projects. All we are asking for is transparency. It does not sound that hard.

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:21): I will just make a couple of quick points. I do not want labour the point here, as interesting as this repartee with Senator Whish-Wilson is. The first point is this. I referred to one of my past careers before. I did have another past career in infrastructure finance, and I slightly disagree about the risks of greenfield investments being those matters of transparency alone—or significantly at least; perhaps that was the point he was making. Typically, greenfields investments are much more risky because there are significant demand-risk overestimates of how many people are going to use the infrastructure, because you really have nothing to base it on and there can be wild variations in the judgements about who will use it now. Transparency, in my view, cannot really quite solve all those issues. It comes down to judgement. We are all frail human beings, and judgements are often wrong, as we have seen in some high-profile infrastructure finance deals in this country in the last decade.

The second point I would make is that we have taken an ample amount of time to consult widely on the provisions of this bill, both the legislation itself and in fact even before that. A consultation paper was released in November last year and draft legislation in January, and a
mandate was released in March. We have held meetings all around the country including in Sydney and Melbourne, particularly with the finance sector itself. The feedback I have received from those consultations has been overwhelmingly positive on the provisions of the mandate, notwithstanding—as I outlined in my summing-up speech—some minor adjustments we seek to make to the mandate. But presumably, if the concerns the centre is raising emanate from the private sector, they would have been captured by those consultations. I am informed that the financial sector is broadly happy with the provisions we have put in place and is confident that this can work.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:23): I want to come back to the substance of this particular amendment. It brings to mind an example which is pertinent. When you, Minister, listed out the sorts of projects that had expressed interest in applying to the fund, many of those were dams. Many of those were in Queensland. I recall a particular dam, the Mary River dam—the Traveston dam, as it was known—that was proposed by the Labor state government and approved by the Labor state government under state laws, and it took the federal environmental laws to refuse approval for that dam in order to safeguard the Mary River cod, the lungfish and the Mary River turtle.

Under the rules for the NAIF fund, that dam could have been approved, for all purposes, by the state government and would have then been able to apply to NAIF for funding. NAIF would not have then been able to look at the principles of ESD. They would not have had the benefit of an independent cost-benefit analysis, and indeed such an ability to refuse approval—which was exercised by then Minister Garrett, if my memory serves me correctly—would not be able to occur. So, for a dam which your side of politics miraculously opposed—I think it is the only dam that the Liberals and Nationals have ever opposed, but good on you for that particular example—your fund would then have been providing taxpayer moneys to build it.

This is exactly why we need an amendment that says: 'If you want to apply for federal money, you have to have gotten federal environmental approval. You can't have just let the states give themselves approval.' Minister, I seek your response to how you would envisage the rules about the Northern Australia Infrastructure Facility applying to that Traveston dam example. Correct me if I have got any of that wrong.

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:25): As I have said earlier, this is not the place, in my view, to be debating in detail the provisions of the EPBC Act, given that I am not the minister responsible for that, and this legislation deals with issues that are separate in detail from those that are dealt with by that particular piece of legislation. However, of course, under the arrangements that the government are putting in place—or have put in place in some circumstances with some states—under the bilateral agreements process, we are confident that the provisions of the EPBC Act and the assessment that would otherwise be required by it will be taken out faithfully by state governments. That is our view.

The Greens may have a different view, but it is the government's policy to establish those processes, particularly to ensure that we can get jobs created in this country and get things going. A number of high-profile cases have been held up for far too long through the assessment processes in this country with no added benefit in terms of environmental protection.
Those are this government's policies. We support job creation. We support investment in this country while maintaining our strong environmental laws and protections. There is an appropriate place and time to debate those provisions, which I am sure that the Greens and you, Senator Waters—through you, Chair—will take full advantage of. Again, we see no need to duplicate that debate or to change those generic environmental provisions of the EPBC Act through this particular process.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:27): I will just conclude. I find it remarkable that this government wants to hand out $5 billion to the fossil-fuel and other very large damaging infrastructure sectors with virtually no transparency, with no requirement for a cost-benefit analysis, with no requirement for the principles of ESD to be considered and with no care that in fact the federal government might not even have the ability to approve or refuse such a project under environmental laws in future. Yet at the same time you have the audacity to hold up the Clean Energy Finance Corporation as the model, a model that—through you, Chair—you and your government have been trying to tear down since you formed government. Suddenly it is a paragon of a model of how we should be doing things. We know that, so why were you attacking it for so many years? We welcome that you now are adopting the model, but it is ironic that you want to give free money out to fossil fuels with absolutely no checks and balances. Again, it speaks volumes about the priorities of this government.

Senator MOORE (Queensland) (20:28): For the record, we are not supporting the amendment, which seeks to exclude bilateral agreements between states and territories on the one hand and the Commonwealth on the other from exemption under federal environmental legislation for northern Australian projects provided that suitable environmental protection arrangements are put in place at state or territory level. A key point of this legislation is to avoid duplication of environmental protection processes across governments. Labor has always believed that sustainability and environmental protection are core considerations in the evaluation of project merit. Labor does not support random amendments to important legislation like the EPBC Act, however well intended they may be.

The TEMPORARY CHAIRMAN (Senator Back): The question is that amendment (1) on sheet 7908 be agreed to.

The committee divided. [20:33]

(The Temporary Chairman—Senator Back)

Ayes ......................10  
Noes ......................30  
Majority ...............20

AYES

Di Natale, R  
Hanson-Young, SC  
Ludlam, S  
McKim, NJ  
Rhiannon, L  
Rice, J  
Siewert, R (teller)  
Simms, RA  
Waters, LJ  
Whish-Wilson, PS
Northern Australia Infrastructure Facility Bill 2016, as amended, agreed to; Northern Australia Infrastructure Facility (Consequential Amendments) Bill 2016 agreed to.

Northern Australia Infrastructure Facility Bill 2016 reported with amendments; Northern Australia Infrastructure Facility (Consequential Amendments) Bill 2016 reported without amendments; report adopted.

Third Reading

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:36): I move:
That these bills be now read a third time.
Question agreed to.
Bills read a third time.

Water Amendment (Review Implementation and Other Measures) Bill 2015

Second Reading

Senator CANAVAN (Queensland—Minister for Northern Australia) (20:37): 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—

WATER AMENDMENT (REVIEW IMPLEMENTATION AND OTHER MEASURES) BILL 2015

The Australian Government is committed to implementing the Basin Plan in ways that deliver the best social, economic and environmental outcomes for the Basin and its many industries and communities. Water lies at the core of agricultural production and the associated wealth supports regional communities and the nation.

The Water Amendment (Review Implementation and Other Measures) Bill 2015 further delivers on the Government's commitment to support communities, businesses and the environment in the Murray-
Darling Basin. It also shows that the Government takes the opportunities that arise from ongoing statutory reviews to consult the community and respond to their concerns.

The main purpose of this Bill is to implement the recommendations of the *Report of the Independent Review of the Water Act 2007*, following extensive consultation with state and territory governments and stakeholders across the irrigation, community, Indigenous and environment sectors. Of the 23 recommendations made by the Panel, 21 have been accepted in full and two have been accepted in part.

The Government thanks the Review Panel members – Mr Eamonn Moran, PSM QC; Mr Peter Anderson; Dr Steve Morton; and Mr Gavin McMahon – for their efforts in reviewing the Water Act, their consultative approach, and for identifying a package of balanced and sensible amendments.

The amendments proposed by the Panel support this Government's approach to delivering the Water Act's objectives, including:

- ensuring that environmental water is managed as efficiently and effectively as possible;
- supporting a transparent and effective water market;
- monitoring and evaluating the social, economic and environmental effects of the Basin Plan; and
- reducing regulatory burden and minimising red tape for farmers.

This Bill supports each of these objectives, and in doing so underpins the Government's aim of delivering water reform in ways that support communities, businesses and the environment.

**Water recovery – background**

The Government's approach to achieving the sustainable diversion limits outlined in the Basin Plan is to prioritise investment in productivity-enhancing water infrastructure and cap surface water buybacks at 1,500 gigalitres. The Government recently enshrined the 1,500 gigalitre cap in the Water Act. This provides vital reassurance to communities by limiting any potential economic impacts associated with water purchases.

Capping water buybacks provides greater certainty to Basin communities that the Government is focused on water recovery through investment in infrastructure as a priority to bridge the gap to the sustainable diversion limits. Indeed, the Government is undertaking the most significant water infrastructure programme in Australian history, investing over $2.5 million per day in the future sustainability of irrigated agriculture out to 2019. A total of almost $13 billion has been committed to Basin initiatives out to 2024, with the majority of funds assisting irrigators and communities to make more efficient use of the Basin's water resources in the production of food and fibre. To put that into perspective, this expenditure represents a bigger investment in real terms than that made by the Commonwealth to build the Snowy Hydro scheme. These investments are already delivering very good results from both off-farm and on-farm infrastructure projects, with more than 10,000 individual irrigators benefitting from infrastructure renewal and upgrades.

The Government, through the Commonwealth Environmental Water Holder, is now the largest license holder in the Basin, for the purpose of sustaining environmental assets.

The Government is committed to delivering the maximum outcome from the Sustainable Diversion Limit Adjustment Mechanism. Delivering the same environmental outcomes with less water is common sense and will reduce the impact on Basin communities. We have already seen projects – such as pumps at Hattah lakes and regulators at Perricoota forest – markedly improving our environmental water use efficiency.

There are significant opportunities in the Gumbower forest, Chowilla floodplain, Burra creek floodplain and Lindsay Island for works and measures to deliver environmental benefits with less water. And then there is the Menindee Lakes. This is a great opportunity to undertake environmental works that actually provide more water to the Basin without removing water from productive use.
Basin water ministers continue to strive towards a supply contribution of up to 650 gigalitres. In other words, and noting that over 70 per cent of the Basin Plan water recovery target has already been achieved, the adjustment mechanism will see the 2,750 gigalitre water recovery target fall to as low as 2,100 gigalitres, reducing the socio-economic impacts of implementing the Basin Plan.

Separately, the Northern Basin Review, which is supported by all Basin water Ministers, is re-examining sustainable diversion limits set for the northern Basin in light of new and additional scientific and socio-economic information. The Government is looking forward to considering the outcomes of the Northern Basin Review when its findings are released next year. We must identify detrimental economic impacts as a result of the reduction of water available for agricultural production and determine whether substantial environmental outcomes have been achieved as a result of that reduction.

Efficient and effective management of environmental water

We know that farmers and irrigators are working hard to ensure that their use of water is as efficient and effective as possible, and so too is the Commonwealth Environmental Water Holder.

One way in which Commonwealth environmental water can be used more efficiently is through trade. Trade opportunities for the Commonwealth Environmental Water Holder can arise when, for example, the annual allocations associated with permanently held entitlements are not needed in one part of the system, and water could be used more effectively elsewhere or at another time. To date, the Commonwealth Environmental Water Holder has traded water for this purpose in a number of catchments, such as the Gwydir in New South Wales. This has assisted those communities to finish crops.

Recently, the sale of 20 gigalitres of environmental water allocations in the Goulburn catchment – the first in the southern Murray-Darling Basin – represented a good outcome for irrigators, who purchased over 20 billion litres of water for agricultural use at a time when prevailing seasonal conditions are dry.

This Bill amends the Act to provide greater flexibility for trade while ensuring that the environmental outcomes sought by the Basin Plan are maintained or improved. This Bill enables the Commonwealth Environmental Water Holder to use proceeds from the sale of water allocations to invest in activities that improve the effectiveness of Commonwealth environmental water use and help to achieve Basin Plan environmental outcomes. This flexibility will enable the Commonwealth Environmental Water Holder to get the best environmental outcomes possible, as efficiently as possible.

This recognises that achieving environmental outcomes in the Basin will often require both water and complementary environmental activities. We know it is not just about adding water, because the lack of environmental works and measures, such as fish ladders and carp screens, can be a real barrier to maximising environmental outcomes.

The Bill also implements important safeguards recommended by the Review Panel including:

- Only the proceeds from the sale of temporary water – that is, allocations, and not entitlements – can be used for environmental activities. Proceeds cannot be used to meet the costs of the Commonwealth Environmental Water Holder's operational requirements, such as fees and charges from the use of environmental water.
- Proceeds can only be used for environmental activities if the Commonwealth Environmental Water Holder is satisfied that the catchment in which the allocation is to be sold has complied with its sustainable diversion limit.

The scope of potential environmental activities that can be funded through water sales is broad, but must be tied to improved outcomes from the use of Commonwealth environmental water. This enables targeted investments that complement, rather than duplicate, existing environmental programmes. The Government wishes to make it clear that the Commonwealth Environmental Water Holder will not use...
this new flexibility to invest in natural resource management activities that are already being funded by other programmes, whether at the local, state or federal level.

A further change in this Bill is to bring the conditions on the sale of water allocations in systems with continuous accounting into line with systems which have an annual accounting framework. This means that if water is not required to meet environmental objectives in a water period, the Commonwealth Environmental Water Holder will have an option to sell the water rather than forego allocations due to account limits.

Flexibility and practicality are central to these amendments, and key to achieving positive environmental outcomes in the Basin, in ways that also deliver social and economic benefits to Basin communities.

The Government also recognises that there are many other stakeholders besides the Commonwealth Environmental Water Holder that are working to improve environmental outcomes in the Basin. For example, the development of a biological control agent for European carp, which comprise over 70 per cent of all fish in the Basin, could deliver transformative change to our most iconic river system. This collaborative work – between federal and state governments, research and development corporations and universities – has the potential to massively reduce carp populations and significantly improve the health of the Basin’s rivers and wetlands.

Transparent and effective water markets

In a drought-prone country with a highly variable climate, it is particularly important that water has a market price that reflects its changing value, and that farmers can realise that value through a transparent and effective water market. It is clear that the development of a water market has made a significant difference in helping Basin industries to get the most out of their water assets, and to navigate their way through the worst of our dry times. However, while trade is vital to many agricultural industries, it is apparent there are some concerns within the Basin community in regards to how the water market operates.

In line with the recommendations of the Review Panel, the Government will encourage water market industry representative bodies to establish industry-led self-regulation of water market intermediaries. Commonwealth regulation will be considered if evidence emerges that this would alleviate or remove risks in the water market and provide an overall net benefit to business, individuals and community organisations.

The Review Panel made a number of other recommendations which aim to improve water market transparency. Two recommendations were accepted immediately on release of the Panel’s report – a review of the water charge rules and a review of water information reporting requirements.

The ACCC is undertaking extensive consultation across the Basin as part of its review of water charge rules and released draft advice on 24 November 2015 for comment. Among other things, the review is considering how best to ensure consistency in the application of national water charging objectives and principles across the Basin. The review of water information reporting requirements was completed in June this year and is due for release in coming months.

The Bill also ensures transparency and accountability in the trade of Commonwealth environmental water, requiring it to publish details of all water it sells and the purpose for which the proceeds are used.

Separate to the review of the Water Act, but complementary to its aims, the Government is also improving transparency in the water market by agreeing to introduce legislation to Parliament by December 2016 to establish a register of foreign ownership of water entitlements. Foreign investment plays an important role in funding the development of many industries in Australia, including the agricultural sector. A register of foreign ownership of both land and water will provide more reliable and transparent information to the public, participants in the water market and the agricultural sector.
about the value and extent of foreign investment in the sector, as well as trends. Improved oversight of foreign ownership is in response to a wide public call.

The Government is aware there is some anxiety in the Basin about speculators in the water market and will be looking at further options that improve transparency in the water market.

Monitoring and evaluating Basin Plan impacts

Aside from monitoring and evaluating the environmental outcomes of the Plan, this Bill amends the Act to improve monitoring of the social and economic impacts of the Basin Plan. This is an important amendment that responds to many stakeholders' concerns that insufficient attention is being paid to the social and economic impacts of implementing the Basin Plan. This recognises that community confidence and support is integral to the attainment of triple bottom line outcomes in the Basin.

This Bill will also provide further certainty to stakeholders about the direction and pace of water reform. In line with the Review Panel's recommendations, a further review of the Water Act will be conducted in 2024. Furthermore, the first legislated review of the Basin Plan, previously set for 2022, will now take place in 2026, with 10-yearly reviews thereafter. This strikes the appropriate balance between regulatory certainty and allowing the Basin Plan to be reviewed when its outcomes can be better assessed.

Reducing the regulatory burden

A key focus of the Review Panel's Terms of Reference was to identify opportunities to reduce or simplify the regulatory and reporting burdens imposed by the Water Act. Even small changes in regulatory burden can have a large productivity effect on the many small- and medium-sized businesses that operate in the Basin, leading to improved farm gate returns.

In this respect, the Bill makes several important amendments that will streamline the Water Act by improving regulatory clarity, simplifying the process of water resource plan accreditation and repealing redundant provisions.

The Water Act empowers a number of water agencies to provide and collect information on Australia's water resources and to monitor Australia's water markets. The Review Panel recommended that the Government consider the regulatory burden on industry and water managers in respect of water information requirements, while ensuring that critical information on Australia's water resources continues to be collected. As mentioned earlier, this multi-agency review has now been completed and will be released in coming months. Some of the measures proposed by this review will streamline data collection and reporting requirements, further reducing the regulatory burden on stakeholders and cutting red tape.

Indigenous engagement

Indigenous Australians have a long, rich and close association with the rivers and wetlands of the Murray-Darling Basin. As the submission to the Review from the Northern Basin Aboriginal Nations noted, "water is our lifeblood, and all of us depend on healthy rivers and wetlands."

Accordingly, this Bill includes in the Water Act the existing Basin Plan requirement to have regard to social, spiritual and cultural matters relevant to Indigenous people in the preparation of water resource plans.

The Bill also clarifies that one of the functions of the Murray-Darling Basin Authority is to engage with the Indigenous community on the use and management of Basin water resources.

The Bill adds an additional field of expertise that can be considered for potential appointment to the Murray-Darling Basin Authority's six-person board.

For the first time, 'Indigenous matters relevant to Basin water resources' will be a recognised field of expertise that can qualify a person for appointment to the Authority.
Further, the Bill amends the Act to specify that the Basin Community Committee must be comprised of at least two Indigenous persons with expertise in Indigenous matters relevant to Basin water resources.

Summary

The Coalition has a strong track record of delivering water reform for the benefit of the nation. Under the Howard Government, the Council of Australian Governments agreed in 2004 to the National Water Initiative, laying the foundation for nationally consistent water planning and management for rural and urban use, and delivered balanced economic, social and environmental outcomes.

The Coalition also introduced the $10 billion National Plan for Water Security in 2007 and enacted the Water Act, establishing a framework for water reform that included infrastructure modernisation, increased agricultural production and significant environmental improvements.

And earlier this year, the Government announced the establishment of the National Water Infrastructure Development Fund to start the detailed planning needed to build or upgrade dams and pipelines and undertake managed aquifer recharge. This will help secure the nation’s water supplies and deliver strong economic benefits for Australia, while also protecting the environment.

This Bill continues the Coalition's longstanding commitment to sensible and balanced water reform that boosts agricultural production, strengthens communities in our food and fibre producing regions, and delivers environmental outcomes.

Senator SINGH (Tasmania) (20:37): I rise to speak on the Water Amendment (Review Implementation and Other Measures) Bill 2015. Stakeholders want stability and continuity around the Basin Plan, and so these are minor changes would not adversely impact on the Basin Plan.

The bill implements the recommendations of the Report of the Independent Review of the Water Act 2007—the Water Act review—and recommendations that have been agreed to by the basin states. It will provide for five-yearly reviews of the social and economic impacts of the Basin Plan 2012. One key change is that it will allow the Commonwealth Environmental Water Holder to invest in non-water environmental activities, so the holder is not restricted to just water. The bill will also make other minor administrative and technical amendments.

The success of the Basin Plan has always rested on bipartisan support at the federal level, the support of the basin states and at least nominal support of agricultural and environmental groups. Given the support of the basin states, Labor will not oppose the passage of this bill in the interests of bipartisanship and the stability of the Basin Plan.

As many of us in this place will know, disagreement over the management of our most important river system and our most important food bowl pre-dates Federation. The first conference on the Murray was held in 1863, decades before Federation. The Federation drought brought the states together in Corowa in 1902, leading to the River Murray Waters Agreement in 1915 and the formation of the River Murray Commission in 1917.

The importance of the basin to agriculture in South Australia, Victoria and New South Wales led to the construction of numerous dams, weirs and locks. By the late 1960s, drought, the overextraction of water for irrigation and rising salinity began to put the health of the Murray-Darling system onto the radar. Fast forward to the drought of the early-2000s—or the Millennium drought, as it was clearly known—and it was clear that more needed to be done.

Under the Howard government, the National Water Initiative was agreed to and the Water Act 2007 was passed through this parliament. And now, thanks in large part to the former
minister for water, the member for Watson, Tony Burke, we have a plan that is restoring our rivers to health, supporting strong regional communities and ensuring sustainable food production.

The Murray-Darling Basin Plan, or the Basin Plan, has bipartisan support at the Federal level and the support of the basin states: South Australia, Victoria, NSW, Queensland and of course the ACT. Importantly, there has been very significant Commonwealth investment in ensuring that farms remain productive as the plan is delivered. Two million dollars a day is being, and will be spent, on efficiency and infrastructure measures out to 2019. This is not just a significant amount of money; it is a significant commitment to the Basin Plan, to the health of our rivers, and the ecosystems and regional communities that that river systems supports. Not everyone obviously got everything that they wanted from the plan, but it does retain significant support throughout the system. It also had the support of farming, environmental and Indigenous groups.

The Basin Plan, brought into force in November 2012, will set basin-wide sustainable diversion limits and return 2,750 gigalitres to the environment. Basin states are required to prepare water resource plans that will give effect to the sustainable diversion limits from July 2019.

Under the sustainable diversion limit adjustment mechanism, up to 650 gigalitres can be provided through supply measures—projects that deliver environmental outcomes with less water—and that is a really significant and good thing. Proposals for these supply measures are, I understand, in varying states of preparation and assessment. To date over 1,900 gigalitres have been recovered for the environment. This includes over 1,160 gigalitres through water purchase; over 600 gigalitres through infrastructure investment; and over 180 gigalitres through other basin state recovery actions. This is water that can be used, at appropriate times and where it is needed, to improve flows and help restore health throughout the system. And already we have seen successful water releases overseen by the Commonwealth Environmental Water Holder and the state and regional water management agencies.

Importantly, there has been significant Commonwealth investment in ensuring that farms remain productive as the plan is delivered. Two million dollars a day is being and will be spent on efficiency and infrastructure measures out to 2019. This is not only a significant amount of money; it is a significant commitment to the Basin Plan—to the health of our rivers and the ecosystems and communities they support. That is why the previous Labor minister for water did so much work in ensuring that we did get this right.

The basin supports agriculture on a grand scale—around 40 per cent of Australia’s agricultural production. That is in no way an insignificant figure. According to ABS figures, in 2012-13 the basin accounted for over 50 per cent of Australia’s irrigated produce, including nearly 100 per cent of Australia’s rice, 96 per cent of Australia’s cotton, 75 per cent of Australia’s grapes, 59 per cent of Australia’s hay, 54 per cent of Australia’s fruit, 52 per cent of Australia’s production from sheep and livestock, and 45 per cent of Australia’s dairy. Around two million people live and work in the basin, in communities ranging from fewer than 1,000 people to large urban centres, such as Wagga Wagga with over 45,000 people. A further 1.2 million people depend on its waters for survival. All of this agricultural production
and the two million people living in the basin rely on the healthy functioning of its river system.

The environmental needs of the rivers are of course incredibly important. Within the basin there are approximately 30,000 wetlands, over 60 species of fish, 124 families of macroinvertebrates, 98 species of waterbird, four threatened water-dependent ecological communities and hundreds upon hundreds of plant species supported by key floodplains. The health of the river channels themselves and the flora and fauna that they support are not only vital in their own rights but also vital for the economic and social wellbeing of basin communities. The health of the basin, and particularly the Murray, is epitomised by the Lower Lakes and the Murray Mouth. It is important that we understand the environmental needs of the rivers within the basin system to ensure sustainable communities and sustainable food and fibre production can be maintained. As I said, there are approximately 30,000 wetlands in the basin and over 60 species of fish. These are not insignificant ecological outcomes that we find in our basin environment.

Related to environmental needs and environmental flows, the Aboriginal nations and communities in the basin also want, and should have, access to the flows that they need to ensure the continuation of their health, their culture and their social and economic wellbeing. Aboriginal people feel a deep connection to their land and the waters that flow through and across them, and this needs to be recognised and provided for, not as an exercise in some kind of imperial patronage but by ensuring that Aboriginal people are empowered through governance and water rights, because they are and will always be the custodians of that land. When environmental water is released into the river and wetlands Aboriginal expertise needs to be heeded. The deep knowledge of Aboriginal people of our river systems means that they have important, if not vital, advice to give our water managers that, if heeded, can add great value to the work of those managers. Groups such as the Northern Basin Aboriginal Nations and the Murray Lower Darling Rivers Indigenous Nations have a lot to offer us if we listen to them. Engagement with Aboriginal people in the basin cannot be done as a tick-a-box exercise, and government certainly needs to understand and realise that. Proper ongoing engagement will not only benefit Aboriginal people; it will benefit all of us.

This bill implements a number of recommendations from the review of the Water Act that was conducted through 2014, including: firstly, to allow the CEWH, the Commonwealth Environmental Water Holder, to invest in non-water environmental activities so that the holder is not restricted just to water; secondly, to provide for greater incorporation of Indigenous expertise in the governance of the Murray-Darling Basin water resources for the reasons I just outlined; thirdly, to implement five-yearly reviews of the social and economic impacts of the Basin Plan; and, finally, to implement a number of minor administrative and technical amendments. All of those recommendations from the review of the Water Act need to be taken note of by government, and I hope that they will do so. A lot of them are, of course, being done through the passage of this amendment bill.

I would note that there is no definition of 'environmental activities' to assist in the assessment of non-water purchases. The Commonwealth Environmental Water Holder is required to operate consistently with the Basin Plan and its environmental water objectives, but this still may have the potential to be broadly interpreted because of their being no definition. So Labor will be monitoring the appropriate balance between flexibility in the
water holder's activities and clarity regarding what activities might be contemplated under these amendments.

There are adjustments to the timeline of key review points and milestones in the Water Act and the Basin Plan which the opposition think broadly make sense. However, there may be some practical issues with reporting on environmental outcomes as long-term watering plans will not have been in place for long prior to their reporting date. So delivering interim results will be important for transparency and for public confidence. By this stage water recovery will have been undertaken for nine years and the environmental outcomes achieved should be made publicly available to the fullest extent possible. Stakeholders as well as the signatories to the Basin Plan want stability on continuity around the Basin Plan, and these changes, if they are well managed, should not adversely impact those objectives.

The success of the Basin Plan rests on the support particularly of both major parties in this parliament—and the Labor Party has been willing to provide that support through the passage of this bill—as well as the agreement of all the basin states, which I mentioned earlier, as well as the ACT. Obviously, there is also a very deep engagement, but not always an easy engagement, with the full range of stakeholders, those being irrigators, farmers, environmental groups and Indigenous communities, and I am sure there are others as well.

An important driver in Labor's support for this bill, though, and some other amendments to the Water Act that were proposed by the government last year is the agreement that the government has obtained for these measures from all of the basin states in order to maintain that political consensus. As I said, for the ongoing implementation of a plan that is overwhelmingly in the national interest and that Labor, when in government, played a significantly key role in, Labor therefore provide our support to this bill, retaining that bipartisanship.

Stakeholders from both irrigator and environmental groups have expressed concern, and I understand that concern, about the Murray-Darling Basin Plan becoming politicised to the point of detriment. They have asked that there be no major changes to the plan at this point that would disturb that political consensus. These stakeholders have told us that what is most important for them is stability, predictability and consistency. Therefore, on that basis, and on a number of the other key elements that I have raised in relation to the Murray-Darling Basin Plan, we do not propose to hold up this legislation. We broadly support it. In fact, we recognise the work that has been done not just by this government but also, in fact, by the Labor federal government before this government in getting us to this point where we are today.

Senator SIMMS (South Australia) (20:54): The Australian Greens are committed to the full implementation of the Murray-Darling Basin Plan. The Basin Plan's current commitment to recover 2,750 gigalitres is the absolute bare minimum required to achieve basin-wide environmental objectives and to keep the river healthy. In fact, the Greens have been advocating for more environmental flows over many years. The Murray-Darling Basin is the lifeblood for the nation's most significant agricultural region. It extends for more than 3,300 kilometres; it accounts for 40 per cent of the nation's agricultural produce; and it contributes about $15 billion to the economy. The jobs of tens of thousands of people living in rural communities are at risk if we do not commit to a sustainable and healthy river system, not just for now but for the generations to come.
We only need to look back over the last few decades to understand the devastating effects that can occur for local communities when we do not look after the environmental health of the Murray-Darling Basin. When making decisions on changes to the water legislation, we must always consider the long-term sustainability of the basin to protect both the environment and the rural communities that rely on it. My home state of South Australia is at the end of the Murray-Darling and has been particularly hard hit, so I do understand firsthand the devastating negative impacts that occur when we do not look after the health of this precious river system. Between 2006 and 2010, a record low amount of water flowed into SA, which put immense pressure on our agricultural and horticultural industries, regional communities and the environment.

The iconic Coorong and Lower Lakes are the end of the line, where the Murray-Darling meets the sea. The area is of international significance, recognised for its ecological diversity, and it is the spiritual home of the Ngarrindjeri people. It is a prime example of why we cannot waver in our commitment to the Murray-Darling Basin Plan and to ensuring that minimum environmental flows are met.

The Greens do have some concerns with the Water Amendment (Review Implementation and Other Measures) Bill 2015 as proposed, and we have circulated a number of amendments to address these concerns. Firstly, we think it is unnecessary to allow the water trade revenue to be used for environmental activities. The term 'environmental activities' is vague in this legislation. It fails to outline how an objective assessment could be made to determine if an environmental activity even improves the ability of the Commonwealth Environmental Water Holder to meet the Environmental Watering Plan. While some safeguards are in place for these changes, they do not directly address this concern. The Greens cannot support such broadly written legislation, which threatens to end up being just another blatant cost-shifting exercise by the government.

The Greens have submitted two amendments to address these concerns. The status quo, where the Commonwealth Environmental Water Holder is restricted to only use trade revenue for the purchase of water for achieving environmental outcomes, is working well so far. We see no reason to change this process, given that it has been working well over the last few years and delivering good outcomes for the basin.

Secondly, it is unacceptable that, if this bill were adopted in its current form, there would be no review of the Basin Plan for 14 years. Let me remind you that we are talking about the biggest river system in the country, a system that is full of unique and precious ecosystems and generates 40 per cent of our agricultural produce. It is irresponsible to allow 14 years to pass without a review, particularly when the current legislation fails to even acknowledge climate change, let alone address the impact that changing weather patterns will have on environmental flows.

Our amendment ensures that the sustainable diversion limits in the Murray-Darling Basin Plan are reviewed in 2017 to determine if they adequately account for the projected impacts of climate change. This is a responsible approach so that, when the sustainable diversion limits commence in 2019, they will be implemented with the potential impacts of climate change taken into account. Climate change is happening. It may be a surprise to you, Mr Acting Deputy President Bernardi, but climate change is happening. The science is settled. It is appalling that the plan covering our largest river system in this country fails to even
consider how the impacts of climate change could alter water flows. If we do not act on this, it will significantly increase the risks to the environmental health of the river, which has flow-on impacts to a whole range of sectors, including agriculture and tourism, and, of course, the long-term future of countless rural communities spread right across the basin.

We are also moving some amendments that look at the socioeconomic impacts on Aboriginal populations. I would like to acknowledge that this bill does provide some minor but important amendments that improve the recognition of Aboriginal water rights and the relationship of Aboriginal people to the land. It is encouraging to see that the Basin Community Committee requirements have now increased from requiring one to requiring two Aboriginal people on the committee—that is a good thing. The Greens strongly believe that the Basin Plan should provide greater scope to understand the impacts of the plan on the Aboriginal population.

Unfortunately, Aboriginal people still remain among the most disadvantaged groups within the basin, especially with regards to low levels of land ownership and water resources. This population is growing at a faster rate than the general population and it is important that we understand the impact of socioeconomic outcomes for Aboriginal residents, who are some of the most disadvantaged in the basin. The bill before us adds an assessment of the social and economic impacts of the Basin Plan as a specific requirement for the five-yearly reviews of the plan. Our amendment will allow for the impacts of the Basin Plan on socioeconomic outcomes for the Aboriginal people living in the basin to be assessed explicitly.

We are already seeing positive outcomes from the implementation of this plan: improved freshwater flows have kept the Murray mouth open, preventing millions of tonnes of sea salt from flowing back into the Murray and damaging the Coorong. Greater flows have also replenished the water levels of wetlands across the system, leading to healthier vegetation and increased numbers of waterbirds and fish.

Now is not the time to waver. We must not allow 14 years to pass without a review, especially when the current plan does not take into account the impact that climate change may have on environmental flows. We should not be allowing water trade revenue to be used for environmental activities without adequate oversight and reporting requirements, and we should continue to improve the involvement of Aboriginal people in the implementation and review of the Basin Plan.

The Greens remain committed to strengthening the Murray-Darling Basin Plan, not weakening it, and we will always take action to ensure we have a sustainable and healthy river system for generations to come. I encourage all parties here in this place to support the Greens amendments as a way of improving the bill that has been proposed. Thank you.

**Senator LEYONHJELM** (New South Wales) (21:02): I spent a fair bit of time last year travelling around the Murray-Darling river system—from Queensland, through the MIA and down to the mouth of the Murray River. My job as Chair of the Senate Select Committee on the Murray-Darling Basin Plan was to listen to people.

I am here to report that under the Basin Plan many people in the Murray-Darling Basin are hurting. The places we visited were diverse. But one thing that towns dependent on irrigated agriculture have in common is that they are suffering. Businesses are in decline, jobs are being lost and people are leaving. It is not just irrigators who suffer in these towns: it is the
mechanics, the retailers, the teachers and the contractors. We heard far too many sad stories of personal hardship. What is more, under the current Basin Plan food processors tell us that Australia's aspiration to become a food bowl for Asia is not a vision, it is a pipedream. Without water, we cannot produce food.

Mr Acting Deputy President, I tell you this to explain that while I am prepared to support the Water Amendment (Review Implementation and Other Measures) Bill 2016 before us today, I view it as a great disappointment. The bill slightly expands the circumstances where the Commonwealth can sell water to irrigators, which is a good thing. But it delays future reviews of the Water Act and the Basin Plan, which is a tactic to avoid hearing from suffering basin communities and to avoid doing anything to fix the plan before it does more damage.

The most disappointing thing is that this bill addresses none of the fundamental problems with the Basin Plan and its implementation that have been raised in the report of the Senate Select Committee. And it does nothing to improve water allocations for irrigators.

It demonstrates that the government remains wedded to the childlike notion that it somehow benefits the environment to simply fill the river to the brim, while people are denied water. National Party senators in particular should be ashamed that on this most important issue they have pulled their Akubras over their ears and tuned out. If there were any doubt about this, it was removed when they voted against my modest proposal for a one per cent increase in water allocations for irrigators late last year.

Allow me to remind the government of just a few of the recommendations of the select committee, based on what the people of the Murray-Darling are crying out for. They say there should be no more water buybacks. Buybacks might be okay for those who are selling water, but there are many others affected. The bottom line is that they are destroying regional Australia.

They say too much water is being taken from 'terminal' systems such as the Macquarie Valley and Gwydir Valley for little or no environmental benefit. They say there should be a judicial inquiry into the shambolic management of the Goulburn-Murray Water Connections Project. They are worried that government sanctioned floods will damage their properties. They, and state water agencies, say cold water releases by the MDBA are killing off native fish and promoting the proliferation of carp.

They say federal and state governments need to secure Broken Hill's water supply and allow the Menindee Lakes to retain water. They say we should consider how much fresh water is evaporating from the South Australian lower lakes, and whether it would be better for all concerned if this were salt water. This could be accomplished quite easily by removing the barrages that prevent the end of the Murray from returning to its natural estuarine state and building a weir near Wellington to maintain a freshwater source for Adelaide and its irrigators. The Murray River is Australia's only river where we allow fresh water to run out to sea, but we do not allow sea water to flow back in. It is abnormal.

The people of the Murray-Darling are crying out, at the very least, for a cost-benefit analysis of the Basin Plan. They cherish the environment they live in, but say that we need to stop putting people last. Economic and social considerations need to be given equal priority.

I urge the government to respond to the report of the Senate Select Committee before the election, and for this response to accept the committee's 31 majority recommendations.
Between now and the election I will pressure the government to better serve the people of the Murray-Darling Basin, and so long as the Liberal Democrats have any representatives in this chamber this pressure will continue after it as well.

Senator XENOPHON (South Australia) (21:07): I can indicate my support for this bill. I respect Senator Leyonhjelm's differing view in respect of this but I fundamentally disagree with it. I do not believe it is good for the health of the river system—not just in South Australia, but for the entire basin—for salt water to be allowed into the lower lakes. The lower lakes do have an important role. As people such as Professor Mike Young from the University of Adelaide have indicated, they are the lungs of the river system. It is absolutely critical that we have that flow of water. To have a hypersaline environment is something that will ultimately be like gangrene going up the river system, and that is something that worries me considerably.

The Water Amendment (Review Implementation and Other Measures) Bill 2015 does implement a number of measures that are, in a sense, an update of the plan. It is something that has been brought about by discussion and compromise and consultation with basin stakeholders. I note that the South Australian government does not take issue with the bill. I think it is important to establish what the role and the position of the South Australian government is in respect of that. I want to make it clear that, when it comes to water, South Australia—being at the end of the river system—is incredibly vulnerable. Not only are we the driest state on the driest continent, but Australia's greatest river system, the Murray-Darling, winds its way from Queensland through New South Wales, Victoria and, of course, the Australian Capital Territory to the lower lakes in South Australia. The lower lakes are the lungs of the river system. They flush out salt and nutrients essential to maintaining the health of the entire river system.

Whenever there is a drought or overallocation upstream, South Australia's environment and irrigators can suffer the most. I make no apology for doing what I did back in February 2009 when I negotiated with the then Rudd government for $500 million in fast-tracked water buybacks, $200 million for drought-affected communities and another $200 million for much-needed stormwater harvesting. That was for not just the basin but the nation. It also ensured that those irrigators who wished to do so could leave their properties with dignity. These are important factors that need to be considered in the committee stage. I note that there are some amendments. Also, the shadow minister in the other place made reference to there being no definition of environmental activities to assist in the assessment of non-water purchases and the role of the Commonwealth Environmental Water Holder in respect of that. I think that ought to be explored in the committee stages of this bill. The point the shadow minister made reference to in his contribution in the other place, about the adjustments to the time line of key review points and milestones in the Water Act and the Basin Plan, does make sense. I agree with him in that but I would like to hear from the government as to what the practical reporting mechanisms are in relation to that.

I also acknowledge the concern I have for the social and economic impacts as well as the environmental impacts. I think there is a synergy between all of those. You need to have good environmental flows in order to have good social and economic outcomes. If you do not have a healthy river system then that puts those social and economic outcomes in jeopardy. I am concerned that the South Australian government announced just last week that the minimum
baseline allocation for next year will be 36 per cent, after it was at practically 100 per cent for a number of years after the drought broke. That concerns me, although I do note that it is a baseline; there will not be anything less than that. It is a worrying development and something that I want to take up with the South Australian government, both as to the methodology used and whether the basis of that 36 per cent figure is fair and reasonable for the irrigators in South Australia. That is something, of course, that needs to be ventilated outside of this debate but, in this respect, I think this bill does have a number of measures that are practical, that make sense and that help to implement the Basin Plan. It is not a perfect plan by any means, but the alternative of not having a national approach and not having some methodology that is based on the science would have been much, much worse.

Senator MADIGAN (Victoria) (21:13): Thirteen billion dollars—it is a lot of money, isn't it? Such large amounts, though, do not trouble politicians; in fact, big figures like this are proudly unveiled at election time. There are big, fat, empty promises laden with money. Of course, $13 billion refers to the total funding for specific initiatives to support water reform in the Murray-Darling Basin. According to the Parliamentary Library, $5 billion has already been spent on what are referred to as 'water programs'. That is a nice, watery, vague term, isn't it—water programs? I have made clear my view on the Murray-Darling Basin Plan and the associated authority. I am not a big fan of the plan and, in my view, it has brought nothing but hardship. It has ruined regional communities, driven farmers to the wall, driven up the price of water and done little for the environment.

Let's get into the real world: $13 billion on one hand, and what have we got on the other? We have real people facing immeasurable hardship, real people facing loss, real people getting out of bed every day and facing the increasing challenge of survival.

On Friday night I received this letter from a real person. June is the wife of a Victorian farmer in the Shire of Gannawarra in northern Victoria. June is not her real name, but that does not matter. I share this letter with the Senate because it explains starkly and clearly the challenges facing our farms. June writes:

Each month my family of four receives $5000 from our farming partnership. $1600 of this goes on an interest-only payment on the farming land. $1000 is paid to our farming partners for our interest in the stock — that is, our milking cows heifers calves). We pay $403 a month on family health insurance. $470 goes every month on vehicle repayments.

June told me that leaves a total of $1,527 to pay for food, clothes, school fees, household accounts as well as repairs and maintenance of their home for the month. That works out to $381.75 for a family of four. June says there are no discount supermarkets in her area. Fuel is 10c a litre dearer than in Bendigo, just 100 kilometres away. June writes:

Now last week our milk price was suddenly slashed from an already low income. The cows still need to be feed regardless of if we are being paid or not. The question was raised of my $381.75 a week allowance … how much could I put back into the farm account to pay feed bills.

So the question is raised do I feed my two children or do I choose to feed the animals that in turn feed us.
June asks:
I wonder is this a choice any of you have to make.
It is a very good question. How many of us have been faced with such an extraordinary decision? June writes:
I have an Applied Science Degree. My husband has his diploma in agriculture. We are a 'higher' educated family. We work seven days a week. We haven't had a day away from work in well over 18 months.
I - as a farmer's wife with numerous ongoing health issues since having our two children aged 6 and 3 - have taken a job to work off farm, to meet just the basic necessities of life. I'm talking school fees, children's clothing and toilet paper not the latest accessory or an iphone!
June writes:
While I work off farm rushing from here to there I am criticised for not staying home to raise my family, for not supporting my husband in his endless work and for not being the house wife I should be. While my friends who have worked their 9-5 hours 5 days a week enjoy 12 plus months of maternity leave I have bundled my children into the car to take with me to meetings I have sat up all night catching up when I have had to nurse a sick child through the day.
June says:
There are no family days for farmers, no vacation pay, no long service leave.
She writes that she graduated from university in 2012 and has been working in the same job on the same farm for 14 years. Ten of these years were drought declared. June says:
For some of those years it was through the blessings of the Salvation Army that household bills where paid. We have attended services for friends, fellow farmers, who have taken their own lives. We heard how the milk tanker driver found them hanging from the rafters. Did we ask why? No we didn't have too. I knew why. Some have the fortitude to keep placing one foot in front of the other, to keep moving forward while others no longer have the strength.
The farm the bank owns for us was once a thriving dairy farm. The channel system was laid with a bullock team and the system flowed with gravity feed as the farm was carefully planned.
When we moved in the farm had not a blade of grass on it after 10 years of drought. In that time the water right had been sold off it leaving only a stock and domestic usage capability of a mere 19 mega litres.
Fortunately that year we had a break and the farm showed its lush full potential. A dairy was rebuilt, fences erected and the cows moved in.
Then June makes another salient point. She says:
In the country's wisdom water has been sold away from the land holders. Now it becomes a game for the investors who wait until farmers are desperate. They wait until it's so dry that farmers have to buy water to keep their animals alive. Speculators wait until then because that is when they will make the biggest profit.
June explains that her farm is entitled to have the usage of 385 megalitres on the current market. That would be $103,950 for the use of that water for one season.
If we do not use the water we have purchased in this season, the water body reclaims that water and we are unable to use it next season.
Don't be tempted to pre buy for next year at a reasonable price because you won't be able to use it anyway. Now if we attempt to buy that entitlement permanently it would cost $847 000.
I repeat: for June and her husband to buy a permanent entitlement for their small farm, it would cost $847,000. This is madness. It is extortion. But wait; there's a catch. June says:
The organisations overseeing water will only allocate a percentage of that water for your actual use. So we are left to buy the minimal amount of water to get through. This means we can no longer grow our own supplement feed. So we have to outsource for grain and hay. However, those farmers are also hanging out for the highest price. They have bills to pay too.
June says:
As a normal business would work you add up how much the product has cost to produce and then add on your profit yes?? NO000000! No this is when the CEO's in the city step in and dictate how much they will pay you and you have to try and work in those parameters to make a profit.
No wonder our farmers are committing suicide. June says—and I agree with her:
Surely by now you can see how this system can not possibly work. Farmers are being stripped bare, paying premium prices selling at ridiculously low prices and being charged for the freight. Meanwhile forests are burning down because they are not grazed and there is too much fuel on the ground. Rivers are going stagnant and growing algae because of the lack of flow.
Good healthy Australian produce is being decimated and replaced on the supermarket shelves with imported products not grown to our exacting standards, imported products full of chemicals and enhancers that are being fed to an ever-increasing society with major health issues.
June asks a crucial question:
What happened to common sense?
She says:
While farmers struggle and country towns die, new stadiums replace perfectly good stadiums that already exist. I have seen the floor in the Bendigo market place be replaced three times in as many years. Why when it's made of concrete?
June says:
WASTE so much selfish waste in our country. Australia is a country driven by selfish wants as opposed to what it needs to survive. While other countries come in and buy farm land and water to secure food for their nations, Australia throws a temper tantrum until they get their latest … iPhone. It is a disgrace what this country has become.
June finishes on a poignant note. She says her six-year-old son has a dream:
He dreams of owning the family farm and a contract harvesting business. He has a plan to house a team of Clydesdales so that on the front of his farm he can turn the soil the old way and show people how it was done. Then on the main part of the farm he plans to use his modern day machinery to till and plant and harvest to show people how he grows the food.
June tell me her mission is to outlast this era of selfishness and stupidity and to hold onto her land at least so that maybe her children have a chance. She asks:
How will we do that? We already have a backup plan if the stock have to go. It will be one less farm growing food for Australians.
June says she has learnt this country values money more highly than food. She says:
So maybe we will both have to work off farm to keep our kids alive. But know this while you all eat petrified food imported and kept for months in transport, I'll be eating fresh Australian vegetables, home-grown lamb and beef and I'll continue to at least milk a cow for us. Why? Because I'm a farmer and I know how to grow the best food. Just because Australia chooses not to eat home grown doesn't mean we have to.
June is understandably angry:
Enjoy the destruction Australia, I hope the cash you are bleeding from Australian farmers tastes as good as our steak because the cash is all you'll have.
June finishes off with a solution. She says:
Re-gift the young farmers with water rights. Re-open the grazing land. Ban water being taken from the land. Give the farmers a chance to produce the food you want to eat. Stop importing cheap subsidised products. See to the country's needs. You don't let a petulant child dictate what is for dinner. Stand up and lead with dignity justice and strength. A government is meant to strengthen a country not destroy it.

I do not support the plan, but I will vote in support of these amendments. If they bring only a pinch of improvement and relief for our farmers and our irrigators, they deserve to be passed. But may this be only the start of the return of common sense to our agricultural and water policy in this country.

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (21:26): I thank all members of this place for their contributions on the Water Amendment (Review Implementation and Other Measures) Bill 2015, and I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator SIMMS (South Australia) (21:27): by leave—I move amendments (1) and (2) on sheet 7909, standing in my name, together:

(1) Schedule 1, item 1, page 3 (line 8), after "Plan", insert "including the social and economic impacts of the Basin Plan on Indigenous people".

(2) Schedule 1, item 5, page 4 (after line 12), after Subdivision H, insert:

Subdivision I—Review of long-term average sustainable diversion limits

52B Review of long-term average sustainable diversion limits

(1) Before the end of 2017, the Authority must undertake a review of the long-term average sustainable diversion limits to determine if the limits adequately account for the projected impacts of climate change.

(2) The Authority must give the Minister a written report of the review.

(3) The report must be provided to the Minister by 31 December 2017.

(4) The Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of that House after the day the report is given to the Minister.

The Greens also oppose items 26 and 27 of schedule 1 in the following terms:

(3) Schedule 1, items 26 and 27, page 11 (line 4) to page 13 (line 24), to be opposed.

I have spoken to the amendments.

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (21:28): The government will not be supporting the amendments proposed by the Australian Greens. This bill was the result of an independent review of the Water Act, and the government's response released last year was subject to extensive consultation with the basin communities, including Indigenous community stakeholders and all of the states. All of the
state ministers and governments have expressed enthusiastic support for the current
amendments passing as they are, and for this reason the government will not be
supporting the amendments put forward.

Senator SINGH (Tasmania) (21:28): The opposition—Labor—also will not be supporting
these amendments, for similar reasons. As we understand it, they do not have the support of
the basin states. They have been delivered at pretty much the eleventh hour, and as we have
contacted some of those basin states we understand they have not been consulted on these
amendments. Therefore we cannot support these amendments, because the principle of our
negotiated position has always been that this is a bipartisan position which includes the
support of the basin states.

The TEMPORARY CHAIRMAN: The question is that amendments (1) and (2) on sheet
7909 standing in the name of Senator Simms on behalf of the Greens be agreed to.

The committee divided. [21:33]

(The Temporary Chairman—Senator Bernardi)

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Question negatived.

The TEMPORARY CHAIRMAN: The question now is that schedule 1 stand as printed.
Question agreed to.
The TEMPORARY CHAIRMAN: I am now going to call Senator Simms to move the next batch of amendments. I would ask senators to remain in the chamber to facilitate the swift resolution of these amendments.

Senator SIMMS (South Australia) (21:37): by leave—

I move Australian Greens amendments (1) to (7) on sheet 7914:

(1) Schedule 1, item 26, page 11 (lines 4 to 6), omit the item, substitute:

26 Subsection 86AE(2)

Omit "106(2)(b)", substitute "106(7)(b)".

(2) Schedule 1, item 27, page 12 (lines 27 to 34), omit all the words from and including "the objectives" to the end of paragraph 106(3)(c), substitute "the objectives mentioned in subsection (7); and".

(3) Schedule 1, item 27, page 12 (after line 34), at the end of subsection 106(3), add:

(d) in any case—the Commonwealth Environmental Water Holder reasonably believes, at the time the proceeds are used for an activity, that using the proceeds for the activity will improve the capacity of the Commonwealth environmental water holdings to be applied to meet the objectives mentioned in subsection (7).

(4) Schedule 1, item 27, page 12 (lines 35 to 37), omit the note.

(5) Schedule 1, item 27, page 13 (after line 24), at the end of section 106, add:

(7) For the purposes of paragraphs (3)(c) and (d), the objectives are the objectives of one or more of the following:

(a) the environmental watering plan;

(b) a plan specified in the regulations in relation to an area outside the Murray-Darling Basin;

(c) protecting or restoring the environmental assets of an area outside the Murray-Darling Basin in relation to which those regulations do not specify a plan.

Note: This subsection is modified in relation to water access rights acquired by the Commonwealth with amounts debited from the Water for the Environment Special Account (see subsection 86AE(2)).

(6) Schedule 1, item 28, page 13 (after line 35), after paragraph (ab), insert:

(ac) if during the year the Commonwealth Environmental Water Holder used the proceeds of a disposal of a water allocation for an environmental activity—how the activity has improved, or is expected to improve, the capacity of the Commonwealth environmental water holdings to be applied to meet the objectives mentioned in subsection 106(7);

(7) Schedule 1, item 29, page 14 (line 3), omit "and (ab)", substitute ", (ab) and (ac)".

In the interests of time, I will not seek to speak to the amendments.

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (21:37): The government will not be supporting the amendments put forward by the Australian Greens. Could I just put on the record that the government has very strict requirements in relation to reporting. This matter was also raised by Senator Xenophon in his speech in the second reading debate—that is, the necessity for stringent reporting requirements around all aspects of the act and the implementation of the Murray-Darling Basin Plan.

We ask the chamber to note that we have added a statutory requirement in the act for the Commonwealth Environmental Water Holder to report annually on any trading that has been
undertaken in the previous year. We will continue to consult with all senators in the chamber in relation to the very important issue of reporting arrangements.

**Senator SINGH** (Tasmania) (21:38): Similarly to the previous amendments, these have been provided with only a few hours notice, again with no consultation with the basin states. It goes outside of the arrangement that both the opposition and the government have had for some time now of consulting with basin states before we move amendments, particularly amendments that deal with reporting requirements. As the minister has just outlined, there are stringent reporting requirements around the Murray-Darling Basin Plan. We also acknowledge that the Commonwealth Environmental Water Holder reporting annually is a good thing. But, on the basis of there being a principle of negotiated agreement on the Murray-Darling Basin Plan and changes to it, particularly those that are outlined in these amendments by the Greens, we will not be supporting these amendments.

**The TEMPORARY CHAIRMAN (Senator Bernardi):** The question is that amendments (1) to (7) on sheet 7914 be agreed to.

The committee divided. [21:44]

(The Temporary Chairman—Senator Bernardi)

Ayes ...................... 10
Noes ...................... 30
Majority ................. 20

**AYES**

Di Natale, R  
Ludlam, S  
Rhiannon, L  
Siewert, R (teller)  
Waters, LJ  
Hanson-Young, SC  
McKim, NJ  
Rice, J  
Simms, RA  
Whish-Wilson, PS

**NOES**

Abetz, E  
Bernardi, C  
Brown, CL  
Cameron, DN  
Gallagher, KR  
Lambie, J  
Lindgren, JM  
Madigan, JJ  
McEwen, A (teller)  
McLucas, J  
Muir, R  
Peris, N  
Reynolds, L  
Singh, LM  
Sterle, G  
Back, CJ  
Birmingham, SJ  
Bushby, DC  
Gallacher, AM  
Heffernan, W  
Leyonhjelm, DE  
Lines, S  
McAllister, J  
McKenzie, B  
Moore, CM  
Paterson, J  
Polley, H  
Ruston, A  
Smith, D  
Xenophon, N

Question negatived.
Bill agreed to.
Bill reported without amendments; report adopted.

Third Reading

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (21:47): I move:

That the bill be now read a third time.
Question agreed to.
Bill read a third time.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Senator Simms, are you seeking the call?

Senator Simms: I ask that you note the opposition of the Greens, given that our amendments were not supported, but that we did not seek a division.

BUSINESS

Rearrangement

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (21:48): I move:

That intervening business be postponed till after consideration of the government business order of the day relating to the Social Security Legislation Amendment (Community Development Program) Bill 2015.
Question agreed to.

BILLS

Social Security Legislation Amendment (Community Development Program) Bill 2015

Second Reading

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (21:48): I move:

That the bill be now read a second time.

The ACTING DEPUTY PRESIDENT (Senator Bernardi) (21:48): The question is that that motion be agreed to. Those of that opinion say aye—

Senator Moore interjecting—

The ACTING DEPUTY PRESIDENT: Just one moment. Senator Moore?

Senator Moore: I ask where we are at here because my understanding is that we are moving into the CDEP process and I was the first speaker on the area. I am just wondering what administrative details the minister is moving at the moment.

The ACTING DEPUTY PRESIDENT: I have been advised, Senator Moore, that the minister had to move the second reading again because the bill has now been restored to the Notice Paper. Senator Moore, I could continue to speak for another 15 or 20 seconds before we get to the adjournment, or I could give you the call.

Senator Moore: After what happened last week in this place, I am very careful when anyone moves second readings over on that side of the chamber.
The ACTING DEPUTY PRESIDENT: Thank you for that contribution, Senator Moore.

Senator McEwen interjecting—

The ACTING DEPUTY PRESIDENT: Thank you for that suggestion, Senator McEwen, that I keep talking for another nine seconds, but I think I will draw my brief remarks to a conclusion.

Debate interrupted.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Bernardi) (21:50): Order! I propose the question:

That the Senate do now adjourn.

Western Australia: Pastoral Industry

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (21:50): As a regional senator for Western Australia, I am especially aware of the importance of the pastoral industry to the Western Australian economy, which is why I rise this evening to address what is the key economic issue in northern Western Australia, and that is: the introduction of rangelands reform by the Department of Lands within the Western Australian state government. There are proposals for reform now under very active consideration, and, if the matter is not handled sensitively, there is the potential to devastate pastoral communities in parts of regional Western Australia.

While the pastoral estate only covers 35 per cent of the Western Australian rangelands, it is this 35 per cent that contains the major—and, in many cases, the only—economic activity in the rangelands. That economic activity, of course, is livestock grazing. It is an activity that has occurred throughout Western Australia for generations, from the cattle stations in the Kimberley and the Pilbara to the sheep and goat stations in the Gascoyne-Murchison and the Goldfields.

Taken together, we are talking about an industry that employs over 10,000 northern Western Australians, including pastoral families, Indigenous landowners, exporters, stockmen, road transport providers and dockside workers, and others who provide services to the trade, such as veterinarians and fodder suppliers. Over time, it is also an activity that has diversified into subsidiary undertakings: 10 per cent of the Kimberley pastoral leases have tourism operations entwined in their day-to-day activities, while 61 per cent of Pilbara properties have mining activities occurring on their lease. Other enterprises and operations occurring on pastoral leases include horticulture and beekeeping, traditional activities undertaken by Aboriginal communities, helicopter mustering businesses, Indigenous training centres, mining accommodation, contracting and steel fabrication works.

This is why protecting the long-term interests of the pastoral industry is paramount. We are talking about something far broader than the issue of a few head of cattle grazing.

So I was concerned to read recently that the proposed reforms to the WA Land Administration Act, the legislation which governs the Western Australian pastoral industry, have met with great criticism from within the industry in Western Australia. This includes industry leaders such as Paul Holmes a Court, whose Heytesbury Cattle Co. runs about 160,000 cattle across six stations, covering 2½ million hectares in the Northern Territory and...
east Kimberley. Indeed, Mr Holmes a Court has said that the so-called reforms put forward by WA Nationals lands minister Terry Redman were 'more of a threat to the industry than a comfort'. He went on to say:

I have the experience of having pastoral leases that are either side of the WA/NT border. They join each other, they are exactly the same land type, exactly the same climate, the same sort of cattle, sold to the same market, but it is like operating in two different countries.

... ... ...

The northern cattle industry goes right across the whole country and ... If they— meaning the Western Australian state government— want to be part of what is going on with the development of the north, they have to be looking to the NT and Queensland to see how it is done.

However, Mr Holmes a Court's most blistering criticism has been directed at the move by Minister Terry Redman to remove the Pastoral Lands Board, the statutory body that administers the terms and conditions of pastoral leases. The proposal as it stands is to replace it with a rangelands advisory council that will include conservationists and other interest groups who, in many cases, are zealously opposed to livestock grazing and intensive irrigation. Perhaps worst of all, it is further proposed to have all of the Pastoral Land Board's legislative powers reside with the minister of the day. Mr Holmes a Court has something to say about that. He went on to say it is 'highly inappropriate to put such important matters effectively in the hands of one person' and has also warned that such a poor governance structure will create 'a great disincentive to invest here as opposed to elsewhere'. When one considers the stance of both federal and WA state Labor towards the mainstay of the pastoral industry, live cattle and sheep exports—an industry that former Prime Minister Julia Gillard happily threw into turmoil by suspending live cattle exports to Indonesia on the basis of an ABC Four Corners program—Mr Holmes a Court's concerns are entirely reasonable and the alarm he is raising deserves great attention. As the live export ban showed, if all the power resides in one place, whole industries can be shut down on a whim. What the pastoral industry needs are more safeguards.

The concerns Mr Holmes a Court expresses have been echoed by others. Seven West Media chairman Kerry Stokes and his family's company, Australian Capital Equity, are arguing for reforms that will support the pastoral industry. According to media reports, this is their view:

In a submission to the Department of Lands, ACE—

Australian Capital Equity—

chairman Ryan Stokes said a statutory body with powers similar to the PLB—

Pastoral Lands Board—

should be retained and that at least half of its members should be pastoralists or people with pastoral experience.

Australian Capital Equity, which owns Napier Downs in the Kimberley, called for the maximum lease holding in WA to also be increased. It also recommended giving pastoralists the right to convert pastoral leases to freehold and to perpetual transferable leases. Another prominent Australian, Mrs Gina Rinehart—

Senator Sterle interjecting—

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Senator SMITH: Senator Sterle, someone who prides himself on representing the far north of Western Australia, is laughing at the very people who bring economic development, jobs—

Senator Sterle: They donate to you!

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Senator Sterle, order!

Senator SMITH: Another prominent Australian, Gina Rinehart, who owns Mulga Downs, Nerrima and Fossil Downs stations, has already signalled she will support the industry in its campaign against some of the changes proposed by the WA Nationals' Mr Redman. In an article in *The West Australian* on 23 March, Mrs Rinehart stated:

The pastoral industry is very valuable and contributes greatly to the wealth of all Australians, even Labor voters who might be inclined to vote for Labor Senator Glenn Sterle. I added that; that was not in the quote. I continue:

We would not want to see anything introduced that would reduce the ability to graze livestock.

For someone from the Transport Workers Union, I find it surprising that you would be scoffing at a contribution tonight about the livestock industry.

Senator Sterle: I'm scoffing at you with your blue with the Nationals.

Senator SMITH: I should hasten to add that, although the people I have just mentioned are prominent names in the WA pastoral community, the concerns they express are being echoed by many other pastoralists. Echoing Mrs Rinehart's comments is another pastoral industry leader, Jack Burton, who owns Yeeda Station and is soon to open the first new abattoir in the Kimberley since the 1990s.

Senator Sterle: Good on Jack Burton. Good on him.

Senator SMITH: I echo your sentiments. Good on Jack Burton for doing what people said could not be done.

The ACTING DEPUTY PRESIDENT: Order! Senators on my left, cease interjecting.

Senator SMITH: Mr Burton has also warned that giving the ultimate power in disputes over stocking density and other matters to the lands minister carries enormous risk. As we know, nothing stays the same in politics. Governments and ministers change. If, for example, a Western Australian Labor government came to power—heaven forbid, Senator Sterle—that was ideologically hostile to pastoralists' activity, it would spell doom for pastoralists. With all the final decision-making power concentrated in the hands of one minister, they would have nowhere to turn. It is entirely reasonable for Western Australian pastoralists to be sceptical of any proposed rangelands reform package. History has shown that the interests of pastoralists are frequently given less weight by government departments and bureaucrats than they probably deserve.

Equally legitimate are the concerns over which aspect of these proposed changes will trigger future-act provisions under the Native Title Act, leading to increased costs for pastoral lease respondents in native title determinations and destroying much of the goodwill that has been built by both parties in resolving this complex issue. No-one is suggesting that the rangelands reform process is simple; nor is anyone suggesting that the proposed legislative
changes should permit pastoral leaseholders exemptions from native title or compliance with environmental regulation. There are some elements within this reform package that can provide tangible benefits for the pastoral industry and they should be supported. In fact, many of the proposed amendments under these current reforms may provide a better security of tenure and increased diversification options for pastoral leaseholders.

Senator Sterle: I'm with you, mate.

Senator SMITH: Senator Sterle is with me now.

The ACTING DEPUTY PRESIDENT: Ignore the interjections, Senator Smith—

Senator SMITH: What a convincing speech I have been giving. Thank you, Senator Sterle.

The ACTING DEPUTY PRESIDENT: and address your comments to the chair. Order, Senator Sterle!

Senator SMITH: However, it is becoming increasingly evident that the consultation process on these reforms has been hijacked by conservation organisations, groups like the Pew Charitable Trusts group, who are more concerned with turning the WA's bushland and outback into a giant carbon farm and nature reserve rather than supporting a vibrant pastoral industry that provides jobs and opportunity for pastoral families and remote communities now and into the future.

Ultimately, their vision is one where taxpayers fund land stewardship programs in the outback rather than encouraging enterprise. We have seen in other parts of Australia the economic folly of locking up productive land in the name of conservation, without pausing to consider what that might actually mean for the economic viability of regional communities themselves.

The ACTING DEPUTY PRESIDENT: Thank you, Senator Smith.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT: Before I call Senator Ludwig, I would ask for a bit of decorum in the Senate, please.

Senator Sterle: Why?

The ACTING DEPUTY PRESIDENT: I am just asking for a bit of decorum.

Valedictory

Senator LUDWIG (Queensland) (22:00): Just shy of 17 years ago I entered this place to try and make the lives of everyday Australians that little bit better. As I prepare to leave Canberra for the last time as a senator for Queensland, I look back at the experiences I have had, both the good and the more challenging. I cannot help but be thankful for the opportunity entrusted to me by the voters of my home state. I am also thankful to those who work in the Senate, the cleaners and the caterers, security and administrators as well as the Clerk and her staff. These are the people who do make this place run. Without their hard work and dedication, very little would in fact happen around here.

I would like to thank the Australian Labor Party for preselecting me all those years ago and on those occasions since. It has been a privilege that I have not taken lightly. I thank the Australian Workers' Union, one of the greatest unions in Australia, which has protected and
advanced workers' rights. I congratulate them today as they celebrate 125 years since the great shearmen's strike in Barcaldine. Thanks to all the thousands of loyal branch members across Queensland who have fought hard for Labor. I would like to thank the members of the federal Labor caucus. Thank you for your friendship and your commitment to our shared values. Together we have done great things for the people of Australia, and a special thanks to the staff of the federal parliamentary Labor Party.

I would like also like to thank all my incredible staff over the past 17 years, who have helped me in this job. Naming them is a challenge, but I will do so nonetheless: Simon Every, Michael Carey, Merric Foley, Clare Nairn, Stuart Stark, Ben Smith-Stubbs, Sarah McSporran, Lauren Hannan, Katana Smith, Samantha Fuller, Aaron Broughton, Jackie Power, James Pawluk, Shawn Lambert, Sherry Paterson, Israel Quintanilla, Kieran Phillips, Khiraan Kumar, Anika Wells, Laura Gowdie, Lydia Deutscher, Cecilia Burgman, Mel Patch, Peter Power and Michele Bourke; and most recently: Elliot, Liam, Mainaz, Stav, Matthew, Dylan, Nino and Julie.

To the members of the crossbench who have worked tirelessly for the past three years: thank you for your service. Your careful consideration and due diligence have helped us keep this government in check most of the time. To the government: wish you were on this side of the place. But for many of the Liberal and National Party senators and members—and you, Mr President—thank you very much for your good company.

I need to correct an oversight that I have been unable to forget—and I wish you all were not here to hear this. In my first speech, the moment carried me away and I neglected to thank my wife, Leanne, for supporting me in this wonderful endeavour. Now you know why I would prefer you not to listen to this! It was a mistake, and I paid dearly for it. I can now correct that error. I would like to thank my family. As many before me have come to know, the difficulties of being a husband and a father at the opposite end of the country for half of every year are straining. My partner, Leanne, has been up to the task and we have raised two amazing young women, our daughters Anna and Kate. I do look forward to spending a lot more time with them over the coming years. I just hope they are equally excited about that too! So thank you, Leanne, I love you dearly. To my father and mother, I am grateful for the sacrifices they have made in raising my sister and I. They have always believed in us and gave us their support.

Since I was sworn in as a senator for Queensland, Labor has achieved much for this country. I am proud to have been part of the government that finally said sorry to Australia's first people. Labor developed and implemented the early stages of the National Broadband Network, revolutionising the way in which many Australians communicate and access information. We oversaw Australia's first serious attempt at reducing carbon emissions by placing a price on carbon emissions. It is my hope that a future Labor government will improve on the work that we did and get the country's emissions platform back on track. In the midst of the largest global economic downturn since the Great Depression, the Labor government ensured that the Australian economy would survive and thrive.

Throughout my time in the Senate, I have had the opportunity to hold various positions—because of you people in here, including those opposite too—from Deputy Opposition Whip in 2000 to being a member of cabinet under Prime Ministers Rudd and Gillard. In December of 2007, I was appointed Minister for Human Services. In this role I brought in many reforms...
that strengthened the safety nets that every day Australians rely upon. In June of 2009, I moved from this portfolio to the role of Special Minister of State and Cabinet Secretary. I have always been a proponent of government transparency and accountability, and in this position I believe I was able to create reforms to the way Australians access information from their government.

In September of 2010, I was appointed as Minister for Agriculture, Fisheries and Forestry. During this time, we were able to stop the first super trawler coming to our waters and threatening the sustainability of our seafood industry—notwithstanding the Liberals from Tasmania. It was also during this time that the *Four Corners* report unveiled the terrible conditions that Australian cattle were experiencing inside Indonesian abattoirs. We introduced a short suspension of live exports, as well as a raft of measures and extra resources designed to improve the conditions inside these facilities. While achieving the standard of animal welfare expected by the Australian public, the trade has since flourished. The markets diversified and have doubled in their value to the Australian economy from pre-2011 levels.

Following the floods that devastated large parts of Queensland in January of 2011, I was appointed as Minister Assisting the Attorney General on Queensland Floods Recovery. In this role, I saw firsthand not only the devastation but also the spirit and goodwill of the people of Queensland. Armies of volunteers took to the streets. They cleared debris from the streets and helped those who had suffered great loss to rebuild their lives. The federal government was there, with the state government, but ultimately it was people power that moved Queensland.

With these short words—I did not want to detain you too much this evening—I wish everyone in this place the best for the election to come. I thank you from the bottom of my heart for your support—and I thank my wife, Leanne, and my two daughters, Anna and Cate, for their support—which I think comes from all sides of politics at these times.

Radioactive Waste

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (22:08): I would like to thank Senator Ludwig for his many years of service to his party and his community.

I rise this evening to speak on the long history of failed plans to locate national radioactive waste dumps here in Australia at multiple sites across South Australia, the Northern Territory and Western Australia and to point out the disturbing consistency with which it is disproportionately Aboriginal land that is targeted, Aboriginal communities who are expected to host the most dangerous categories of industrial waste that this society is capable of producing.

It seems that so little has been learnt since when long ago, in 1991 or 1992, the federal government embarked on a national site selection process to try and work out where the waste from the HIFAR reactor at Sydney's Lucas Heights should go—more than 30 years after the reactor first went online. It probably came as something of a surprise to the community then that, 30 years after this industrial facility had started operating, there was still no coherent plan for the disposal of its waste products.

And here we are now, in 2016, and you have to ask: what on earth have we learnt in the intervening time? One thing I think we have learnt is that coercive attempts to dump radioactive waste on unwilling communities are doomed to fail. That is not just the
experience here in Australia; international experience bears this out as well. And so little has been learnt from a process which, in my view and in the view of some of my colleagues, actually held some promise.

I want to pay some tribute to former industry minister Ian Macfarlane—probably not words that I would have expected to say in this place. The proposal to dump this waste at Muckaty, in the Northern Territory, was supported by the Liberal, National and Labor parties. When the disastrously failed proposal finally fell apart in the Federal Court—as a result of grassroots action led by strong Aboriginal families from the Barkly region, Federal Court intervention and a national and international campaign of opposition—Minister Ian Macfarlane actually took an opportunity and said, 'We're going to try something a bit different.' To his credit, he did not simply nail another postcode on the map and say, 'It's going over there.' I think a historic opportunity has potentially been lost and missed. That opening that we could actually have put a proper process into is now at greater risk of being squandered because, in my view, that process started by asking the wrong question and that is why it has come to the wrong answer at this point in time.

Whether it be spent fuel, whether it be radioactive waste from the isotope plant at the Lucas Heights complex, whether it be other categories of medical waste—trash, gloves and other items—or whether it be radioactive waste of various categories from mining operations, the question 'Which outstation should this stuff be dumped on, which Aboriginal community should host this material, at which outback site can we dump this stuff out of sight out of mind?' is simply wrong. If we start with the wrong question, we inevitably come to the wrong answer.

The answer that Minister Frydenberg has inherited—and again I want to acknowledge that this is a process he inherited midway through; this is not something of his own design—still comes from the wrong question being asked. It funnelled the selection of a few dozen sites down to six—and now, apparently, down to one. Tonight we are going to have to take the minister and the previous minister at their word when they say that this will not be forced on an unwilling community, that this is a consent based proposal. As of tonight, we have to take that commitment on trust—because it does not appear to be the way this is going.

From the six sites that were selected for short listing we now have a short list of one place—Adnyamathanha country in the Flinders Ranges in South Australia. Senator Rob Sims, South Australian MLC Mark Parnell and I had the privilege of visiting that country, at the invitation of the Adnyamathanha traditional owners, not that long ago—only a matter of four or five weeks ago. I again want to thank them for the generosity of spirit with which they showed us their country. This site is known as Barndioota and it is also known as Walerberdina. That area, we were told by senior women, is Arngurla Yarta—spiritual land—and there are culturally significant sites throughout the nominated area. Maybe this looked fine from Google Earth. Maybe this looked remote to those people in the reference groups or the various bureaucrats who have been tasked with finding somewhere for this material to go. Maybe it looked like the middle of nowhere. Maybe it looked like a long way from anywhere significant. Maybe it looked as though it had been submitted—and that cattle station had been nominated—by a former LNP senator. In fact, this is tremendously important country for the Adnyamathanha, and these are people who have already suffered greatly at the hands of dispossession. Anybody who thinks that the dispossession of Aboriginal land or questions of
sovereignty or self-determination are from the colonial era two centuries ago had best be paying attention to what is now unfolding in the Flinders Ranges.

What the Adnyamathanha traditional owners said in the statement of the other day is that they do not want it, that this will be a no-consent arrangement and that they are planning on fighting it. Here is what they said in their statement of 27 November 2015, when they were still on the short list:

It is flood land. The water comes from the hills and floods the plains, including the proposed dump site. Sometimes there are massive floods, the last one on 20 January 2006. The massive floods uproot huge trees, you can come out here now and see all the trees uprooted by the 2006 flood. In 1956, 50 years earlier, to the day, a massive flood destroyed Cotabena homestead and all the houses in Hookina township. The pub was destroyed by the 1956 flood and is now a pile of rocks.

Senator Simms, Mr Parnell and I, at the invitation of those traditional owners, visited the site not that long ago. You can see these enormous tree trunks that look as though they have been thrown there by giants, and they were carried there by flood waters that occasionally reconfigure the landscape. You would not even call this traditional wisdom as such; the wisdom of that place runs deeper—thousands of years deeper. But these are the memories of people who can tell us, 'This is flood country; do not put an industrial waste facility in these valleys.' How it emerged that this place, of all of those that the government contemplated, ended up on a short list of one is absolutely beyond me.

Of the six sites, now narrowed to one, there were statements of solidarity from the five sites who have been let off the hook over the weekend. I want to thank and acknowledge all those communities who spoke up and those families who, through no fault of their own, discovered that a neighbour decided that their land was going to be host to a radioactive waste site. It does not have to be like this. What the Greens think should happen next, instead of a gruesome and futile repeat of what was done to the Muckaty mob, and those old women and men, who did not need that additional stress placed on their shoulders, is to ask the right question before we simply move to siting decisions about where this shed or this hole in the ground should go.

What we believe is needed now is an independent and deliberative inquiry into long-term isolation and stewardship options for this material, and learning from countries overseas who are dealing with much larger inventories of this material than we are. What have they learned, long term? Isolation and stewardship of this material, rather than simply which outstation we should build the shed on. The second thing that we believe should happen while that inquiry is underway is to properly containerise, in these 60-year licence caskets, the existing spent fuel and reprocessed material that at the moment is lying at the Lucas Heights facility. We believe that should be properly hardened and containerised, and there should be an audit of the existing collections of dispersed waste, non-reactor isotope investigations so that we are not producing this waste, and a commitment to not take international waste. We need to respect the voices of the communities who are standing up and saying no.

Leader of the Opposition

Senator ABETZ (Tasmania) (22:18): Australians woke this morning to the newspaper headline we all feared but suspected to be the truth—a headline that told us all we need to know about the man who would be Prime Minister of our great nation. Unable to rise to the occasion, unable to think of the national interest ahead of narrow sectional interests, the
Leader of the Opposition declared that if he became Prime Minister he would lead like a unionist—those who represent about 15 per cent of the Australian workforce. He admitted that he still thinks like a union boss, the same thinking that saw him introduce the now discredited and thankfully defunct and misnamed Road Safety Remuneration Tribunal, a tribunal that threatened the livelihood of tens of thousands of independent owner drivers, confirming—if proof were needed—that Labor is not a friend of small business, of the aspirational, of the hardworking or the self-employed. It is the same thinking that saw him shamefully address Australia's most militant union, the Maritime Union of Australia, on 26 February 2013, when he declared that he wished he could inject the MUA's spirit into Labor MPs.

Indeed, so embarrassingly beholden is the Labor leader to this militant outfit that he told them, 'There's no place I'd rather be, and I mean this with all my heart, than here with you.' And that was the very day after the boss of this union told delegates: 'Laws need to be broken. You're going to be locked up.' And the Labor leader's response was to tell the same delegates:

This is a pretty impressive conference because you get a sense there's something happening here. You get the sense that you're a union who is determined to be true to its members and determined to stand up for its members… it is very, very palpable.

I wish we could bottle a bit of the spirit here and spread it on perhaps some of the members in the Labor caucus…

How sycophantic can one become? And it is for this particular union that Labor introduced the job-destroying and economy-wrecking coastal shipping changes in 2012—another insight into Labor union thinking. These were changes that have seen a 63 per cent increase in freight rates for Bell Bay in Tasmania, prejudicing hundreds of jobs; they were changes that, not surprisingly, have seen the number of Australian trading vessels with a general licence halved, from 30 to 15, in just a few years. There are 1,000 fewer coastal voyages and one million fewer tonnes of freight shifted by sea, and demurrage rates have tripled, from $15,000 to $45,000—all this havoc and economic dislocation legislated by Labor, intent on governing for sectional interests of a militant union whilst prejudicing thousands of onshore jobs.

But, for this Labor leader, championing the cause of the most militant of union bosses is just a little taste of his self-confessed thinking like a union boss. His so-called thinking extends to thinking that defending the most corrupt union is also a good idea. So at Senate estimates he sent in a senior Labor frontbencher to defend the likes of convicted criminal and CFMEU official, Luke Collier. He also besmirched the name of an honourable and highly regarded former High Court judge who presided over the royal commission into trade union governance—a royal commission which has seen officials plead guilty to criminal charges. So this would-be Prime Minister of our nation from the Labor Party besmirches a former High Court judge, yet defends the now convicted Craig Thomson of Health Services Union fame. This is yet another window into Labor's would-be Prime Minister's judgement and discernment—a window into his values, the values of a union boss; a union boss who even oversaw low-paid cleaning workers of his own union be deprived of penalty rates, public holiday pay, overtime and shift loading in the 2006 Cleanevent agreement. By 2010, this deal left workers with pay rates less than half what they would have been under the award. Under this agreement, level 1 casuals at Cleanevent were paid $18.14 per hour compared with the award rate of $50.17, and level 3 casuals at events on Sundays were paid $19.86 per hour.
compared with the award rate of $41.44. This extended his earlier 2004 Cleanevent deal which gave casual cleaning workers no additional weekend or public holiday pay. This would-be Labor Prime Minister has the effrontery and audacity to claim that it is the coalition that would strip these same rights from low-paid workers.

His thinking like a union leader does not stop there. This union way of thinking allowed not only cleaners to be ripped off but also mushroom pickers. As Victorian secretary of the Australian Workers Union, Mr Shorten oversaw an agreement to allow a group of mushroom pickers to be fired and mostly rehired as casual labour. It saved Chiquita Mushrooms millions from the abolition of overtime rates, amongst other savings. Now, what sort of thinking would allow that to occur? Chiquita paid the Australian Workers Union $4,000 per month, which the union claimed was 'paid education leave'. In fact, the former human resources manager, Joe Agostino, said the payments were to avoid union grief and facilitated good relations with Mr Shorten's union. Former managing director, Stephen Little, agreed that the payments were to buy industrial peace. The list goes on: Cirque du Soleil, Melbourne and Olympic Parks Trust agreements, and so on.

The workers of Australia in particular, but all Australians, have every right to fear Mr Shorten becoming Prime Minister of this great nation. Mr Shorten's timely confession has re-energised the ripped-off workers, the victims, those who have lost their jobs because of union corruption and militancy, the truckies and the self-employed to ensure that Mr Shorten's unionist thinking and leadership is never allowed to enter The Lodge.

**Senate adjourned at 22:26**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk pursuant to statute:

[Legislative instruments are identified by a Federal Register of Legislation (FRL) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


- *Broadcasting Services Act 1992—Broadcasting Services (Events) Notice (No. 1) 2010—Amendment No. 7 of 2016 [F2016L00585].*


Exemption—requirement to wear seat belt and safety harness—CASA EX6/16 [F2016L00586].
Repeal of Airworthiness Directives—
CASA ADCX 009/16 [F2016L00546].
CASA ADCX 010/16 [F2016L00578].
Defence Act 1903—Section 58B—Recruit instructors and ADF gap year—educational bonus—amendment—Defence Determination 2016/16 [F2016L00543].
Defence Service Homes Act 1918—Defence Service Homes Insurance Scheme (Statement of Conditions) Variation 2016 [F2016L00553].
Fuel Tax Act 2006—Minister's Road User Charge Determination 2016 (No. 1) [F2016L00556].
Higher Education Support Act 2003—VET Provider Credits Determination No. 1 of 2016 [F2016L00582].
Migration Act 1958—Migration Regulations 1994—
Arrangements for Applications for Bridging Visas 2016/014—IMMI 16/014 [F2016L00554].
Arrangements for Protection, Humanitarian and Refugee Visas 2016/024—IMMI 16/024 [F2016L00577].
Australian Values Statement for Public Interest Criterion 4019—2016/011—IMMI 16/011 [F2016L00552].
Class of Persons 2016/032—IMMI 16/032 [F2016L00576].
National Disability Insurance Scheme Act 2013—
National Disability Insurance Scheme (Becoming a Participant) Rules 2016 [F2016L00544].
National Disability Insurance Scheme (Timeframes for Decision Making) Amendment Rules 2016 [F2016L00545].
Public Governance, Performance and Accountability Act 2013—
Commonwealth has acquired shares in NBN Co Limited—26 April 2016 [3].

CHAMBER

**Safety, Rehabilitation and Compensation Act 1988**—

Safety, Rehabilitation and Compensation (Definition of Employee—Office of Chief Magistrate of the Court of Petty Sessions of Norfolk Island) Notice 2016 [F2016L00550],

Safety, Rehabilitation and Compensation (Principal Officer of the ACT) Declaration 2016 [F2016L00573].

**Social Security (Administration) Act 1999**—Social Security Amendment Regulation 2016 (No. 1) [F2016L00540].

**Superannuation Industry (Supervision) Act 1993**—ASIC Superannuation (Amendment) Instrument 2016/345 [F2016L00587].

**Taxation Administration Act 1953**—Change of the Reporting Period for Third Party Reports on Real Property Transfers Determination 2016 [F2016L00541].


**Veterans’ Entitlements Act 1986**—
Statement of Principles concerning benign neoplasm of the eye and adnexa (Balance of Probabilities)—No. 42 of 2016 [F2016L00569].

Statement of Principles concerning benign neoplasm of the eye and adnexa (Reasonable Hypothesis)—No. 41 of 2016 [F2016L00565].

Statement of Principles concerning cholelithiasis (Balance of Probabilities)—No. 52 of 2016 [F2016L00558].

Statement of Principles concerning cholelithiasis (Reasonable Hypothesis)—No. 51 of 2016 [F2016L00557].

Statement of Principles concerning clonorchiasi (Balance of Probabilities)—No. 48 of 2016 [F2016L00562].

Statement of Principles concerning clonorchiasi (Reasonable Hypothesis)—No. 47 of 2016 [F2016L00561].

Statement of Principles concerning cut, stab, abrasion and laceration (Balance of Probabilities)—No. 54 of 2016 [F2016L00571].

Statement of Principles concerning cut, stab, abrasion and laceration (Reasonable Hypothesis)—No. 53 of 2016 [F2016L00567].

Statement of Principles concerning intervertebral disc prolapse (Balance of Probabilities)—No. 44 of 2016 [F2016L00564].

Statement of Principles concerning intervertebral disc prolapse (Reasonable Hypothesis)—No. 43 of 2016 [F2016L00563].

Statement of Principles concerning malignant neoplasm of the urethra (Balance of Probabilities)—No. 50 of 2016 [F2016L00581].

Statement of Principles concerning malignant neoplasm of the urethra (Reasonable Hypothesis)—No. 49 of 2016 [F2016L00580].

Statement of Principles concerning opisthochriasi (Balance of Probabilities)—No. 46 of 2016 [F2016L00584].
Statement of Principles concerning opisthorchiasis (Reasonable Hypothesis)—No. 45 of 2016 [F2016L00579].
Statement of Principles concerning optochiasmatic arachnoiditis (Balance of Probabilities)—No. 58 of 2016 [F2016L00568].
Statement of Principles concerning optochiasmatic arachnoiditis (Reasonable Hypothesis)—No. 57 of 2016 [F2016L00566].
Statement of Principles concerning Parkinson's disease and secondary parkinsonism (Balance of Probabilities)—No. 56 of 2016 [F2016L00570].
Statement of Principles concerning Parkinson's disease and secondary parkinsonism (Reasonable Hypothesis)—No. 55 of 2016 [F2016L00560].

Tabling

The following documents were tabled pursuant to standing order 61(1) (b):

Documents presented since the last sitting of the Senate, pursuant to standing order 166, were authorised for publication on the dates indicated

Auditor-General—Audit reports for 2015-16—
No. 27—Performance audit—Strategies and activities to address the cash and hidden economy: Australian Taxation Office. [Received 26 April 2016]
No. 28—Performance audit—Administration of concessional loans programs: Department of Agriculture and Water Resources. [Received 28 April 2016]
Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 October to 31 December 2015. [Received 28 April 2016]
Children—Child poverty—Letter to the President of the Senate from the Minister for Social Services (Mr Porter), dated 21 April 2016, responding to the resolution of the Senate of 29 February 2016.

Departmental and agency appointments and vacancies—Budget estimates 2016-17—Letters of advice pursuant to the order of the Senate of 24 June 2008—
Agriculture and Water Resources portfolio. [Received 28 April 2016]
Attorney-General's portfolio. [Received 28 April 2016]
Communications and the Arts portfolio. [Received 28 April 2016]
Defence portfolio. [Received 28 April 2016]
Department of the Prime Minister and Cabinet (Indigenous Affairs Group). [Received 28 April 2016]
Employment portfolio. [Received 28 April 2016]
Finance portfolio. [Received 28 April 2016]
Immigration and Border Protection portfolio. [Received 28 April 2016]
Infrastructure and Regional Development portfolio. [Received 28 April 2016]
Office for Women. [Received 28 April 2016]
Prime Minister and Cabinet portfolio. [Received 28 April 2016]
Social Services portfolio. [Received 28 April 2016]
Treasury portfolio. [Received 28 April 2016]
Departmental and agency grants—Budget estimates 2016-17—Letters of advice pursuant to the order of the Senate of 24 June 2008—
Agriculture and Water Resources portfolio. [Received 28 April 2016]
Attorney-General's portfolio. [Received 28 April 2016]
Communications and the Arts portfolio. [Received 28 April 2016]
Defence portfolio. [Received 28 April 2016]
Department of the Prime Minister and Cabinet (Indigenous Affairs Group). [Received 28 April 2016]
Finance portfolio [2]. [Received 28 and 29 April 2016]
Immigration and Border Protection portfolio. [Received 28 April 2016]
Infrastructure and Regional Development portfolio. [Received 28 April 2016]
Office for Women. [Received 28 April 2016]
Prime Minister and Cabinet portfolio. [Received 28 April 2016]
Social Services portfolio. [Received 28 April 2016]
Treasury portfolio. [Received 28 April 2016]
Entity contracts for 2015—Letter of advice pursuant to the order of the Senate of 20 June 2001, as amended—Health portfolio. [Received 22 April 2016]
Environment and Communications References Committee—Report—Performance and management of electricity network companies—Government response, dated April 2016. [Received 27 April 2016]
Estimates hearings—Unanswered questions on notice—Additional estimates 2015-16—Statements pursuant to the order of the Senate of 25 June 2014—
Agriculture and Water Resources portfolio. [Received 27 April 2016]
Australian Public Service Commission. [Received 26 April 2016]
Australian Trade Commission [2]. [Received 26 and 27 April 2016]
Communications portfolio. [Received 26 April 2016]
Defence Housing Australia. [Received 28 April 2016]
Department of Defence. [Received 28 April 2016]
Department of Human Services. [Received 27 April 2016]
Department of Infrastructure and Regional Development. [Received 27 April 2016]
Department of Social Services. [Received 22 April 2016]
Department of Veterans’ Affairs. [Received 27 April 2016]
Education and Training portfolio. [Received 26 April 2016]
Employment portfolio. [Received 26 April 2016]
Finance portfolio. [Received 27 April 2016]
Immigration and Border Protection portfolio. [Received 21 April 2016]
Industry, Innovation and Science portfolio. [Received 28 April 2016]
Prime Minister and Cabinet portfolio. [Received 29 April 2016]
Treasury portfolio. [Received 27 April 2016]
Family and community services—Poker machine licensing—Letter to the President of the Senate from the Tasmanian Treasurer (Mr Gutwein), dated 12 April 2016, responding to the resolution of the Senate of 23 February 2016.

CHAMBER
Institutional Responses to Child Sexual Abuse—Royal Commission—Reports of case studies—

No. 26—The response of the Sisters of Mercy, the Catholic Diocese of Rockhampton and the Queensland Government to allegations of child sexual abuse at St Joseph’s Orphanage, Neerkol, dated March 2016. [Received 21 April 2016]

No. 27—The response of health care service providers and regulators in New South Wales and Victoria to allegations of child sexual abuse, dated March 2016. [Received 20 April 2016]

Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 1002128, 1002140, 1002307, 1002351, 1002513, 1002529, 1002569, 1002627, 1002632, 1002634, 1002647, 1002781, 1002826, 1002866, 1002880, 1002899, 1002910, 1002916, 1002931, 1002933, 1002965, 1002967, 1002972, 1002979, 1002986, 1002988, 1002991, 1003015, 1003053, 1003078, 1003192, 1003282, 1003371, 1003398, 1003425, 1003431, 1003436, 1003469 and 1003530—

Commonwealth Ombudsman’s reports—Report no. 7 of 2016. [Received 29 April 2016]

Government response to Ombudsman’s reports, dated 27 April 2016. [Received 29 April 2016]

Tobacco Advertising Prohibition Act 1992—Report for 2015. [Received 22 April 2016]

Treaties—Joint Standing Committee—154th report—Treaty tabled on 17 June 2015—Government response. [Received 21 April 2016]

Orders for production of documents—Documents: The following documents received on the dates indicated were tabled:

Defence—Submarines tender process—Letter to the President of the Senate from the Minister for Defence (Senator Payne), dated 21 April 2016, responding to the order of the Senate of 19 April 2016 and raising a public interest immunity claim. [Received 21 April 2016]

Education—Research Infrastructure Review—Letter to the President of the Senate from the Minister for Education and Training (Senator Birmingham) responding to the order of the Senate of 19 April 2016 and raising a public interest immunity claim. [Received 20 April 2016]

Transport—Western Australia—Perth Freight Link—Letter to the President of the Senate from the Minister for Finance (Senator Cormann), dated 20 April 2016, responding to the order of the Senate of 19 April 2016 and raising public interest immunity claims. [Received 21 April 2016]

Tabling

The following documents were tabled by the Clerk pursuant to order:

Departmental and agency appointments and vacancies—Budget estimates 2016-17—Letters of advice pursuant to the order of the Senate of 24 June 2008—

Education and Training portfolio.

Industry, Innovation and Science portfolio.

Departmental and agency grants—Budget estimates 2016-17—Letter of advice pursuant to the order of the Senate of 24 June 2008—Department of Education and Training.

Tabling

DOCUMENTS PRESENTED OUT OF SITTING SINCE 19 APRIL 2016

Government documents (pursuant to Senate standing order 166)

3 Institutional Responses to Child Sexual Abuse—Royal Commission—Report of case study no. 27—The response of health care service providers and regulators in New South Wales and Victoria to allegations of child sexual abuse, dated March 2016. [Received 20 April 2016]

6 The response of the Sisters of Mercy, the Catholic Diocese of Rockhampton and the Queensland Government to allegations of child sexual abuse at St Joseph's Orphanage, Neerkol, dated March 2016. [Received 21 April 2016]

5 Tobacco Advertising Prohibition Act 1992—Report for 2015 pursuant to section 34A of the Act. [Received 22 April 2016]

6 Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 October to 31 December 2015. [Received 28 April 2016]

7 Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and associated rules and regulations—Report on the statutory review, dated April 2016. [Received 29 April 2016]

8 Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 1002128, 1002140, 1002307, 1002351, 1002513, 1002569, 1002627, 1002632, 1002634, 1002647, 1002781, 1002826, 1002866, 1002880, 1002910, 1002916, 1002931, 1002933, 1002965, 1002967, 1002972, 1002979, 1002986, 1002988, 1002991, 1003015, 1003053, 1003078, 1003192, 1003282, 1003371, 1003398, 1003425, 1003431, 1003436, 1003469 and 1003530—Commonwealth Ombudsman's reports—Report no. 7 of 2016. [Received 29 April 2016]

Government response to Ombudsman's reports, dated 27 April 2016. [Received 29 April 2016]

Reports of the Auditor-General (pursuant to Senate standing order 166(2) (a))

9 Auditor-General—Audit report no. 27 of 2015–16—Performance audit—Strategies and activities to address the cash and hidden economy: Australian Taxation Office. [Certified 26 April 2016]

10 Auditor-General—Audit report no. 28 of 2015–16—Performance audit—Administration of concessional loans programs: Department of Agriculture and Water Resources. [Certified 28 April 2016]

Returns to order (pursuant to Senate standing order 166)

11 Education—Research Infrastructure Review—Letter to the President of the Senate from the Minister for Education and Training (Senator Birmingham) responding to the order of the Senate of 19 April 2016 and raising a public interest immunity claim. [Received 20 April 2016]

12 Transport—Western Australia—Perth Freight Link—Letter to the President of the Senate from the Minister for Finance (Senator Cormann), dated 20 April 2016, responding to the order of the Senate of 19 April 2016 and raising public interest immunity claims. [Received 21 April 2016]

13 Defence—Submarines Tender Process—Letter to the President of the Senate from the Minister for Defence (Senator Payne), dated 21 April 2016, responding to the order of the Senate of 19 April 2016. [Received 21 April 2016]

Statements of compliance with Senate orders (pursuant to Senate standing order 166)

14 Lists of entity contracts (continuing order of the Senate of 20 June 2001, as amended) Health portfolio. [Received 22 April 2016]

15 List of departmental and agency appointments and vacancies (continuing order of the Senate of 24 June 2008, as amended) Agriculture and Water Resources portfolio. [Received 28 April 2016] Attorney-General's portfolio. [Received 28 April 2016]

Communications and the Arts portfolio. [Received 28 April 2016] Defence portfolio. [Received 28 April 2016]

Department of the Prime Minister and Cabinet (Indigenous Affairs Group). [Received 28 April 2016]
Employment portfolio. [Received 28 April 2016]
Finance portfolio. [Received 28 April 2016]
Immigration and Border Protection portfolio. [Received 28 April 2016]
Infrastructure and Regional Development portfolio. [Received 28 April 2016]
Office for Women. [Received 28 April 2016]
Prime Minister and Cabinet portfolio. [Received 28 April 2016]
Social Services portfolio. [Received 28 April 2016]
Treasury portfolio. [Received 28 April 2016]

16 Lists of departmental and agency grants (continuing order of the Senate of 24 June 2008)
Agriculture and Water Resources portfolio. [Received 28 April 2016]
Attorney-General's portfolio. [Received 28 April 2016]
Communications and the Arts portfolio. [Received 28 April 2016]
Defence portfolio. [Received 28 April 2016]
Department of the Prime Minister and Cabinet (Indigenous Affairs Group). [Received 28 April 2016]
Finance portfolio [2]. [Received 28 and 29 April 2016]
Immigration and Border Protection portfolio. [Received 28 April 2016] Infrastructure and Regional Development portfolio. [Received 28 April 2016] Office for Women. [Received 28 April 2016]
Prime Minister and Cabinet portfolio. [Received 28 April 2016]
Social Services portfolio. [Received 28 April 2016]
Treasury portfolio. [Received 28 April 2016]

17 Statements of departmental and agency unanswered estimates questions on notice (continuing order of the Senate of 25 June 2014)
Agriculture and Water Resources portfolio. [Received 27 April 2016]
Australian Public Service Commission. [Received 26 April 2016]
Australian Trade Commission [2]. [Received 26 and 27 April 2016]
Communications portfolio. [Received 26 April 2016]
Defence Housing Australia. [Received 28 April 2016]
Department of Defence. [Received 28 April 2016]
Department of Human Services. [Received 27 April 2016]
Department of Infrastructure and Regional Development. [Received 27 April 2016]
Department of Social Services. [Received 22 April 2016]
Department of Veteran's Affairs. [Received 27 April 2016]
Education and Training portfolio. [Received 26 April 2016]
Employment portfolio. [Received 26 April 2016]
Finance portfolio. [Received 27 April 2016]
Immigration and Border Protection portfolio. [Received 21 April 2016]
Industry, Innovation and Science portfolio. [Received 28 April 2016]
Prime Minister and Cabinet portfolio. [Received 29 April 2016]
Treasury portfolio. [Received 27 April 2016]
COMMITTEE REPORTS AND GOVERNMENT RESPONSES TO PARLIAMENTARY COMMITTEE REPORTS PRESENTED OUT OF SITTING SINCE 19 APRIL 2016

Committee reports pursuant to Selection of Bills Committee reports—not available for consideration (pursuant to Senate standing order 38(7))

[reports will be recorded in the Journals of the Senate]

18 Rural and Regional Affairs and Transport Legislation Committee—Primary Industries Levies and Charges Collection Amendment Bill 2016 [Provisions]—Report, dated April 2016 and submissions. [Received 22 April 2016]

Committee reports (pursuant to Senate standing order 38(7))

[reports and responses will be recorded in the Journals of the Senate and available for consideration on Tuesday under standing order 62(4)]

19 Legal and Constitutional Affairs References Committee—Use of smoke alarms to prevent smoke and fire related deaths—Report, dated April 2016, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 20 April 2016]

20 Environment and Communications References Committee—Toxic tide: the threat of marine plastic pollution in Australia—Report, dated April 2016, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 20 April 2016]

21 Economics References Committee—Corporate tax avoidance – Part II: Gaming the system—Report, dated April 2016. [Received 22 April 2016]

22 Foreign Affairs, Defence and Trade References Committee—Operations of Defence Housing Australia—Interim report, dated 22 April 2016. [Received 22 April 2016]

23 Rural and Regional Affairs and Transport Legislation Committee—Transport Security Amendment (Serious or Organised Crime) Bill 2016 [Provisions]—Report, dated April 2016, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 22 April 2016]

24 Rural and Regional Affairs and Transport References Committee—Perth Freight Link project—Interim report, dated 22 April 2016. [Received 22 April 2016]

25 Health—Select Committee—Black lung: ‘It has buggered my life’—Fifth interim report, dated April 2016. [Received 28 April 2016]

26 Economics References Committee—Foreign investment review framework—Supplementary report, dated April 2016, additional information and submissions. [Received 28 April 2016]

27 Economics References Committee—‘A husband is not a retirement plan’—Achieving economic security for women in retirement—Report, dated April 2016, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 29 April 2016]

28 Environment and Communications References Committee—Game on: more than playing around – The future of Australia’s video game development industry—Report, dated April 2016, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 29 April 2016]

29 Finance and Public Administration References Committee—Commonwealth legislative provisions relating to oversight of associated entities of political parties—Interim report, dated April 2016. [Received 29 April 2016]

30 Scrutiny of Government Budget Measures—Select Committee—Second interim report, dated April 2016, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 29 April 2016]
Government responses to parliamentary committee reports (pursuant to Senate standing order 166)

Australian Government response to the Joint Standing Committee on Treaties Report 154

Treaty tabled on 17 June 2015 (China-Australia Free Trade Agreement)

This is the Australian Government's response to the Joint Standing Committee on Treaties' Report 154 on the China-Australia Free Trade Agreement (ChAFTA), tabled on 17 June 2015.

The Government welcomes the Committee's final recommendation that prompt binding treaty action be taken in relation to ChAFTA. Australia has completed its domestic treaty-making processes and following an exchange of notes with China on 9 December 2015, ChAFTA entered into force on 20 December 2015.

The following responses to the various recommendations by Committee members have been prepared on a whole-of-government basis:

Recommendation 1

The Committee recommends that all government departments and agencies responsible for curbing unlawful immigration activity, particularly the Department of Immigration and Border Protection, are adequately resourced to carry out their functions effectively and efficiently.

The Government notes the Committee's recommendation. The allocation of resources to relevant agencies is a decision for the Government. The Department of Immigration and Border Protection (DIBP), together with other relevant agencies, closely monitors compliance of visa provisions for temporary workers.

Recommendation 2

The Committee recommends that Austrade is sufficiently resourced to support dedicated officers, with the specific expertise required to provide information and assistance to individual sectors to facilitate access to the Chinese market.

The Government notes the Committee's recommendation. The Government is committed to ensuring that Australia's free trade agreement with China, along with recently concluded agreements with Korea and Japan are widely used by Australian business, to maximise the benefits to companies and the broader economy.

An FTA outreach programme has been designed to help Australian business capitalise on the opportunities presented by our free trade agreements with the major economies of North Asia. As outlined in the May 2015 Budget, the outreach programme consists of various elements, including an advertising campaign, a national FTA seminar series, a customer awareness campaign in China, enhanced FTA help desks, a grants programme, and an online FTA Portal developed and hosted by the Department of Foreign Affairs and Trade (DFAT).

Austrade's network of advisers in Australia and overseas offer practical, sector-specific advice to exporters and education providers on how to do business in international markets. Austrade has significant expertise in the China market and provides tailored services for Australian companies seeking to do business in China. Austrade has ten offices across mainland China, providing in-country expertise and local contacts for Australian businesses.

Austrade provides a range of public information available on its website, including on market opportunities in key sectors in China and advice about doing business. It provides a range of services and events in Australia, including through its TradeStart network. In addition, Austrade manages and coordinates ministerial-led business missions including by the Minister for Trade and Investment and the Prime Minister, including Australia Week in China.

Other Australian Government agencies, including the Department of Foreign Affairs and Trade (DFAT), the Department of Agriculture and Water Resources, the Department of Immigration and
Border Protection and the Export Finance and Insurance Corporation, also provide assistance to Australian businesses and respond to enquiries regarding trade and investment with China and have a range of material available, such as DFAT's export and import guide for ChAFTA. Representatives of these agencies in Australia’s diplomatic missions in China also provide support to Australian businesses as appropriate.

**Recommendation 3**

The Committee recommends that:

- the Department of Agriculture develop a set of performance indicators to measure progress on the removal of non-tariff barriers; and

The Government notes the Committee's recommendation. Not all non-tariff measures (NTMs) restrict trade or increase costs, nor are they limited to the agriculture sector.

As noted by the Committee, product specific technical market access discussions for agriculture fall outside FTA negotiations. The Department of Agriculture and Water Resources leads these discussions engaging with Chinese authorities to establish each others' priority market access requests for progressing technical market access and the constraints to this.

The department works with industry bodies and state governments to determine priorities for addressing market access requests and NTMs and also seeks their assistance in developing solutions and in negotiations with trading partners. The department provides quarterly updates of market access wins, which is accessible at: [http://www.agriculture.gov.au/market-access-trade/agricultural-trade-news/achievements](http://www.agriculture.gov.au/market-access-trade/agricultural-trade-news/achievements)

- the Department of Agriculture and the relevant sections of the Department of Foreign Affairs and Trade are adequately resourced to enable effective progress to be made in removing non-tariff barriers.

The Government notes the Committee’s recommendation. The Department of Foreign Affairs and Trade, the Department of Agriculture and Water Resources and other relevant agencies are resourced to support work under the mechanisms established under ChAFTA to review and address NTMs. Agencies work closely with regulatory bodies, such as Standards Australia, on NTMs.

ChAFTA provides for a Committee on Trade in Goods to review and address NTMs on a case-by-case basis, as raised by Australia or China. The Committee is required to prepare a report and recommendations on NTMs within one year of entry into force. ChAFTA also establishes committees on technical barriers to trade, administered by the Department of Industry, Innovation and Science, and sanitary and phytosanitary measures, administered by the Department of Agriculture and Water Resources, to build cooperation.

The Agriculture Competitiveness White Paper provided further funding for the Department of Agriculture and Water Resources to address NTMs, including an additional five counsellor positions in China and other overseas markets.

**Recommendation 4**

That the Australian Government prioritise implementation of the recommendations of the *Review of the Tax Arrangements Applying to Collective Investment Vehicles report and Australia as a Financial Centre — Building on our Strengths* (the Johnson Report) in order to achieve full utilisation of the China Australia Free Trade Agreement for Australian financial services.

Implementing the Johnson Report recommendations is a priority for the Government.

The Government has recently modernised the Offshore Banking Unit Regime and introduced an Investment Manager Regime, implementing two significant policy changes recommended in the Johnson Report. The Government has also recently introduced legislation to implement a new tax system for Managed Investment Trusts, an initiative that supports the Johnson Report.
recommendations. These changes will strengthen Australia as a financial services centre by improving our international competitiveness and facilitating the greater export of Australian financial services expertise.

The Government is advancing the remaining Johnson Report recommendations. The Johnson Report recommended reviewing the scope for providing a broader range of collective investment vehicles (CIVs) to assist in the export of financial services. The Board of Taxation completed its review of the tax arrangements applying to CIVs and recommended that a wider range of CIVs be introduced. In the Tax White paper process, the Government requested the Treasury work in close consultation with stakeholders to develop proposals for the new CIVs. These CIVs will complement the new commercial export opportunities for the Australian financial services industry contained in the China Australia Free Trade Agreement.

As part of the Tax White paper process, the Government is also considering additional changes to Australia's tax settings that could further improve Australia's position as a financial services centre. This includes reforms to Australia's withholding tax arrangements.

The Government continues to give priority to introducing the Asia Region Funds Passport (the Passport), which will assist Australian fund managers to offer their world-class services across the region. Australia has been leading the development of the Passport and is working to ensure that the Passport is supported by the widest possible group of APEC economies. To date, China has not engaged in negotiations on the Passport.

Recommendation 5
The Committee supports the Free Trade Agreement between the Government of Australia and the Government of the People's Republic of China and recommends that binding treaty action be taken.

Australia has completed its domestic treaty-making processes and ChAFTA entered into force on 20 December 2015.

Dissenting Report—Australian Greens
Recommendation: The Committee does not support the Free Trade Agreement between the Government of Australia and the Government of the People's Republic of China and recommends that binding treaty action not be taken.

The Government does not accept this recommendation. Australia has completed its domestic treaty-making processes and ChAFTA entered into force on 20 December 2015.

Recommendation: ChAFTA be referred to the Productivity Commission for comprehensive economic analysis. Legislation enabling ChAFTA should be delayed until this analysis is completed.

The Government notes the passage of legislation is a matter for the Parliament. ChAFTA enabling legislation passed the House of Representatives on 22 October and the Senate on 9 November 2015.

Recommendation: ChAFTA be referred to the Law Reform Commission for advice on the status and impact of labour mobility clauses in ChAFTA on Australian labour standards. Legislation enabling ChAFTA should be delayed until this advice is provided and acted upon.

The Government notes the passage of legislation is a matter for the Parliament. ChAFTA enabling legislation passed the House of Representatives on 22 October and the Senate on 9 November 2015.

Recommendation: That the Migration Regulations 1994 are amended to make it mandatory for the government to undertake labour market testing for ANZSCO skill levels 1-4.

The Government does not accept this recommendation. Following ChAFTA's entry into force, commitments in ChAFTA on labour market testing are now in force.
Australian Government response to the Environment and Communications References Committee report:
Performance and management of electricity network companies
April 2016

INTRODUCTION
The inquiry into the performance and management of electricity network companies (the Inquiry) was initiated in response to community concerns regarding rising electricity prices and the role of electricity network businesses in contributing to those increases.

The Senate referred the Inquiry to the Environment and Communications References Committee (the Committee) on 2 October 2014, with terms of reference to address these and related issues. The Committee presented an interim report on 20 April 2015 and its final report on 5 June 2015.

The Australian Government thanks the Committee for its work and all individuals and organisations who contributed to the Inquiry.

The Australian Government has been working over the past 20 years with state and territory governments, through the Council of Australian Governments (COAG), to progress energy market reforms aimed at promoting efficient investment in, and efficient operation and use of, electricity services which serve the long term interests of consumers by maintaining the reliability, safety and security of the national electricity system.

A number of recent reforms made by the COAG Energy Council directly address themes emerging from the Inquiry. These reforms include:

- Changes to the National Electricity Rules (introduced in 2012), which significantly strengthen the Australian Energy Regulator's (AER) ability to interrogate network businesses' regulatory proposals and provide expanded opportunities for consumers to participate in the process for setting expenditure allowances.
- Reforms to network pricing principles that require networks to introduce cost reflective tariffs by 2017, thereby providing better price signals to consumers and lowering the overall costs of the system.
- Reforms to expand competition in metering and related services by 2017, which will enable a market-led deployment of advanced meters and development of a range of innovative services to support better grid management and help customers manage their bills.
- The establishment of Energy Consumers Australia on 30 January 2015 which provides a national voice for consumers.

The positive impacts of some of these reforms are already being seen with others still to be fully realised.

Governments are also working to support the introduction of network tariff reform, which is crucial to influencing consumer behaviours that minimise network costs and support efficient network utilisation. This includes improving consumer understanding of tariff reform and ensuring that consumer protections are appropriate.

Further detail on these and other reforms is provided below and in responses to specific recommendations from the Inquiry.

Recognising the transformation currently occurring in energy markets, the COAG Energy Council agreed in December 2015 to a Strategic Work Programme to ensure regulatory frameworks are appropriate for emerging technologies and enable customers to benefit from innovative services. This work programme commenced in early 2016.
The Council further agreed to a national, cooperative effort to better integrate energy and climate change policy, with a clear focus on ensuring that consumers and industry have access to low-cost, reliable energy as Australia moves towards a low emissions economy.

More broadly, the Energy White Paper released in 2015 sets out the Australian Government’s goals to increase energy competition, productivity and investment. As part of the implementation of the White Paper, the COAG Energy Council has adopted the National Energy Productivity Plan 2015-30 focused on delivering greater value for Australia's energy use. Electricity productivity improvements targeted through the Plan will help reduce household and business electricity costs and encourage economic growth.

The Australian Government's response to the Committee's recommendations made in the Interim Report

Recommendation 1

4.75 The committee recommends that the Council of Australian Governments (COAG) Energy Council commission an independent expert review of options for excluding future imprudent capital expenditure and surplus network assets from a network service provider's regulatory asset base (RAB). This review should consider the provisions of the Western Australian Electricity Networks Access Code and its decision-making criteria.

4.76 The review should have the freedom to suggest any necessary changes to intergovernmental agreements, the National Electricity Law or the National Electricity Rules.

Additional comments from Coalition Senators

1.1 In reference to Recommendation 1, Coalition Senators further recommend that the review also consider options for excluding current—as well as future—imprudent capital expenditure from a network service provider's regulatory asset base (RAB).

The Australian Government notes the recommendation.

Policy advice to the COAG Energy Council in July 2015 (Electricity network economic regulation: scenario analysis, available at http://www.scer.gov.au/publications/strategic-assessment-network-regulation), noted that future scenarios where there are large numbers of customers with embedded generation and storage, or completely disconnected from the grid, present a greater risk of asset stranding and under-utilisation, which consumers ultimately pay for under the current arrangements. At the December 2015 COAG Energy Council meeting, Ministers agreed to a Strategic Work Programme which includes examining the effectiveness of existing regulatory frameworks in driving efficient network investment and operational decisions. A key objective of the Programme is to ensure that consumers are able to benefit from decentralised supply options, while mitigating risks.

The Australian Government notes that the Western Australian Government is looking at transferring responsibility for regulating its network businesses to the AER. This would mean the AER would be responsible for setting Western Power's revenues in line with the National Electricity Rules.

Recommendation 2

4.77 The committee recommends that, following the outcomes of the current round of network pricing decisions, the COAG Energy Council commission an independent expert review of the efficacy of recent changes to the National Electricity Rules and the benchmarking process in promoting the long-term interests of consumers. This assessment should focus on the appropriateness of current methodologies for calculating the weighted average cost of capital (WACC) and the manner in which the estimated cost of corporate income tax is calculated.

The Australian Government notes the recommendation and considers it is adequately addressed by processes in place.
The rate of return guidelines were released by the AER in December 2013 after changes to the National Electricity Rules in 2012 and extensive consultation. The AER must undertake a full public review of these guidelines by December 2016, which will allow any new evidence or techniques to be considered and reflected in the AER’s guidelines. The AER will also seek to refine its benchmarking tools. Benchmarking will be strengthened by a law change confirming the AER’s information gathering powers to collect and publish the data necessary to compare the performance of network businesses.

The incentive-based approach used by the AER in setting allowances for both the cost of capital and corporate income tax is based on what costs an efficient organisation would incur in providing regulated network services and is not intended to reflect each cost component incurred by individual businesses. Actual costs will vary from amounts allowed for by the regulator as networks are free to choose the manner in which they deliver the services and organise their corporate and debt structures.

The AER will continue to review the operation of the Rules in practice to ensure that they are able to contribute to the delivery of the National Electricity Objective.

The Australian Government notes that broader issues of tax avoidance and minimisation are being considered through other processes, including the Taxation White Paper and the inquiry into corporate tax avoidance undertaken by the Senate Economics References Committee.

Recommendation 3

4.78 The committee recommends that the National Electricity Rules be amended to provide that the Australian Energy Regulator may set a regulatory control period that is less than five regulatory years.

The Australian Government notes the recommendation.

The Australian Government recognises that in determining the appropriate length of a regulatory period a number of factors need to be considered, including the potential for greater certainty around electricity trends through a shorter regulatory period against an increase in investor certainty (which gets passed through to consumers as a lower rate of return on the RAB) associated with a longer regulatory period. In light of a balanced assessment of these factors, the COAG Energy Council’s predecessor, the Ministerial Council on Energy, determined that a five year regulatory period provides a sufficiently short time to respond to changing conditions while providing investment certainty.

However, there remains a broader question about the appropriateness of prescriptive features of the regulatory framework for electricity networks in future scenarios where demand and technology trends are less certain. Officials are exploring these issues as part of the Strategic Work Programme agreed by the COAG Energy Council in December 2015 and will provide advice to Ministers.

Recommendation 4

5.44 The committee recommends that state governments seeking to privatisate their electricity network assets examine whether those assets are overvalued and if the regulatory asset base should be written down prior to privatisation.

Additional comments from Coalition Senators

1.2 Coalition Senators further consider that state governments should be accountable for the value of state-owned networks. Responsible ministers should endorse values determined for state-owned networks by the AER.

The Australian Government notes the recommendation but considers that the value of network assets being privatised is a matter for the relevant state governments.

Recommendation 5

6.67 The committee recommends that the National Electricity Rules be amended to cap the costs associated with the preparation of a regulatory proposal that a network service provider may recover from its customers.
The Australian Government notes the recommendation.

The Australian Government also notes the concerns raised by the Committee that the regulatory proposals submitted by the network businesses are lengthy, technically detailed, and that this complexity can make it difficult for stakeholders to assess. The Australian Government therefore intends to look into options for making submissions more accessible.

**Recommendation 6**

6.68 The committee recommends that the COAG Energy Council request the Australian Energy Market Commission to review the consumer engagement activities of network service providers. As part of this review, proposals for enhancing the effectiveness of consumer engagement efforts should be invited from consumer advocacy groups. Particular focus should be given to the effectiveness of consumer engagement in ensuring that network planning outcomes respond to the long-term interests of consumers.

The Australian Government notes the recommendation but considers the AER is a more appropriate body to review the consumer engagement activities of network businesses than the Australian Energy Market Commission (AEMC).

Engagement by network businesses with consumers has been enhanced through the AER’s stakeholder consultation framework established as part of the 2014 Better Regulation reform programme, available at http://www.aer.gov.au/networks-pipelines/better-regulation. In its first year of operation Energy Consumers Australia has commenced work that will strengthen the voice of small business and residential consumers in network regulatory determinations and tariff structure statement proposals.

The consumer engagement guideline developed as part of the Better Regulation reform programme sets out the level of consumer engagement the AER expects network businesses to undertake in preparing their regulatory proposals.

In addition, Energy Consumers Australia is focussed on supporting consumer advocacy on national energy market matters of strategic importance or material consequence for energy consumers, particularly residential and small business consumers. Energy Consumers Australia provides a strong, coordinated, evidence based approach to consumer advocacy through in-house research and targeted funding grants which either build capacity or knowledge in energy market matters impacting consumers. This includes funding advocacy designed to persuade a third party to make a decision or change which improves the situation of electricity consumers. In the 2014/2015 financial year, Energy Consumers Australia funded the Public Interest Advocacy Centre to intervene in the review of New South Wales electricity revenue determinations before the Australian Competition Tribunal.

**Recommendation 7**

6.69 The committee recommends that the Australian Energy Market Commission and the Australian Energy Regulator jointly develop and publish consolidated guidance on the regulatory determination process to better inform members of the public, consumer groups and other energy user stakeholders.

The Australian Government notes the recommendation.

The AEMC and AER have developed more user-friendly guidance on rule changes and the determination processes and should continue to improve this in light of feedback. The AER’s overview and fact sheets on the Better Regulation reform programme is intended to help consumers, other stakeholders and the public understand the determination process. The AER also releases summary fact sheets on its determinations for each network business.

The Australian Government considers that meaningful engagement with consumers, particularly retail consumers and small business, is better facilitated through the AER’s stakeholder consultation framework established as part of the Better Regulation reform programme, and through the establishment of Energy Consumers Australia. One of Energy Consumers Australia’s activities is to
effectively and objectively participate in National Electricity Market issues and influence regulatory activities and energy market reform to benefit consumers; as well as undertaking robust research and educating consumers on energy markets.

Recommendation 8

7.55 The committee recommends that the Australian Energy Market Commission is provided with the ability to initiate a rule change process without being required to receive a rule change request from an external party.

The Australian Government rejects the recommendation.

The current governance arrangements were established in 2005 to provide independent market institutions, including the AEMC, with specific powers and functions under the national energy laws, and with appropriate policy oversight from the COAG Energy Council. The AEMC was established to ensure the integrity and accountability of the market development process.

In setting out the AEMC's powers and functions in the National Electricity Law, it was prevented from self-initiating rule change processes (except where of a minor nature). The reason for this restriction was to minimise the risks of market development activities that would be inconsistent with the strategic direction being set by the COAG Energy Council and its predecessors.

The Australian Government notes the AEMC's role and its processes were examined as part of the Review of Governance Arrangements for Australian Energy Markets (the Governance Review). Whilst the Governance Review's final report proposed an expanded role for the AEMC in the development of strategic advice, to which the COAG Energy Council agreed in December 2015, it determined that the prohibition of the AEMC self-initiating rule changes should be maintained. The Governance Review found that allowing the AEMC to initiate rule changes would be problematic as it was inconsistent with the existing institutional functional separation and would potentially displace the COAG Energy Council's leadership.

Recommendation 9

7.56 The committee recommends that the Australian Government pursue, through the COAG process, amendments to the National Electricity Law to require that the Australian Energy Market Commission must commence public consultation on a rule change request within a prescribed period of time if the rule change request has been lodged by the COAG Energy Council.

The Australian Government rejects the recommendation.

The Government recognises that the AEMC's processes need to balance efficacy of process with providing sufficient time for rigour around decision-making. The time between the lodgement of a rule change request and the AEMC commencing its public rule change process is appropriately used by the AEMC to develop suitable material for consultation; mandating the time for this risks the incomplete examination of complex material covered by such rule change requests. The Government notes that the COAG Energy Council is able to provide direction to the AEMC about the priority of rule change requests it submits.

In response to the Governance Review, the COAG Energy Council agreed in December 2015 to changes that aim to streamline AEMC operations and better focus AEMC's resources on the priorities of the day and improving overall timeliness. A specific change to increase stakeholder engagement and to address concerns regarding timeliness is that the AEMC is now expected to publish information on timeliness performance metrics and an explanation of the timelines on its website.

The AEMC is also considering, as a strategic priority, options to improve timeliness of the rule change process without undermining features valued by stakeholders.

Recommendation 10
7.57 The committee recommends that the Australian Government pursue, through the COAG process, an agreement that any Commonwealth, state and territory energy policy schemes and measures that may have implications for the National Electricity Market or network efficiency must be referred to the Australian Energy Market Commission for formal advice regarding the likely effects on the long-term interests of consumers.

The Australian Government rejects the recommendation.

The Australian Government recognises that governments that have applied the national energy laws are already able to seek advice from the AEMC about the implications of jurisdictional reforms on the national frameworks. Further, a rationale for establishing the COAG Energy Council (and its predecessors) as a body including all state and territory governments was to allow the implications of state and territory policy on the national markets to be considered by the relevant governments.

The Australian Government considers these arrangements provide a robust starting point to make sure the implications for the national markets will be considered as part of the development of energy-related jurisdictional policy.

Recommendation 11

7.59 In light of the recommendation made by the Competition Policy Review (Harper Review) regarding a single national access and pricing regulator, the committee recommends that the Australian, state and territory governments consider:

- the potential efficiencies and other advantages of a single national access and pricing regulator; and
- whether such a proposal would be in the long-term interests of consumers of electricity, given the need for a regulator with sufficient expertise to challenge, when required, well-resourced electricity network service providers.

The Australian Government notes the recommendation.

As part of the response to the Competition Policy Review, the Australian Government indicated that it remained open to the recommendation for a single national access pricing regulator and that there would be continued discussions with states and territories on how a new national framework could be developed between the Commonwealth, states and territories to promote economic growth including the most appropriate institutional architecture to support reform.

Further, the COAG Energy Council agreed in its December 2015 response to the Governance review that a case has been made for the COAG Energy Council to consider changing the AER’s structure.

However, the COAG Energy Council indicated that more work would be required before it could make a decision on this matter.

Recommendation 12

7.63 The committee recommends that the Australian Government commission an external review of the capability of the Australian Energy Regulator. The review should consider:

- the adequacy of the AER’s financial resources;
- the effects of the 2014–15 budget cuts; and
- whether the AER has the skills and powers needed to perform its functions effectively.

The Australian Government notes the recommendation and is committed to ensuring that the AER is able to fulfil its functions effectively.

A similar piece of work was recommended in the Governance Review as a result of which the COAG Energy Council agreed that the AER be reviewed every three to five years by a panel of experts appointed by the COAG Energy Council to assist the AER in integrating learnings and improving its performance.
The COAG Energy Council also noted several recommendations made in the Governance Review in relation to financial arrangements of the AER, particularly regarding the role of state and territory governments, through the COAG Energy Council, in determining its work programmes and resourcing requirements.

Recommendation 13

7.64 The committee recommends that the Australian Energy Regulator should facilitate public consultation on the statement of intent it develops in response to the COAG Energy Council’s statement of expectations.

The Australian Government rejects the recommendation.

As noted elsewhere in this response, expanding opportunities to hear consumer views was a major focus of the reforms undertaken in 2012. Consumers now have a more prominent role in the AER’s determination process.

The AER produces a statement of intent every year, which should respond to the COAG Energy Council’s statement of expectations of the AER. However, there may be opportunities for the AER to obtain public feedback on its statement of intent as part of other consultation processes. For example, consultation on the statement of intent could be done together with its key performance indicators, or through its regular stakeholder surveys. The Government will raise this with the AER.

Recommendation 14

7.65 The committee recommends that the board of the Australian Energy Regulator should be reformed so that:

- the number of board members is increased from three to five;
- the requirement for a Commonwealth member and two state and territory members is abolished with future appointments based solely on merit;
- all appointments to the board are to be made by the Commonwealth;
- at least one board member is required to have knowledge of, or experience in, consumer affairs in energy matters; and
- at least one board member has expertise in decentralized energy systems and demand management.

The Australian Government notes the recommendation.

The Governance Review addressed the issue of the composition of the AER Board and the COAG Energy Council agreed that the membership of the AER be expanded from three to five members and that the Chairman and at least two further members be appointed on a full-time basis. Further, the COAG Energy Council agreed that all members be recommended for appointment by two-thirds of the COAG Energy Council and agreed that appointments to the AER continue to be on the basis of a publicly available statement of required skills and experience.

Recommendation 15

8.73 The committee recommends that the Australian, state and territory governments increase and prioritise efforts to ensure that networks are prepared to efficiently respond to changes in the energy market, in light of:

- the increased uptake of small-scale solar generation;
- emerging energy storage technologies;
- the anticipation of customers going 'off-grid';
- the anticipation of further disruptive technologies; and
- the certainty of value destruction as a result of current business models.
The Australian Government accepts the recommendation.

The COAG Energy Council agreed in December 2015 to a Strategic Work Programme to work towards successfully transitioning energy markets to a future where energy provision is more decentralised and dynamic and address specific risks and opportunities identified by officials in a stress testing exercise completed in mid-2015. The stress testing exercise assessed the economic regulatory framework’s performance under different future scenarios in contributing to the delivery of the National Electricity Objective. Policy advice delivered to Ministers, as noted in the response to Recommendation One, is published on the COAG Energy Council’s website and is available at http://www.scer.gov.au/publications/strategic-assessment-network-regulation.

As noted above, the Strategic Work Programme agreed by the COAG Energy Council in December 2015 aims to ensure regulatory frameworks are ready to cope with the effects of emerging technologies such as batteries and enable consumers to benefit from innovative services while mitigating risks. As part of this programme officials are examining issues such as how contestable markets can be facilitated in emerging technologies, the appropriateness of existing consumer protections, and the flexibility of the regulatory framework to accommodate decentralized supply options. Work has commenced, with officials due to report back to the COAG Energy Council in the first instance at its next meeting in July 2016.

**Recommendation 16**

8.74 The committee recommends that, as cost-reflective network pricing is introduced, the COAG Energy Council ensure appropriate steps are taken so network companies’ tariff and non-tariff based demand management programs are strengthened to assist consumers to transition to cost-reflective tariffs.

The Australian Government accepts the recommendation.

The distribution pricing rule change that will introduce more cost reflective network pricing from 2017 includes a new consumer impacts principle requiring distributors to consider the impacts on retail customers in managing the transition to cost reflective prices.

As part of new tariff structure statements (TSS) distributors are required to consult with stakeholders on their proposed tariff structures, and demonstrate to the AER how they have responded to stakeholder feedback. The new rules will limit the ability of distributors to change tariff structures contained within their TSSs during a regulatory period without consultation.

In reviewing TSSs, the AER will also consider how network companies are linking new tariff structures with their demand management programmes.

**Recommendation 17**

8.75 The committee recommends that the Australian Energy Regulator expedite its implementation of the current Demand Management Incentive Scheme rule change in all open network revenue determinations.

The Australian Government rejects the recommendation.

The AEMC made its final determination on the Demand Management Incentive Scheme on 20 August 2015. The Rule requires the AER to develop and publish a demand management incentive scheme and a demand management innovation allowance mechanism by 1 December 2016. The AER will then have the discretion to apply the scheme and mechanism in the next round of regulatory determinations.

In its determination, the AEMC noted that the AER will need to develop the scheme and mechanism in consultation with distributors and other stakeholders before it can be applied. It would not be appropriate to apply the new schemes part way through a regulatory period, as this may involve reopening determinations and would impose considerable costs on the AER and the affected businesses and ultimately increase costs for consumers.
Recommendation 18

8.76 The committee recommends that the COAG Energy Council remove any barriers to networks implementing cost-reflective network prices to ensure efficient use of demand management and embedded generation is rewarded.

The Australian Government notes the recommendation.

Market reforms that have been driven by the COAG Energy Council aim to remove barriers to networks implementing cost-reflective prices.

As outlined at Recommendation 16, the distribution pricing rule change made in November 2014 requires networks to introduce more cost-reflective pricing from 2017.

Facilitating upgrades to the current installed metering stock is another barrier which is being addressed. Accumulation metering, which is the most common form of metering for small customers, supports a limited range of tariff structures which are not particularly cost reflective.

The AEMC made a final determination for the rule change to expand competition in metering and related services in November 2015. This rule change enables a market-led deployment of advanced meters where there is an active customer choice or a positive business case, and when meters need to be replaced for operational reasons. It will ensure there is capability in these new meters to support more cost-reflective tariff structures and innovative energy services to enable consumers to manage their bills. These new arrangements will take effect on 1 December 2017.

Cost reflective pricing will complement the Demand Management Incentive Scheme, and existing non-tariff based demand management programmes available to networks. By improving price signals to consumers, cost reflective pricing should also support retailers and other service providers to offer demand management products, such as in home energy management systems, which help customers to manage their bills.

The Australian Government's response to the Australian Greens' recommendations made in the Interim Report

Recommendation 1

1.13 NSW and Queensland network companies should not be privatised. However, publicly owned networks should be prevented from participating in the AER Pricing Determination processes. The costs that are ultimately passed on to households and businesses must be approved by the relevant State Minister.

The Australian Government rejects the recommendation.

Privatisation of electricity networks is a matter for the relevant state government. However, the Australian Government considers that privatisation delivers a range of benefits, including a more rigorous approach to the timing and size of investment decisions and removing potential conflict between being an asset owner and setting the regulations that govern the revenue that asset receives.

The AER determination process is the same for state-owned and privatised network companies. This is consistent with competitive neutrality principles agreed by the Australian Government and all state and territory governments. As a principle, competitive neutrality should ensure businesses are treated in the same way regardless of ownership to promote the efficient use of resources in public sector business activities by removing any advantage that businesses may have solely as a result of public ownership.

As part of the application of the competitive neutrality principles to network companies, for significant government businesses, governments undertook to adopt a corporatisation model where appropriate and to impose on the business full taxes or tax equivalents and debt guarantee fees to offset advantages from government guarantees, and to apply to the business regulations normally applying to private sector businesses.
Recommendation 2
1.22 That the Australian Energy Regulator be given the power to revalue the regulated asset base of network service providers.

The Australian Government rejects the recommendation.

Revaluations of the RAB are not provided for under the current framework. Provisions introduced as part of the 2012 changes relate to new capex being incorporated into the RAB, as opposed to revaluations of assets once incorporated into the RAB.

The Strategic Assessment of Network Regulation report recommended assessing whether the current frameworks appropriately allocate the risk of network under-utilisation and asset stranding associated with investments in the RAB between network businesses and consumers. Officials are exploring these issues as part of the COAG Energy Council agreed Strategic Work Programme in December 2015 and will provide advice to Ministers.

Recommendation 3
1.30 That the objectives in the National Electricity Market laws include an environmental objective that would require the National Electricity Market to facilitate achievement of the UNFCCC Greenhouse Gas Emissions targets agreed to by Australia. A new objective would inform rule making and co-ordinate Australia's efforts to reduce emissions in the electricity sector at the same time as guaranteeing a secure supply of electricity in an affordable way.

The Australian Government rejects the recommendation.

The National Electricity Objective contained in the National Electricity Law is 'to promote efficient investment in, and efficient operation of, electricity services for the long term interests of consumers of electricity…'

The Australian Government believes that the objective as defined remains appropriate to current and future policy needs and provides a robust basis for market regulation and development. The core objective and operating principle—ensuring that markets operate in the long-term interests of consumers—allows a broad range of interests to be taken into account and provides enough scope for effective interfaces between energy markets and other policy frameworks. Making changes to the objective would risk introducing unnecessary complexity and potential confusion for the market operator, the regulator and participants.

The COAG Energy Council has agreed that the energy sector needs to play a major role in Australia’s effort to reduce greenhouse gas emissions and that the Council has a central role in ensuring that policies to reduce emissions in the energy sector are efficient and effective. In December 2015, the Council agreed to a national, cooperative effort to better integrate energy and climate policy, with a clear focus on ensuring that consumers and industry have access to low-cost, reliable energy as Australia moves towards a low emissions economy. The Council has further tasked officials with preparing advice that will allow it to better understand the potential effect of climate change policies on the energy sector to facilitate better integration. In December 2015, as one of the first steps, the Council adopted the National Energy Productivity Plan 2015-2030 to help deliver greater value from Australia’s energy use.

Recommendation 4
1.33 In light of the recommendation made by the Competition Policy Review (Harper Review) regarding a single national access and pricing regulator, and in light of the committee’s concerns about the current institutional arrangements the committee recommends that the Australian Energy Market Commission and the Australian Energy Regulator be collapsed into a single body.

The Australian Government rejects the recommendation.
The separation of the AER and AEMC is a key structural attribute of the governance of the energy market. In addition to the Competition Policy Review, the relationship between the AER and AEMC and assignment of roles has been examined in the Governance Review, which noted that the AER and the AEMC carry out fundamentally different roles that require different skills and expertise. It further noted that the separation of rule-making and rule-enforcement functions was an important factor in establishing credibility with investors and providing them with the confidence to invest in the sector.

The Australian Government remains open to the Competition Policy Review recommendation regarding a single national access and pricing regulator and will continue discussions with states and territories on how a new national framework could be developed between the Commonwealth, states and territories to promote economic growth, including the most appropriate institutional architecture to support reform.

The Australian Government's response to the Committee's recommendations made in the Final Report

Recommendation 1

2.66 The committee recommends that the Queensland Government request the Queensland Auditor-General to conduct a performance audit of financial risk management practices at Energex.

The Australian Government notes the recommendation.

This is a matter for the Queensland Government.

The Australian Government's response to the Australian Greens' recommendations made the Final Report

Recommendation 1

1.2 That, in addition to the Queensland Auditor-General, the Australian Securities and Investments Commission, the Australian Federal Police and the Queensland Crime and Corruption Commission be informed of Ms Cally Wilson's allegations.

The Australian Government notes the recommendation.

Any party is able to refer matters to the Queensland Auditor-General, the Australian Securities and Investments Commission, the Australian Federal Police and the Queensland Crime and Corruption Commission.

1 As per the Energy Consumers Australia objective and activities as per its constitution article 4.1 and 4.2 refers.