
Senator MILNE (Tasmania) (9.33 am)—I would like to raise a couple of general things before I get to my amendments. In particular, I would like to start with the definitions—and this is very important because it relates to the whole purpose of why we are establishing Infrastructure Australia. What the **Infrastructure Australia Bill 2008** says is that the definition of:

nationally significant infrastructure includes:

- (a) transport infrastructure; and
- (b) energy infrastructure; and
- (c) communications infrastructure; and
- (d) water infrastructure;

in which investment or further investment will materially improve national productivity.

I am interested in knowing why social infrastructure is not included here. I would argue that schools, universities, hospitals and libraries are nationally significant infrastructure. What we have here is a narrowing of purpose by saying what is nationally significant has to materially improve national productivity. Again I would argue that if your ambition is to move Australia from a resource based economy to a brains and information based economy then nationally significant infrastructure which would materially improve national productivity would include schools, universities, libraries and so on.

The first part of my question is why is nationally significant infrastructure restricted to those categories and schools, universities, libraries and so on are not included? The second part of my question is how does this relate to the government's stated intention to prioritise infrastructure development in Indigenous communities? From what I can see here, there is one promise to improve infrastructure in Indigenous communities as part of the welcome to country, as part of reconciliation and as part of the whole agenda of saying sorry. It is unclear to me that there will be any priority in Indigenous communities in these areas and it is unclear to me, especially when we get to the membership of Infrastructure Australia, whether there will be anyone on it

who has any expertise in terms of the needs of Indigenous communities and infrastructure.

Those are my questions to begin with.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.36 am)—I will do my best to respond to the senator's questions. In relation to her first question on her suggestion of limitations to the definitions of significant infrastructure, I draw her attention to page 2 of the bill which specifies:

nationally significant infrastructure includes

- (a) transport infrastructure; and
- (b) energy infrastructure; and
- (c) communications infrastructure; and
- (d) water infrastructure;

However these definitions are not the limit. This is not a prescriptive list. Other issues are able to be incorporated.

I am also advised in regards to her second question on the issue of Indigenous consultations and involvement that the minister will be working through the COAG processes and will ensure that these issues are properly dealt with through consultation with the states and territories.

Senator MILNE (Tasmania) (9.37 am)—I thank the minister for that explanation, but it is not clear to me that the social infrastructure I am talking about it is in any way intended to be covered by this legislation. In the second reading speech of the bill, I could not find any reference to the fact that nationally significant infrastructure will include schools, universities, libraries and so on. To me, the way that this bill and the second reading speech have been written does not automatically include that infrastructure. I would like to have it spelt out more clearly that nationally significant infrastructure does include more than communications infrastructure in moving to an information and knowledge based economy.

Secondly, I would like some clarification. What do you mean by 'materially improve national productivity'? I would like that clarified specifically in relation to the infrastructure I am talking

about in Indigenous communities. There are many who would argue that that infrastructure might not materially improve national productivity, but it is critical to improving the lives of and opportunities for Indigenous people in those communities. I would really like to have an understanding of that because just going through the COAG process is not enough. With respect, it has not worked to date. There has been no prioritising or significant investment through the COAG process.

I still do not have a response to whether there is going to be a specific attempt in putting together the membership of Infrastructure Australia to include someone who has expertise in identifying the appropriate infrastructure needs of Indigenous communities. It is not just any infrastructure that is needed; there is expertise required to determine what the most appropriate and effective infrastructure is for those communities. The government must, in my view, in terms of what has been said in the Indigenous debate and in the policy commitments of the government, include this somewhere in Infrastructure Australia.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.39 am)—Once again, I will do my best to answer the questions. As I am sure the senator is only too readily aware, I am representing the minister here today. The advice I have is that the definitions of the bill are not prescriptive. The word ‘include’ is used to highlight that. There are in fact two areas, and there is provision within that definition to cover social infrastructure issues. Further, there is a reference within that definition to further investment to ‘materially improve national productivity’. That is, again, a broader concept than purely that described by transport, energy, communications or water.

In regard to the issue of representation on the board, I am advised that Infrastructure Australia’s board will be made up of representatives from local, state and national government. In terms of the provisions, the Commonwealth Labor government has said that the issue of

Indigenous representation will be dealt with in that manner. It is not just Indigenous people who are not specified in terms of membership of the board; there are many other categories of people who were equally not specified in this legislation. It is up to the process of dialogue between the representatives of different levels of government to ensure that the board is able to fulfil those functions. A whole range of people is needed to make up a body such as this. In essence, it is to deal with both public and private provision of infrastructure across Australia.

Senator MILNE (Tasmania) (9.41 am)—Thank you for that explanation. I just heard you say that social infrastructure is implied in two of those categories. I am sorry, but that escapes me. I would like you to specify which of the two categories include the social infrastructure I am talking about—schools, universities and libraries. For Indigenous communities, where are those social infrastructure commitments implied? That is not clear to me.

Secondly, I asked for a specific undertaking from the government for an understanding of ‘materially improve national productivity’, because, as I said, there will be people who will argue that investment in infrastructure in Indigenous communities will not materially improve national productivity. I want a commitment from the government that infrastructure investment in Indigenous communities will be included and will be regarded as materially improving national productivity.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.43 am)—I again draw the senator’s attention to clause 1 of the bill, which says:

(1) Infrastructure Australia has the primary function of providing advice to the Minister, Commonwealth, State, Territory and local governments, investors in infrastructure and owners of infrastructure on matters relating to infrastructure, including in relation to the following:

There is nothing in that definition that precludes consideration of social infrastructure of the type that you have canvassed, Senator Milne. The view of the government is that, for this body

to actually undertake its job properly, it must be able to consider both hard and soft infrastructure in the manner in which you have proposed.

Senator MILNE (Tasmania) (9.44 am)—There is nothing in there that precludes consideration, but there is nothing in there that specifically includes consideration. That is my point. Anyone on reading this and looking at the primary function and looking at materially improved national productivity, which is specifically stated, would see that it implies it has a clear economic benefit. I would of course argue that things such as public transport do, and I will get to that a little bit later. I would also argue that, if you are trying to shift to a knowledge based economy, then investment in schools, universities, libraries et cetera is clearly a material improvement in national productivity.

But this is not stated anywhere in the second reading speech. All I have had now from the minister is: 'It does not preclude it.' I would like a statement from the minister that it specifically includes it. That would satisfy my concerns about social infrastructure. I would argue in the case of schools and universities that it is a material improvement in national productivity. I would like to have a statement from the minister that it specifically includes that infrastructure and specifically includes consideration of infrastructure in Indigenous communities. For the minister to say that there are lots of other groups that are also not included is quite offensive, because the people who are specifically included are the corporates—the businesses whose business it is to provide infrastructure. So those who have an interest in making a profit from infrastructure are clearly intended to be included.

I argue that Indigenous Australia has a special case. Of course there are many others, and we will get to that later. I argue that there is a special case for Indigenous Australians to have their expertise included on the board of Infrastructure Australia because to date all the platitudes from the government about consultation with Indigenous communities have failed. That is why

we have this huge effort now to do something about years of neglect in Indigenous communities. If you are serious about inclusion and if you are really serious about getting ongoing infrastructure development post the Northern Territory intervention then you have to have a consistent level of advice and expertise in your strategic think tank, which this is going to be for national infrastructure. This is meant to be a strategic blueprint for the future. I would like those specific commitments, Minister.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.47 am)—
Senator Milne, I am not quite certain what I have said that you find so offensive, but I will recap the government's position. The government's view is that you do not need to spell out in minute detail every representative group that may well be represented on such a body. There are no references in the bill to representation from the workforce. There is no representation specifically legislated for for people with disabilities. There is not a requirement in this bill specifically for pensioners. There are a whole range of groups in our community which you cannot specify in finite detail in legislation of this type.

This legislation seeks to define infrastructure very broadly and its service of the community. It is about a nation-building program. We do not have to define that in absolute minute detail to satisfy our policy objectives and to put to this parliament a bill that allows us to actually construct the infrastructure necessary to sustain a reasonable standard of living for the people of this country. The minister has repeatedly made these points, but you do not need to spell out the details of what that means in every finite clause of this legislation.

I repeat: the legislation is designed to be broad in its scope but not allow us to get into the fine minute detail of the nature of representation on the board. We are dealing with three levels of government. It is appropriate that there be some flexibility in the discussion about who

represents the interests of this country through these three levels of government. We do not seek to prescribe membership of the board in the manner that the senator is seeking.

On the question of Indigenous representation specifically, all I can say is that the government has firm commitments. You might regard this as platitudes, but that is the nature of government policy. We are accountable to the parliament for that policy's implementation. I do not think it is appropriate to specify every particular interest group that should or might be represented by future governments through this body.

Senator IAN MACDONALD (Queensland) (9.49 am)—Minister, I refer you generally to proposed section 5(4) which states:

Infrastructure Australia is to perform a function under paragraph (2)(c), (d), (g) or (h) on request by the Minister.

Could you explain why the body itself cannot initiate those inquiries without having to do it only on the instruction of the minister?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.50 am)—My advice is that the provision there refers to the line responsibilities through to the minister and it is designed to ensure that there is not an overlap with existing infrastructure provision agencies, whether it be in a state, in local government or within the Commonwealth itself. It is to ensure that there is effective coordination between the various agencies of government and within government at a national level.

Senator IAN MACDONALD (Queensland) (9.51 am)—Minister, Infrastructure Australia has the power to provide advice on infrastructure policy arising from climate change, which to me would seem to be a fairly important role for this board, this committee, this unit, but it can only do that upon instruction from the minister. If this board, this entity, is to have the qualified people on it that we all assume and indeed hope that it will have, why would it be constrained in looking at infrastructure requirements in relation to climate change only in the event of it being

directed to do so by the minister? It would seem to me that that is a very restrictive approach to what we hope will be a competent and intelligent board. With climate change the greater concern that it is—not only to Australians but right around the world—it would seem to me that this body of expertise should be free to make its own decisions on climate change issues, and not simply have to wait for the minister to do so.

I wonder which minister will make those decisions in relation to climate change. Will it be the minister responsible for Infrastructure Australia or will it be the climate change minister? How are those decisions likely to evolve through the government process? Will they be cabinet decisions? Will they be decisions of the climate change minister and the relevant minister? How is that going to work out? It seems to me to be unduly restrictive on the authority to have to wait for a direction from the minister on climate change issues. I emphasise that your government minister has made a great deal about climate change—convinced the electorate that signing a bit of paper would cure all of our ills. It is an important issue, but it seems to be that under this bill your government is relegating it to a very unimportant issue in that it can only be dealt with should the minister choose to give the direction.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (9.54 am)—Again I will do my best, Senator Macdonald, to answer your question. The bill, as it currently reads—as you quite rightly highlighted—requires the minister to seek advice on these particular matters for coordination reasons, as I have indicated. The view of the government is that we should ensure that there is not duplication. It is the minister's responsibility to ensure that there is not duplication with existing agencies. That goes to the issue of efficient use of resources. Secondly, given that this body is being established within the context of the COAG arrangements, it is quite important that the Commonwealth agency does not act in a manner inconsistent with the arrangements entered into with other levels of government. So, the principle behind this

legislation is that the government does not want to duplicate work that is already being undertaken by other bodies and by other ministers. That is essentially the nub of it.

You asked a question about who takes responsibility for climate change: will it be this minister or that minister? Clearly, under this provision, the minister for infrastructure has responsibility to work with this agency. The processes of government are determined through cabinet: the normal—and I would have thought unexceptional—method of ensuring coordination across government at that level. In an administrative sense, in terms of the agencies, it is important to have the heads of powers outlined in the legislation, as we have done.

Senator IAN MACDONALD (Queensland) (9.56 am)—Minister, you raise another issue that I was going to go on to. In section 6(2), ‘the minister may have regard to any decisions of COAG’ in arriving at a direction under subsection (1). I understood that in June 2005, COAG had decided that each state and territory would prepare an infrastructure assessment every five years. The first of those infrastructure assessments is complete. It seems to me that setting up this body is a duplication of processes already in train.

I concede that, if my state of Queensland is any guide, a federal government would be very unwise to rely upon the assessments of the Queensland state Labor government when it comes to infrastructure. If you fly up and down the coast of Queensland—as I do very regularly coming to Canberra—and look out the window, you just see the coastline littered with ocean-going cargo ships sitting out there for days and indeed weeks on end, waiting to get into state run ports. This is a scandal that the Queensland state Labor government has allowed to continue for many, many years.

I know that in the years before we were able to blame another person—I know you are not allowed to do that these days, Minister—some in the then opposition, now government, would

say that it is all the Commonwealth's fault that the ports are clogged up. Anyone who has any understanding and who is being honest knows that it had nothing to do with the Commonwealth. These were state instrumentalities which the states very jealously guarded. They would not privatise them; they would not allow them to come into a Commonwealth directed arrangement that our government sought to do. They jealously regarded their own independence.

What actually happened in Queensland—I cannot speak for other states—is that these port authorities made huge profits. What happened to those profits? They had lots of things that they wanted to do with the profits they made, in the way of capital investment. They all acknowledged that their capital infrastructure was falling down. Were they allowed to reinvest their profits into capital expenditure? Of course not. They were ripped off by the state government to try and balance the state budget. So these port authorities—and I might say energy authorities are in the same boat—got a huge rip-off of dividends to the state coffers, but those instrumentalities were left with no independent means of investment.

My understanding is that investment had to come from capital grants from a state government, and in Queensland that state government is already borrowing in its forward estimates. Don't hold me to this figure, but I think it is \$25 billion they have put forward to borrow—contrary, of course, to the federal government, which has paid off all debt and does not have any debt, or did not under our government. The state governments are out there borrowing, adding to inflationary pressure, and doing that because they simply cannot manage money. The Queensland government have not invested in the port authorities as they should have. In fact, they have ripped them off in demands for increased dividends.

So I can well understand why the government would be cautious in taking notice of any infrastructure plans prepared every five years by governments of the like of the Queensland

state Labor government. But it seems to me, Minister—and I think you have a problem here—that you are adding another bureaucratic level to infrastructure in Australia. Here you have the states doing these plans under the COAG agreement. You are setting up this body to also look at those things, but apparently, according to the paragraph I referred to at the beginning of this question, the federal minister may have regard to COAG arrangements, but then I guess, equally, that means he may not have regard to them. So we are going to find that the states are doing these assessments continuously and reporting every five years and, at the same time, you have a federal body also doing assessments and giving advice. So I would ask if the minister could clarify what role this federal organisation will have in looking at the massively important infrastructure requirements in the various areas that are controlled by state instrumentalities such as the port authorities in the state of Queensland.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.02 am)—Thank you, Senator Macdonald. Obviously, I do not wish to comment on some of the observations you made, other than to say I do not necessarily agree with everything you have put. The specific questions that I think I can extract from the general comments that you made were to do with why the word ‘may’ has been used in clause 6. As I am advised, the process here is that the previous government took the view that, working with the states, there would be a five-year infrastructure assessment. The new government has a broader approach and wants to see a national infrastructure audit undertaken by the new body, Infrastructure Australia.

I cannot quite follow the logic of Senator Macdonald’s argument. He seems to be saying on the one hand that it is wrong to use the word ‘may’—in other words, it should be directed by COAG to undertake this project—but then goes on to say that the states cannot be trusted. I think that is the thrust of what you are putting about Queensland. What this bill does is to establish a new body, Infrastructure Australia. It does not abolish the states and it does not seek

to abolish the states. Clearly, the states are still able to undertake matters within their province and may well undertake matters of direct concern to them within their jurisdictions. This is a national body that seeks to coordinate activity but does not preclude other levels of government undertaking infrastructure development. It is clear that the intent here is to ensure we do have national priorities for the provision of infrastructure, but it does not preclude the possibility that states may have matters that they want to deal with under their own resources.

Senator IAN MACDONALD (Queensland) (10.05 am)—I will make this the last question on this particular line that I am following. Minister, I thought what I said—perhaps you were too busy talking to your adviser and did not quite hear what I had said—is that you have the states doing these infrastructure plans, reporting and giving advice, and then over the top of that you have this new federal body doing the same thing. Your advisers will generally assure you that the general comments I make about the ports in Queensland are accurate, if you do not want to accept the detail. It is quite clear. As I said, anyone who flies up the coast can see that the ports in Queensland are grossly poorly managed through lack of investment, and that is costing Australia huge amounts of money, just in the demurrage on those ships sitting out there for days and indeed weeks at a time, waiting to load up with coal which could be being sold, earning money for Australia and making life better for Australia's working families. Because of state government inability to properly manage infrastructure, we lose all that money.

What I am saying is: what is this body going to be able to do that the state assessments do not already do? This is important, Minister. If the federal body disagrees with the approach of the state authorities and the state reviews—let's confine it specifically to Queensland ports—and if there is a difference of opinion, if the federal body as part of its advice says, 'There should be massive new investment,' or if perhaps it says, 'The state government rips off all these profits

by way of dividends and doesn't allow the authority to reinvest in capital works,' how are those conflicts going to be resolved?

What will Infrastructure Australia do? Will it just give advice to the minister, who will then say, 'Thanks for the advice,' and move on with life and nothing further will happen? Or are they likely to come in and try and take over the ports? Are they likely to loan the Queensland government some money to do something? If they do that, will they have a recommendation that might say, 'If we're putting it in this investment we don't want the Queensland government simply to rip dividends off the port authorities for the purposes of their general budget without any thought of reinvestment in these areas'?

My concern is: what is the purpose of this organisation vis-a-vis the state governments, who under COAG are already forming plans, making assessments and making recommendations?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.08 am)—Again I will do my best to answer your—

Senator Ian Macdonald—We only expect you to do your best.

Senator CARR—Senator Macdonald, I will just make it clear. The bill seeks to establish a new entity—Infrastructure Australia. The primary function of this entity is to provide advice to the minister, Commonwealth, state, territory and local governments, investors in infrastructure and owners of infrastructure on matters relating to infrastructure including the relationship to a number of matters, including the national significance of that infrastructure, pricing, policy, regulatory issues, impediments to the efficient utilisation of that infrastructure and the options and reform proposals that might emerge from the building of a particular infrastructure item. It seeks also to provide advice on the needs of users of infrastructure and mechanisms for financing investment in infrastructure.

So it is an advisory body—that is the purpose. It is an advisory body aimed at providing the best possible advice to overcome the issues that you have highlighted. I think it is a fair observation that has been made about the nature of the Australian federation since 1900 that the ability of the states to coordinate their efforts has not been one of our strengths as a country. As a nation, one of our challenges has been to ensure that there is an efficient and effective prioritisation of needs across the country.

I know in my portfolio area we have seen it on numerous occasions with regard to scientific infrastructure. The states will invariably compete with one another to secure a particular piece of infrastructure, and that is no different in a whole range of areas, be it the railways, the ports or anything else. So there needs to be a nationally coordinated response to the infrastructure needs of this country, which the Reserve Bank and many other bodies have highlighted as a major impediment to our economic development and a major problem with regard to the inflationary pressures that we are now confronting. So this is a body designed to assist the states and local government—and, of course, the Commonwealth—come to a rational view about the allocation of resources.

Frankly, Senator Macdonald, I think the bill spells that out quite clearly. If you have a concern about the Queensland government's priority setting, it is a matter I would have thought would be—

Senator Ian Macdonald—No, that's not the point.

Senator CARR—I think the material sets out clearly the objects of this particular piece of legislation. It seeks to highlight the need to address a pressing political, social and economic problem that this country faces. The minister responsible has made the position of the government very clear on this. I think this legislation clarifies that quite clearly. The provisions that were undertaken via the old arrangements under the previous government, of which you

were a minister, allowed for five-yearly infrastructure assessments. What is being proposed here is that the audits be on a broader basis—that we do overcome this issue of state rivalries and we do get a more rational assessment of the provision of the infrastructure needs of this country.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (10.12 am)—Minister, can I say first of all that the Democrats are very supportive of this move. In fact, investing in infrastructure was the first item on our platform at the last election, where we called for a national sustainability commission to coordinate investment in infrastructure to meet future growth needs and ensure consistency between sustainability policy and implementation. So, at the outset, I say that we think this a long-overdue reform.

However, I was dismayed when I saw the bill and the extent to which climate change has been downgraded as a function of this organisation. It does not appear in the list of primary functions for providing advice. I know, Minister, you said earlier that we do not want to see duplication by others, but it seems to me that climate change is absolutely central to the decisions which will be made and the advice which will be given by this body to the government. I would have put it at No. 1—or A—in terms of the primary function of this organisation. But, no, what your government has done is bury it away under the additional functions and limited it to providing advice on infrastructure policy issues arising from climate change. I can only assume that ‘arising from climate change’ means, ‘What do we do when the sea level rises and our ports no longer function? What do we do when the roads get clogged with cars because there is inadequate public transport?’ Is this government truly anticipating that this body will virtually ignore climate change on the basis that others are thinking about it and giving government advice?

Well, no, Minister. This is the opportunity for the infrastructure of this country to be determined not with climate change as a kind of add-on, side-effect down the bottom of the list

of priorities, but to get it at the top. Decisions which will be made, presumably by government acting on advice from this organisation, will be things such as: do we build more roads and freeways assuming that there is going to be an endless flow of oil and that we do not have to worry about the greenhouse impacts, even though greenhouse emissions from transport, for instance, have now overshoot 1990 levels—I do not have the exact figures with me—by close to 30 per cent, as I understand it, and are projected to overshoot 1990 levels by a great deal more than that? So I find it unbelievable that climate change, greenhouse impacts and global warming would not be part of the primary function of this organisation. How is it going to make recommendations and give advice on any of that list of items without taking into account the very dramatic and possibly disastrous effects of climate change not in 50 years time but in two or three years time? How can this possibly function without that advice being central to absolutely everything this organisation does?

Minister, I urge you to put climate change as the primary function and make it number one because that is going to be what will affect not only infrastructure but the future of this country and the way in which we deal with our very serious obligations to reduce emissions. It needs to have the highest—and I cannot say this often enough—priority. In fact, our proposal is that transport funding, for instance, should be pooled and the number one criteria for who gets that money should be: does it help us reduce our emissions or does it not?

So I agree that we need to worry about infrastructure, particularly around our coasts because the sea level is going to rise metres. We now know that there is an enormously increased rate of melting of ice sheets in the Antarctic and in the Arctic. We know that sea levels are not going to rise by a matter of a handful of centimetres over the next hundred years; it could be metres—it could be 25 metres. We need to listen to the scientists who are telling us now that the matter is absolutely urgent and much more serious—as of just a matter of months ago—than we thought.

With sea level rises of metres, I can understand why you would want to receive policy advice from this body on those matters. But before we get to that point, surely this body should be looking at reducing greenhouse impacts. Not only is it item (g) under part (2) of additional functions, it is not even something that Infrastructure Australia can decide for itself if it sees fit to investigate, report and give advice. It can act on climate change policy issues which arise from climate change only if the minister instructs it to do so. That is a ludicrous situation. Minister, I ask you to respond to this and I urge you to assure us that this is a mistake in the legislation and that you really meant to put that under the first list of high priority items.

The TEMPORARY CHAIRMAN (Senator Bartlett)—Senator Milne, this is similar to the subject of your first amendment. Do you want to move onto that now and give focus to the debate or do you have other questions?

Senator MILNE (Tasmania) (10.18 am)—I want to respond to the minister in relation to definitions and then move onto this amendment. I indicate to Senator Allison that that is precisely why the Greens will move the amendment of clause 5 that I am foreshadowing so that Infrastructure Australia is required to advise the minister on any ‘greenhouse gas emission and oil consumption implications of any development’ that is being considered. That is for the very reasons I outlined last night and for the very reasons that Senator Allison has just reiterated in here this morning. The notion that Infrastructure Australia will only report on these matters if it sees fit to do so or if the minister requires it is ludicrous. Experience to date shows that Infrastructure Australia almost certainly will not see fit to do it itself. We only have to look at today’s papers to see the disasters when private-public partnerships get going and governments get so close to developers that they do not do any social or economic impact assessment. Look at the white elephants trumpeting in Sydney as we speak with the Iemma government having gone ahead with those road projects which are now having to be written off. The traffic through

the tunnel in Sydney, for example, has been 50 per cent down on forecasts. The investors are writing it right down as we speak. It is the same thing with the cross city tunnel—that has not been anything like what it was proposed to be in the first place. What has happened here is that we got enthusiasm from developers and governments overlooking the public interest and not looking at climate change and oil implications at all and rather just going with more roads. In fact that is why I am very keen that there will be a new body to look at funding priorities so that we do not have this political cherry picking of road projects at election time. I want to point out that at the last federal election Labor committed \$62.5 million on 27 September for stage 4A of the Geelong ring road. On 18 October—21 days later—it committed a further \$107.5 million for stage 4B of the same road. They were items 17 and 18 on Victoria's AusLink 2 bid, right down the list even by state government priorities. You can bet your bottom dollar that there was no social or economic impact assessment or greenhouse gas assessment or peak oil assessment of those roads. And yet they are suddenly now national infrastructure priorities that the government has committed to actually implementing.

It is a ridiculous way of determining what the national priorities ought to be in road funding. It is right across the country, and it was not just the Labor Party either, I might say, in the last federal election. Those AusLink lists became the cherry-picked lists for all parties—for the Liberal and Labor parties—in terms of funding, and it was all roads funding. When I move the amendments, I want to speak further about that, but I want clarification from the minister that transport infrastructure in nationally significant infrastructure includes—Minister, I would like a commitment on this—urban public transport and urban passenger rail. I would like a commitment that nationally significant infrastructure, materially improving national productivity, includes urban public transport and urban passenger rail.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.23 am)—I came here this morning to do Senate duty. I am becoming an instant expert on these issues and I am advised—

Senator Ian Macdonald—Don't kid yourself!

Senator CARR—Given your contribution, I will not be learning anything from you. Senator Milne, of course the question of urban infrastructure will be considered. Does it improve productivity? Does it improve the quality of life? Of course it does. That is the point of these provisions. You make some points about the approach taken to the West Ring Road in Melbourne. I live within 200 metres of the Tullamarine Freeway and I can assure you how important that piece of infrastructure is for health and safety, for accessibility for the people of the region and for productivity.

Senator Allison— When are we going to get a train on it?

Senator CARR—You may well ask that. That is a question which could be considered by a body such as this. And the rail link to the Melbourne airport—these are the types of issues which I would expect would be considered in the discussions. I do not know what the states will put forward in that area. You know the argument as well as I do, Senator Allison, in regard to rail links to the airport. These are the types of questions which I have no doubt will, over time, be considered. The issues which you speak of—and this is the point I am trying to make about what you are saying is your view—is that these are ad hoc processes. Surely that is what this bill does. It deals with the issue that you are raising in general concern. I suggest to you that that is why the bill is worthy of support.

Questions have been raised about the matters on page 3 of the bill, the functions of the bill. I acknowledge that, on first reading, there may be a perception that these words could have been put better, although on the advice I have been given, legally the provisions of this bill will not

be able to be distinguished between primary and additional functions—at law. The measures proposed here are to ensure that there is greater attention to the issues of climate change by ensuring that Infrastructure Australia works within the government's framework for climate change measures. The way it has been explained to me is that the provisions of the bill have been divided between those functions in general and those additional functions which will be undertaken immediately.

The TEMPORARY CHAIRMAN (Senator Bartlett)—Senator Milne, are you wanting to move your amendments?

Senator MILNE (Tasmania) (10.26 am)—by leave—I move Greens amendments (1) and (2):

(1) Clause 5, page 3 (after line 17), after paragraph (1)(b), insert:

(ba) greenhouse gas emission and oil consumption implications of any development;

(2) Clause 5, page 4 (lines 12 and 13), omit paragraph (2)(g).

These amendments address specifically the very concern I have about the greenhouse and climate change agenda of the government. It has said that climate change is a priority of the government, that it is very important. The reason I believe the minister is incorrect in what he has just said is that it makes it very clear that the only time that advice on infrastructure policy issues arising from climate change will be considered is if Infrastructure Australia thinks it fit to do so or if the minister requests them to do so. As I said before, I have absolutely no doubt that Infrastructure Australia will not think fit to assess the oil implications or the greenhouse gas implications because Infrastructure Australia is going to be heavily lobbied by and have at least three people from the corporate sector who have a vested interest in building more roads. They will not assess the implications—they have not to date.

Infrastructure partnerships do not recommend urban rail, for example. It has never entered their heads and it never will. That is the whole point. If we have a minister who desperately wants a cross-city tunnel or a tunnel under Melbourne, they will not give a directive that Infrastructure Australia consider the greenhouse gas implications or the peak oil implications. In

fact, oil is not even mentioned here as a consideration. Climate change is considered in terms of emissions but not in terms of anything about energy security into the future. So we are going to have a situation where the minister will decide when and if the greenhouse gas ramifications of any project are to be considered. We know that the government picks and chooses on that. The fact that this government has refused to consider the greenhouse gas implications of the Gunns pulp mill in Tasmania is a classic case. They know full well that project is going to release at least 10 million tonnes a year of greenhouse gases and they have said specifically that they will not look at it. That is the Minister for the Environment, Heritage and the Arts—he will not look at it. So why would I have any confidence whatsoever that this government is going to not just cherry pick itself those projects it will suit to have looked at for greenhouse gas implications? That is why I want it moved out of additional functions ‘subject to the whim of Infrastructure Australia or the minister’ as to whether it will be considered and instead move it to a primary function where I want it to be that Infrastructure Australia et cetera ‘advises on matters, including in relation to the following’, and the following is, as I have said in my amendment, the greenhouse gas emission and oil consumption implications for any development.

We know that new road infrastructure in cities has driven the massive expansion of car use in Australian cities. If you want to reduce car use in Australian cities, you have to move to rapid investment in public transport and in particular in urban rail. I welcome that it is on the record that the minister has said that Infrastructure Australia, in looking at nationally and significant transport infrastructure, includes urban public transport and urban passenger rail. It is on the record now that that is what they can consider.

What I do not like about what the minister said was some words in relation to ‘in the fullness of time’, or ‘in the future’, or ‘in the next years’. I would like a commitment from the minister now that when he is talking about the inclusion of urban public transport and urban passenger

rail that it can start from the beginning; that this is not something they might consider in the future but something that will be in the consideration from the start. That is the intention of these amendments: that it becomes an obligation of Infrastructure Australia to report on greenhouse gas emissions and oil consumption. That means they will have to look at the car use, the predicted emissions, and alternatives. As I indicated last night, there is no requirement for Infrastructure Australia to consider alternative ways of providing the same sort of transport access that some of these proposals might come up with. I recommend the amendments to the chamber.

I welcome Senator Ian Macdonald saying that the consideration of climate change is important because, until 24 November last year, he was a climate sceptic. In the last period of government he was one of the most critical of the importance of greenhouse gases and the importance of climate policy. I really welcome his change of position on that and assume that the coalition will be supporting my amendments to move greenhouse gas emissions to the front of the agenda and to being a primary function, because that is what Senator Macdonald was specifically saying a moment ago.

I notice that the opposition amendments are trying to take away ministerial direction in terms of assessing the greenhouse gas implications. The reason I oppose that is because the way it is currently worded, if these amendments do not pass then at least there is the opportunity for the minister to require it. If you take away ministerial discretion you can guarantee absolutely that greenhouse gas implications will never be considered by Infrastructure Australia. It is being set up in such a way that those people who have never considered greenhouse gas implications will never consider them. I am indicating I will not be supporting the opposition's move to take out ministerial direction. I am urging the other parties in the chamber, consistent with Senator Macdonald's statements earlier about the importance of greenhouse gas implications and also

consistent with Senator Allison's long-standing commitment to greenhouse gas emission reduction and consideration of peak oil, to support the amendments. They are also consistent with government policy, and consistent with Prime Minister Rudd's statement in Bali, that Australia wants to be a leader in greenhouse gas reduction and in climate change. If you want to be a leader, then greenhouse gas reduction does not become something which is at the whim of Infrastructure Australia, or at the direction of the minister: it becomes a mandatory advice function of Infrastructure Australia upfront. I recommend the amendments to the committee.

The TEMPORARY CHAIRMAN (Senator Bartlett)—Senator Milne, I am just clarifying that you have moved amendments (1) and (2) together.

Senator MILNE (Tasmania) (10.34 am)—Yes. The effect of the amendments together would be to omit the reference in (2)(g), which is in the second part, and to move greenhouse gas emissions to a primary function providing advice for Infrastructure Australia, so I am moving them together.

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.34 am)—For the reasons I have outlined, the government will not be supporting the proposed amendments. This bill does not preclude road funding from infrastructure. I know that Senator Milne has some difficulty with supporting road funding but this bill does not preclude it. It acknowledges that roads are an important part of the national infrastructure network. I advise Senator Milne, when she suggests that this infrastructure agency will be dominated by big business, to have another look at it.

Further, when Senator Milne discusses the question of whether the agency will consider more efficient uses of infrastructure, be they public transport versus roads, I advise her to read the functions as outlined in clause (4), which specifically give the new body the capacity to look at:

(c) impediments to the efficient utilisation of national infrastructure networks;

(d) options and reforms, including regulatory reforms, to make the utilisation of national infrastructure networks more efficient;

(e) the needs of users of infrastructure ...

I think that Senator Milne has not read the legislation and I would appreciate it if she could have another look at it. In any event, the government will not be supporting these amendments.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (10.36 am)—In the event that these amendments are not supported—and the Democrats will emphatically support them because we think this issue crucial to the whole legislation—can the minister categorically rule out the interpretation from clause (2)(g):

(g) to provide advice on infrastructure policy issues arising from climate change ...

Does that mean that this advice is confined to the implications of climate change? If so, why was it worded in this manner? The crucial words are ‘arising from’. Does it mean that Infrastructure Australia can advise the minister about priorities on the basis of our need to meet targets for greenhouse emission reduction? Can you make that absolutely clear to us today? Or is this just saying that Infrastructure Australia can consider the impacts of climate change?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.37 am)—Senator Allison, the answer to your first question is no. I do not read it the way that you have suggested. It does not narrow the advice. Furthermore, in section 6 the legislation says that the minister must not give directions about the content of any advice that may be given by Infrastructure Australia. That is a categorical assurance, based on my reading of that legislation.

Senator MILNE (Tasmania) (10.37 am)—I am interested in the minister’s response. In my wildest dreams, I would love to think that such a bill precluded a whole lot of new freeways, but it never occurred to me for a moment that it precluded roads. The issue was that I wanted to make sure that it specifically included urban public transport and urban passenger rail. Those were the things that I specifically asked about. I never dreamt for a moment that it was not

going to include roads, because my nightmare is that it will only be roads. The question is specifically in relation to urban passenger rail and urban public transport. I welcome the minister's commitment that it will include urban public transport and urban passenger rail. That is now on the record.

In relation to climate change, the minister said that for the reasons that he has outlined he is not supporting the amendment. But he has not outlined any reasons. I would like to know specifically why it is that Infrastructure Australia does not have a mandatory function of providing advice on greenhouse gas and peak oil implications and why that advice will only be required by the government at the discretion of Infrastructure Australia or at the discretion of the minister. What is your objection to making the greenhouse gas and oil implications of any recommendation infrastructure development necessary advice to the minister? Why are you opposing that?

Senator CARR (Victoria—Minister for Innovation, Industry, Science and Research) (10.97 am)—I would draw your attention once again to clause 5D, which goes to the issue of the functions of Infrastructure Australia. Clause 5D says that one of the functions is to provide advice on the options and reforms, including regulatory reforms, to make the utilisation of national infrastructure networks more efficient. The minister who is responsible for this legislation has indicated on numerous occasions the intention of the government to consider the issue of alternative urban transport options and that that is a provision of the government's program. That is a clear, unequivocal commitment.

In terms of the amendment, I have outlined on numerous occasions that the amendment does not add any value to the legislation, because the way that the bill is written ensures that the new agency will conform with the government's broader approaches to climate change. To ensure that there is a focus to that attention, the existing functions in the bill allow for Infrastructure

Australia to provide advice on infrastructure policies arising from climate change. That is broader than the proposed amendment. You are in fact weakening the provisions of the bill by this amendment. I might suggest that that is a reason in itself to oppose this amendment.

Senator MILNE (Tasmania) (10.41 am)—That is a ludicrous proposition. It is a good try on from the government, but it is clearly a ludicrous proposition. The minister has not answered the question. Why are you making consideration of climate change at the discretion of Infrastructure Australia and at the discretion of the minister and not mandatory? I would put to you that clause 5D, which you raised and which is about making them more efficient, is not necessarily about making them more greenhouse friendly or less oil intensive—although you would hope that they would be in the future because of costs. How does changing something from being discretionary to being mandatory weaken the legislation? On the contrary: it is requiring that climate change be taken into account and not at the discretion of Infrastructure Australia or at the discretion of the minister. Why aren't you prepared to have it be made mandatory if it is government policy?

Senator SCULLION (Northern Territory—Leader of the Nationals in the Senate) (10.42 am)—The opposition will not be supporting this amendment. In this particular case, we support the government. I have had a look at it closely. I understand your concerns, Senator Milne. But I have had a very close look at section 5 paragraph 2G. There is nowhere else in the legislation where we are specifically compelling Infrastructure Australia to take any particular direction. The catch all and fairly vague function that the minister provides clearly gives the minister opportunity to do so. I would have thought that organisations of the nature of Infrastructure Australia will not be prevented from doing so. The fact that in the legislation it says 'to provide advice on infrastructure policy issues arising from climate change' is sufficient, I would have thought. It would not improve the legislation to make that more specific.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (10.43 am)—That is a very disappointing contribution by the coalition, I have to say. Senator Scullion says that we do not want to direct Infrastructure Australia, but we are directing them on things like efficiency by talking about ‘impediments to the efficient utilisation of national infrastructure networks’. This is a statement about what the priorities should be. So far, we have efficiency but we do not have climate change. We have an oddly worded function which does not in any way suggest the serious priority that should be given to climate change in this country. The coalition is happy to go along with that. We are again seeing the two major parties ganging up and not wanting to take the important steps that would lead Australia to massively reduce its greenhouse emissions. This is a perfect bill to be stating the priorities of the parliament in. It would be a message to all Australia that we think that this is important. Infrastructure which will be planned and advised about and coordinated—all the words that are in this bill, including assisting in the allocation of resources—is going to be around for 100 years. The advice given by Infrastructure Australia is utterly crucial to the future of this country.

It is not just about a bit of congestion here or there or whether there is an Eastlink link-up; it is about whether our cities and our country can respond to a climate change requirement which is massive, which will require fundamental change in the way we do business across the board—in the way that we send goods around the country; in the way that we plan our houses; in the way that infrastructure, the built nature of this country, is going to see us out over the next 100 years. Maybe we will dissolve this organisation and put in another one next year. Maybe that is the intention—I do not know—but I do not see here the vision for how we will cope with this most serious problem facing the country. I do not see it written here. It is buried away under a ‘dodgily’ worded—that is not a very good word, I realise; but I will stick with that—phrase here that is buried at the end of a set of objectives.

It is just unbelievably disappointing that this is what it has come to. The two major parties have again come together and said: 'It doesn't matter; it is there. Of course we'll do it. Don't worry; it is mentioned. That's all you have to worry about.' But it is not given the priority it needs, Minister, and I urge you to rethink this and to make sure that there is a message not only to Infrastructure Australia but more broadly to the whole community showing that this government is prepared to take leadership. This is the government that went to Bali and said, 'Yes, we're going to ratify Kyoto,' and the whole country cheered, Minister. The whole country was relieved that at last we had a government prepared to act on climate change. This bill is an opportunity to demonstrate that, not just in symbolic terms but to say: 'These are our instructions to the people that we want to advise us. This is our priority. This is what we think is important.' But, no, it is buried in this bill.

I hope that the assurances you have given us make a difference, Minister, but it is certainly not written here in the way that I would want to see. It is not written in here in the way that I think most Australian would want to see. Eighty per cent of Australians want urgent action taken on climate change. They believe the scientists. They hear them and they see the future of this country being in deep trouble, like the rest of the world, if we do not act. Here was your chance and you blew it. And the opposition have folded and not been prepared to use their numbers when they have them to make a difference. Despite all the assurances that we have had from the Leader of the Opposition that there is a new face there that considers such important matters as climate change, you have ganged up together and made sure that this very first opportunity will be a dud.

I am deeply disappointed in the responses of those on both sides of the chamber to this very simple, straightforward amendment which would set the priorities right. That is what we want you to do: we want you to plan infrastructure in this country, bearing in mind the very serious

needs of the globe to respond to climate change through reducing greenhouse gas emissions, and it is not here. It is here in a very qualified, limited and low-order priority, and that is a grave disappointment.

Senator MILNE (Tasmania) (10.48 am)—I am extremely disappointed. I simply do not understand the coalition's response to this amendment. We had the Leader of the Opposition yesterday at the Press Club saying that climate change was now a priority for the coalition, that it has changed its position on it and now recognises the importance of climate change, and here we have a government that has made much of climate change in the media surrounding this bill and that, in the second reading speech, said:

Well-planned infrastructure is the arteries of a successful, modern economy and essential to ...

Then there are six dot points, and I am disappointed to say that the last of the dot points—but nevertheless it is there—is that well-planned infrastructure is essential to 'reducing pollution and greenhouse gas emissions'. That is absolutely correct, that is true—and that is our point. Having said that in the second reading speech, when you get to the actual legislation setting this up you find that there is no mandatory requirement to consider reducing pollution and greenhouse gas emissions—or peak oil, which did not get a mention at all in the whole speech.

But reducing pollution and greenhouse gas emissions was mentioned. The publicity surrounding the bill talks about it, but when you get to the bill itself you find that it is only something that may be considered at the discretion of Infrastructure Australia or at the discretion of the minister, giving the government and this Infrastructure Australia body the option of not considering it at all if they have a political imperative to build something that will be quite contrary in terms of greenhouse gas emissions.

As I indicated last night, all of the evidence is showing that our transport emissions are out of control and that new suburbs are being built with no public transport access. What we are

seeing are clogged arterial roads, and putting in these tunnels is only going to spread the congestion to the connector points outside. This is going to drive really poor urban planning, because you are going to have increased arterial access and then riven development outside the cities and no public transport infrastructure. It is just going to reinforce all of the problems we have, and there is nothing in this bill—nothing at all—that it is mandatory for Infrastructure Australia or the government to consider greenhouse gas emissions.

I find it incredibly disappointing when all I am asking for up-front is that it becomes a requirement to report on this. In fact, under the United Nations Framework Convention on Climate Change, Australia committed to making efforts to reduce its greenhouse gas emissions. We keep going overseas saying we want to do that, yet we have not taken the very first opportunity to take a strategic look—and that is what I like about developing this option of Infrastructure Australia—at infrastructure provisions in the future and say, ‘End this political pork-barrelling at elections, of running around promising people the road that they want, and let us look nationally at providing infrastructure strategically for Australia’s future.’ Infrastructure will deliver the type of Australia you want to live in. And the type of Australia you would want to live in would be one which is reducing its emissions, which has better amenity in the cities, which is reducing its dependence on foreign oil, which takes social inclusion seriously and incorporates that in the functions of Infrastructure Australia and which takes the transition to the knowledge based economy seriously and includes that specifically in Infrastructure Australia.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.00 am)—What I can tell the senator is that the government’s commitment to reduction of greenhouse gas emissions is well understood by the community. It is well understood by the government and it is a whole-of-government approach. It is clearly different from the previous

government—I think both speakers this morning have recognised that fact—and it is something that we intend to do.

What we have done so far in 120 days is that Senator Wong, the Minister for Climate Change and Water, has put down her plan to establish an emissions trading scheme. She has been open and transparent with the community about how we are going to achieve that. I am sure you know about the proposals from the government around the question of the mandatory renewable energy target that we said in opposition was not working and that we now have said we will deal with. You may not know that the Climate Change Task Force headed by Roger Wilkins will review every program and every activity of the government to assess its climate change implications. You cannot ask for much more than what we have said is the early days, the early start to a climate change agenda.

I think the Australian community will believe that the commitment from the Prime Minister passing down across every department to deal with dangerous climate change is a heartfelt and strong commitment. It is about dealing with something that would end in a lot of trouble if we did not. I think the leadership that our Prime Minister has shown in Bali in particular was extraordinarily well received. You have both made that point. But it is not just about icons, this is real. This is something that we know we have to do.

The amendments that you propose do not assist in that process. The bill does indicate that climate change will be a consideration. It is not in the place that you would like, but it is there. That commitment will be carried through. We will disagree on where it should appear in that part of the legislation, but I think you can take it from all of the government, not just from me, that we are absolutely aware of the responsibility that we have to pick up the climate change ball and get on with the job of dealing with this not just for Australia but, as you both know, to play our part in the international sphere.

Senator MILNE (Tasmania) (11.03 am)—I appreciate the minister's response. I understand that she is quite sincere in what she is saying, but the reality is that it is not about where it is placed in the bill, it is about whether it is a discretionary or a mandatory commitment to assess greenhouse gas emissions. My view is that if the government is serious about a strategic approach to climate change then consideration of greenhouse gas emissions would be mandatory not discretionary.

I have to say that Senator Carr misled the chamber a few moments ago when he said that greenhouse gas emissions would be assessed in environmental impact assessments—they are not. I can tell you right now that the Commonwealth jointly agreed to an assessment process for Gunns pulp mill in Tasmania. Prior to doing so there was legislation—which went through the Senate supported by Labor in opposition at the time—to say that the emissions from the logging and burning of forests would be excluded from the environmental impact assessment of a pulp mill. So you exclude the area where you are going to have the most emissions, the logging and burning of forests, and then say, 'We'll have the environmental impact assessment just done on the actual facility.'

Then, when we get to the environmental impact assessment process, as Senator Allison just said, it is about threatened species on the actual site. It is not in relation to the feedstock, the forests, when it comes to this pulp mill. There is no greenhouse gas trigger. If there were, then even the facility itself would trigger a greenhouse gas assessment not to mention the feedstock of the forests. Senator Carr used to speak for the Labor Party on matters relating to the EPBC legislation and so I cannot understand how he would have misled the chamber in this way. But, nevertheless, if he wants to come in here and tell the chamber that the greenhouse gas emissions from the total pulp mill process, from the logging in the forests through to the delivery of the pulp to the wharves and elsewhere is included then I would be very pleased. We will go back,

do the greenhouse gas assessment of that pulp mill project, and show how it is going to blow out Australia's greenhouse gas emissions as nothing has before. This would lead to an appropriate assessment of the huge volumes of carbon that are going to be released into the atmosphere by the logging of old-growth forests and the release of soil carbon from those forests.

I would really prefer the rhetoric of what people might like to do and the reality of what is happening be actually acknowledged in the chamber. I look forward to the government bringing in a greenhouse gas trigger. In the estimates hearings when I asked Senator Wong where the trigger is and what level it is going to be set at, she completely refused to answer the questions and evaded the questions one after another. I asked several times because in opposition Labor's trigger was 500,000 tonnes. We wanted to bring it down to 100,000 tonnes; nevertheless Labor's policy was 500,000 tonnes. Now that policy commitment has evaporated. The minister for climate change utterly refused in the estimates process to commit to 500,000 tonnes or to when this greenhouse gas trigger at whatever level was going to be introduced. There is no commitment to an introduction into the EPBC Act of a greenhouse gas trigger. Contrary to what has just been said, greenhouse will not be taken into account in environmental impact assessments. What is even worse is with many of these infrastructure projects coming up from the states, there is no adequate, if there is one at all, full environmental and social impact assessment let alone an economic impact assessment of these projects.

That is specifically why we are on our feet now saying that it should be in this bill as a mandatory decision and not something that is at the discretion of either local, state and federal government representatives on Infrastructure Australia or ministerials. That is why I am asking. It is not about placement in the bill; it is about the difference between discretion and mandatory consideration of greenhouse gas emissions. I do not know if Senator McLucas has anything to

add, but that is clearly the point of difference. It is a significant point of difference in a climate where we need to have deep cuts and soon.

I fear what is going to happen here is that this amendment will be defeated, we will go ahead with this bill, Infrastructure Australia will come forward with a whole lot of new road projects that will increase transport emissions and 10 years down the track people will be wringing their hands, saying, 'We've got all these cars in cities and we don't know what to do about it. How are we going to reduce our emissions?' We have the opportunity now to put that upfront and make sure that infrastructure planning for energy and transport takes into account an assessment of the actual volumes of greenhouse gas emissions that are going to be generated by the projects.

Senator IAN MACDONALD (Queensland) (11.08 am)—I just want to ask the proponent of this amendment: exactly what impact will this have on the changing climate of the world? I have listened to Senator Milne on and off this morning talking about how we should effectively stop decent transport for those of us who live in more remote parts of Australia and railing against, as I understand what she is saying, infrastructure on roads. That is very important to those people who live in country and rural Australia. But, if it is for a purpose, then perhaps that is something that should be considered. Bearing in mind that Australia exudes less than 1.4 per cent of greenhouse gas emissions in the world, unless we can get China, America, Japan, Russia and India to stop their greenhouse gas emissions what this amendment will do for the changing climate of the world is, to my way of thinking, problematic.

I have always said that Australia needs to show leadership. We certainly did that at the APEC convention and in other ways in the last three or four years. We set up the world's first greenhouse office. We have demonstrated a commitment to reducing greenhouse gas emissions. It seems to me that the thought behind this proposal of Senator Milne's to make it difficult to

service a country as vast as Australia might be fine if it were going to do something about the increase in droughts and cyclones, but I would just like Senator Milne to explain to me in fairly simple language how this is going to help stop the changing world climate.

Senator MILNE (Tasmania) (11.10 am)—I thank the senator for the opportunity to respond to that question. I was perhaps premature in suggesting that he had changed his position in relation to climate change. I had regarded him as a sceptic until today and I was about to change my position, but I now see that the sceptic has returned. The first point to make is that Australia is impacted by climate change probably more than a lot of other places in the world. We are a desert country and, if you go anywhere in rural Australia, people will tell you immediately how we are already being impacted by climate change. If the implication is that Australia should carry on with business as usual with our emissions but expect the rest of the world to reduce theirs so that there is a reduced impact on Australia, that is a ‘Pull up the ladder, Jack; we’re all right’ kind of process.

Australia has agreed that there is a moral obligation for every country in the world to reduce its greenhouse gas emissions. We have ratified the United Nations Framework Convention on Climate Change and we have now also ratified the Kyoto protocol and made a commitment to reducing our emissions and to joining the rest of the world as part of a global commitment to reducing climate change because we understand that the impacts of climate change do not stop at national borders and that we are impacted the same as everybody else and have an obligation the same as everybody else to reduce our emissions.

Per capita, we are one of the worst, most selfish people in the world when it comes to greenhouse gas emissions. We have a huge obligation to reduce our own emissions. People who are thinking about climate change all the time are now reaching the position that we should be moving to contraction and convergence, whereby we contract our emissions so that developing

countries have some leeway to develop—albeit by decoupling economic growth from energy use. That is our main challenge and that is the way in which Australia could not only do it but assist other countries to do it. I am certainly a supporter of contraction and convergence and of deep cuts, and I certainly understand the impact of climate change on Australia. To suggest that, because Australia's emissions are a small percentage of total global emissions, we should therefore not worry about it so much and should not look at our transport emissions is an unethical and immoral position.

In terms of roads, at no stage did I say that there should not be adequate, efficient, high-class transport to service Australia. In fact, that is my total commitment in this whole discussion. That is why I support a strategic approach to infrastructure development, because I want to see better, more efficient transport. But I want to see the wheels able to keep turning in an age of oil depletion and carbon constraint. In order to do that, you have to prioritise things like urban passenger rail and mass rapid transit for buses in cities.

If you have an emissions-trading scheme or you tax embedded carbon in fuel by regulation—which in my view would be a better way of going—either way the price of fuel with the highest amount of carbon in it is going to increase in a carbon constrained world because governments are going to bring additional costs onto the price of fuel. So, whichever way you look at it, petrol prices are going to go up because of the underlying increase in the price of oil and because of either a carbon tax on embedded carbon or an emissions-trading system, which means that motorists are going to be paying more for their fuel. If you are looking at that, you are looking to plan infrastructure that reduces the number of cars on the road and maximises the opportunity for large numbers of people to access public transport so that your emissions are reduced but also your costs are reduced. One of the arguments I have always used in terms of building these new suburbs on the edges of cities is that they should not be given planning

permission unless they are connected to a public transport route. That should be a requirement. Otherwise you have this issue that we currently have, particularly in Western Sydney, where the poorest people live furthest from the centre of the city, drive the oldest, least fuel-efficient vehicles, have no options for public transport because it is not provided and end up paying a disproportionate amount of their income in having to use the car to get to work because they do not have any other options.

That is why I am asking for consistency across government. We are going to be addressing climate change and reducing emissions through emissions trading or taxation or a combination of both. The price of oil is going up; the price of fuel to the motorist is going up. That must be taken into account when you are planning infrastructure in the future, and it also must be taken into account in terms of reducing emissions. So I would be interested to know from the minister how consistency of approach is going to be assured when we know that the price of fuel is going to go up. How is dealing with transport emissions going to be taken into account by Infrastructure Australia?

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (11.39 am)—I do acknowledge the point you made, Senator Milne, about the fact the we have had a number of ministers in the chamber for this stage of the bill. I had to go to an important meeting and the Manager of Government Business had to come in to field some questions. As I indicated earlier, we are introducing an emissions trading scheme. It has been well received by the community, and you have acknowledged that as well. I cannot comment on the intricacies of how that will work. I think the timetable that Senator Wong released, I think on Monday this week, would probably be where you would find the answer to your question.

But I do refer you again to the fact that the bill does provide that Infrastructure Australia will have a function to provide advice on infrastructure policy issues arising from climate change.

As I said earlier, you and I will disagree on where in the bill that is placed, and you have made your points about why you think that should be somewhere different. We have heard them and we have now been debating these amendments for quite some time, and I think we have possibly exhausted the argument.

The TEMPORARY CHAIRMAN—The question is that Greens amendments (1) and (2) be agreed to. [**Opposed by Government, Opposition and Family First**]

Senator SCULLION (Northern Territory—Leader of the Nationals in the Senate) (11.50 am)—by leave—I move all opposition amendments on sheet 5463:

- (1) Clause 5, page 4 (lines 18 and 19), omit subclause (2)(j), substitute:
 - (j) any functions that the Minister, by writing, directs Infrastructure Australia to perform, provided that the Minister must first table in each House of the Parliament a description of the additional functions the Minister proposes that Infrastructure Australia perform;
- (2) Clause 5, page 4 (lines 23 to 26), omit subclause (3), substitute:
 - (3) Infrastructure Australia may perform a function under subsection (1) or paragraph (2)(a), (b), (c), (d), (e), (f), (g) or (i) if it thinks fit.
- (3) Clause 5, page 4 (lines 27 and 28), omit subclause (4).
- (4) Clause 5, page 4 (lines 29 to 31), omit subclause (5).
- (5) Clause 29, page 16 (after line 5), after subclause (1), insert:
 - (1A) Before appointing the Infrastructure Coordinator, the Minister must consult with the Chair and members of Infrastructure Australia.

When we were speaking this morning there were some undertakings. I would like to think that, in the early days of the government, we are perhaps not as cynical as those from the Greens and the Democrats. Let us hope that is not a poorly placed judgement or a little bit naive. In the matters relating to this very broad catch-all function that has been bequeathed to the minister to provide direction to Infrastructure Australia—page 4, section 5(2)(j)—the bill gives to Infrastructure Australia:

... any functions that the Minister, by writing, directs Infrastructure Australia to perform ...

In most of the discussions this morning, while many of the responses were not a sort of ‘trust me’ response, we would expect the minister to make directions that involve many of the questions from this morning. The real challenge, of course, is that we will not know just what those directions are until the annual report of Infrastructure Australia comes out. This

amendment seeks to ensure that, in the interests of transparency, such a direction should be tabled in each house so that we actually know that the directions being given are about climate change or many of the issues that came up. If it is actually tabled in both houses, a vague function, which is quite a broad function, is going to be buried in an annual report of Infrastructure Australia. We do not think what is currently proposed in the bill is good enough. Effectively, the amendment will allow a degree of transparency about the most important function of Infrastructure Australia.

Amendments (2) and (3) are really technical amendments. But a real weakness in the bill is where it stipulates that Infrastructure Australia may only evaluate infrastructure proposals on advice to the minister. As Senator Ian Macdonald alluded to earlier, what this effectively does is ensures that they are unable to independently consider, for example, the Australian Labor Party's infrastructure election promises. We know they have had a bit of difficulty with those promises. The Labor Party puts its hand on its heart and says, 'If it is an election promise, we're really going to stick with this.' Labor has decided to scrap the F3 to Branxton link road. I can certainly recall the comments by the federal transport minister in parliament that this is a critically important road to remove bottlenecks around Newcastle and the Hunter Valley. The comments simply do not add up. The commitment by the Rudd Labor government that it would absolutely match the coalition's commitment of \$870 million to the link road flies in the face of the statement made in parliament.

I am not suggesting there is any particular conspiracy to say that the reason we have put this here is not to look at ALP infrastructure election promises, but it constricts this organisation when looking at a whole range of issues that may come to their attention as part of the process or reviewing things. It takes away the independence completely. If you look at section 5(4) on page 4 of the bill, it specifically forbids Infrastructure Australia from conducting any review of

its own volition. Instead, Infrastructure Australia requires the request of the minister. So the statutory authority will have absolutely no capacity to act independently. We think that is a great shame. I, for one, would certainly welcome an objective analysis of the rigour and appropriateness of Labor's election promises and how this fits in with general infrastructure. I think it is a weakness that Infrastructure Australia cannot have its own independence, and that is why we propose this amendment to rectify this weakness.

In relation to amendment (5), the bill does not require the minister to take advice from Infrastructure Australia when appointing the infrastructure coordinator. I think that the minister, when making such a significant appointment, should be compelled at the very least to consult with the members and chairs of the agency. This amendment deals with this weakness. It has already been mentioned in this place. I think the Labor Party should very much support this amendment. It will spare them from this terrible temptation in using Infrastructure Australia as a vehicle to hand out jobs to their mates. We have got a bit of form in this area; recently, Steve Bracks was appointed to head a review of the Australian car industry. If you support this amendment then of course you will not have that temptation.

The opposition will not be opposing the establishment of Infrastructure Australia, but I think that our amendments redress some of the flaws in the bill. The amendments are going to give Infrastructure Australia more independence by permitting it to analyse Labor's infrastructure promises without the approval of the minister. They are going to increase transparency by subjecting ministerial directions to the scrutiny of parliament. In fact, these directions are not specifically disallowable as a legislative instrument, which is not providing the sufficient transparency that this organisation would require. As I have said, these amendments are going to help Labor ensure that they are not tempted to use Infrastructure Australia as a place to give their mates jobs.

Senator MILNE (Tasmania) (11.57 am)—I take it, Senator Scullion, that having moved all of the amendments together you are going to continue the debate on them, or are we just dealing with this one now?

Senator Allison—All together.

Senator MILNE—I will quickly respond in relation to the Greens' position on the opposition amendments. The opposition is moving that any additional functions which the minister might require for Infrastructure Australia be laid on the table of the house. We would support that. I am seeking parliamentary scrutiny for this process throughout and I hope that the opposition will also support my amendment requiring projects over \$50 million to come back and be laid on the table of the house as well. I will talk about that when I move my amendment, but I just point out that there is a consistency here in terms of parliamentary scrutiny. We would support what Senator Scullion just said about things not being buried in the annual report and that there actually be an indication to the parliament what the additional functions are that the minister is asking for. I hope there will be consistency in supporting our amendment a bit later.

We do not support removing the capacity of the minister to give a direction to Infrastructure Australia, because, to me, it is bad enough that it is only discretionary for Infrastructure Australia to deal with climate change. To then remove any ministerial discretion to require them to do anything actually limits what they do to what they choose to do themselves. As I have indicated, I have real concerns about the make-up of Infrastructure Australia and the breadth of knowledge and expertise that is going to be brought. I think it is important that the minister has the capacity to direct them on additional functions and, consistent with that, that those functions, if they are additional, be laid on the table of the house.

As to the ministerial directions, the Greens have exactly the same amendment, just worded differently, in terms of having the ability to disallow. My advice is that the intent is the same but

the wording is different. So, because the opposition amendment is being moved first, we will support that one and withdraw my subsequent amendment to the same effect.

As to the last clause, which says that the minister must consult with the chair before appointing the infrastructure coordinator, I am not going to support that. I would assume that that would occur anyway during discussions on it, but the point is that the government does have the right to appoint whomever they like. The make-up of Infrastructure Australia ought not to be able to influence who the government decides should be their infrastructure coordinator. I just wanted to indicate that that is the way that the Greens will be responding to each of those amendments.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (12.01 pm)—The Democrats take a similar view and I wonder at this point whether we need to separate those amendments so that we can vote on them separately rather than together in order to deal with the different approaches.

The TEMPORARY CHAIRMAN—We can do that.

Senator ALLISON (Victoria—Leader of the Australian Democrats) (12.01 pm)—The Democrats are always in favour of amendments which improve accountability, and for this reason I share Senator Scullion's move and support it. He probably would not have made it when he was in government, but that is what we see of governments. When they are in opposition they are keen on accountability and being able to have greater scrutiny over ministers who give instructions that may remain secret. But, be that as it may, it is good to know that this amendment is able to be put and passed. It is another accountability measure that will be put in place. As I said, we almost always support those measures.

Senator MILNE (Tasmania) (12.02 pm)—I have just had clarification on something. My understanding of the ministerial directions amendment was that the opposition's amendment

and my amendment were to the same effect. However, I have just had advice that that is not the case. In fact, the case is that the opposition were seeking to remove reference to ministerial discretion, therefore not requiring anything to be placed on the table of the House. That is the House of Representatives approach. My amendment, by saying that it is a legislative instrument, is specifically saying that it is a disallowable instrument. Removing it all together would not say that it is a legislative instrument. I just wanted to clarify why I am changing my position from what I said a minute ago. I have had some more technical advice, so I want to indicate that in relation to clause (5), page 4, sheet 5463—the opposition amendment with regard to ministerial discretion—I will be opposing that and still putting my amendment.

The TEMPORARY CHAIRMAN—Does the committee still wish to proceed with the amendments separately?

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (12.03 pm)—I understand that the debate will be a cognate debate but that we will then vote separately on each amendment.

The TEMPORARY CHAIRMAN—The proposition before us is that the amendments will be put in two lots: opposition amendments (1) to (3) and (5), and opposition amendment (4).

Senator MILNE (Tasmania) (12.04 pm)—We should take them separately; otherwise there is going to be confusion here, because I am going to support the first amendment then oppose the rest.

The TEMPORARY CHAIRMAN—Yes, Senator Milne, we will put them separately.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (12.04 pm)—In response to the opposition amendments, I want to indicate that the government will not be supporting any of them. I think it is reasonable that I go through why. In relation to amendment (1), Senator Scullion indicated that the proposed amendment seeks to place under

parliamentary scrutiny, the minister's power to give Infrastructure Australia new functions. The bill itself requires Infrastructure Australia to prepare an annual report on its operations. That provides the transparency, scrutiny and accountability that Senator Scullion's proposed amendment was alleged to do.

Also, we are talking about building infrastructure that is required by a country. We require an element of flexibility to respond to evolving issues as they come on the plate of the entity. The opposition's amendment, which seeks to require the minister first to table in the parliament a description of any additional function, would do nothing other than introduce delays into the work program of Infrastructure Australia. This bill reeks transparency. That is why we are introducing this bill—to get over what we lived with for the last 11½ years, when decisions were made about infrastructure on the basis of who had to win which seat at the next election. We do not think that is a good way to run infrastructure development in this country. The opposition stand up here in 2008 and talk about the need for accountability and transparency, but I agree with Senator Allison, who observed that the opposition probably would not have done this when they were in government. She is absolutely right. They had 11½ years to be a bit more transparent and accountable in the expenditure of public moneys on infrastructure—in their decisions to spend some money there and not to spend it somewhere else. If you come along here and talk about transparency in 2008 and say that that is important, I have to ask the question, 'Were you going to do it in the 12th year?' We will not be supporting amendment (1) for that reason.

In terms of amendments (2) and (3), given the comments from the opposition about whether or not Labor's election commitments would come before Infrastructure Australia, we have made it perfectly clear. We made those commitments during an election campaign in the context that we were living in at the time, where the government did not have any system to ensure that

decisions were made on the basis of need for infrastructure. We made judgements during the election campaign about certain pieces of infrastructure, and we have committed to doing that. In my state, we committed in 2004 to upgrade the Bruce Highway to the point where we might be able to send bananas south during the wet season, which is a pretty important thing to do. I think the opposition said they would join in and do it too; I wish they had done it five years ago. We might be able to ensure continuity of supply from the banana crop down to Melbourne on a reasonable basis during the wet season. We said that we were going to upgrade the Ipswich Motorway. The new member for Blair, Mr Shayne Neumann, was overjoyed the day that we committed to upgrade the Ipswich Motorway. But it was not just Mr Neumann; it was the people of Blair who agreed that we had the right approach when it came to upgrading that particular piece of infrastructure. I do not know much about the Pacific Highway, because it is not in my state. I have driven it once; I did not enjoy it; it does need work. But it is not on that basis that we make decisions about infrastructure. We make decisions on infrastructure, particularly to do with the Pacific Highway, around the need for movement of people and also of product. We stand by the commitments that we made during the election, and we will ensure—and the Prime Minister has said ‘unequivocally’—that we deliver on those commitments.

Amendment (4) goes to the question of whether or not these are legislative instruments. I indicate to the chamber that how we have drafted this legislation is simply good practice. It avoids any potential ambiguity and I will be very clear about this, given that we are talking about clarity: they are not legislative instruments. We need to make that absolutely clear, and that is why that clause exists in the legislation.

I found the fifth amendment rather confusing. Senator Scullion said that we need to ensure that we have transparency in the appointment of the Infrastructure Coordinator. The position of

the Infrastructure Coordinator is created by the infrastructure legislation and is, by definition, a statutory position. On 5 February this year, the Australian government introduced a policy implementing transparent and merit based assessment in the selection of statutory officers working in, or in conjunction with, APS agencies. The appointment of the Infrastructure Coordinator will therefore follow the rules that were set out in that policy—a policy that the previous government never thought of. The merit based selection for statutory office holders includes requirements for oversight of the advertising process and assessment of applicants' claims to be undertaken by the secretary of the department and the Public Service Commissioner. Selections will be made against a core set of selection criteria. A report endorsed by the Public Service Commissioner will be provided by the secretary to the minister recommending short-listed candidates. This ensures that not only the Infrastructure Coordinator but all appointments of this nature will be done in an arm's-length way to ensure that the person who is selected is in fact selected on the basis of merit. Where the minister wishes to appoint someone not recommended by the panel, the minister will need to write to the Prime Minister setting out reasons why.

The opposition seems to think that the clause referring to the appointment of the Infrastructure Coordinator was designed to provide for appointments of Labor mates to this position, and Senator Scullion said as much. The amendment proposed by the opposition is substantially weaker in transparency than that which would be followed under the government's policy and would only create uncertainty about the process. Therefore, in the interests of transparency, the government will oppose this amendment. I refer and commend opposition members to the Australian Public Service Commission's February 2008 publication *Merit and transparency: Merit-based selection of APS agency heads and statutory office holders* for some essential reading before taking pen to paper to draft amendments.

Senator MILNE (Tasmania) (12.13 pm)—I would like some clarification from the minister in relation to the directions that the minister might give. We have heard before that the reason for not including consideration of greenhouse gas emissions as mandatory is that that is something that the minister can ask Infrastructure Australia to perform. However, when we look at the minister being able to give directions to Infrastructure Australia, the bill says:

Directions given by the Minister under subsection (1) must be of a general nature only.

Since the only mechanism for Infrastructure Australia to consider greenhouse gas emissions is through ministerial direction, what does that mean?

I strongly urge the government to support the idea that parliamentary scrutiny is critical. I find it extraordinary to be standing up in a parliament urging a government to support parliamentary scrutiny for the disbursement of funding on projects of more than \$50 million. The public would assume that there would be appropriate oversight and yet that is not what we are going to have at all unless we get things brought to the floor of the House and have an opportunity for an appropriately constructed parliamentary committee with responsibility for public works to look at it. In my view, each of the major projects should also be subject to a comprehensive and independent environmental and social impacts review. Whilst people talk about those things and say, 'Of course, that's going to happen,' it is not happening on a regular basis. If it had been happening on a regular basis we would have very different outcomes from what we have now.

As Professor Russell has said in his paper, the expected boom in infrastructure projects, where we are going to start investing in them, will be important for Australia's future, so key decisions must not be made behind closed doors. Transparency and accountability can be built in if state and federal processes for parliamentary scrutiny and environmental assessment are dovetailed and meet consistent, widely accepted principles as to independence, scope and the

provision and testing of evidence. The testing of evidence is particularly important, because what we have seen with these private, public partnerships is that the people promoting them are breathless in their enthusiasm for them but there is not very much scrutiny as to the evidence that is being provided to support them, so I have real concerns about the testing of the evidence.

In my view, the best place to do that is in the parliamentary Joint Standing Committee on Public Works. So what I am seeking in this chamber is support for the notion that the parliament ought to scrutinise the disbursement of funding on infrastructure, especially given that we have had undertakings from the government now in that they have said, 'Of course, we are going to take into account greenhouse gas emissions.' I have not heard the same 'Of course, we are going to take into account peak oil,' but that is implied. Of course, they are going to take into account social equity; of course, these matters will be considered, but there is nothing in the bill that requires it. By bringing it back to the parliament, to a committee on public works we would be able to at least have parliament scrutinise whether public infrastructure is in fact in the public interest, whether it is the best use of the money and whether an alternative project or alternative way of addressing the problem might be considered. That, at the very least, is the way we ought to be proceeding. The new Prime Minister has given an undertaking that there will be transparency in this government, that there will be improved practices—and I really welcome that—but one way to guarantee that is to allow the parliamentary scrutiny of the infrastructure priorities and recommendations coming from Infrastructure Australia.

I commend this amendment to the House. Given that the opposition wanted to have laid on the table the ministerial directions, I hope that they are going to support me here in having this brought to the parliamentary Joint Standing Committee on Public Works.

Senator McLUCAS (Queensland—Parliamentary Secretary to the Minister for Health and Ageing) (12.41 pm)—In the politest possible way I have to say that I think the amendment misunderstands the

intent of the bill. Infrastructure Australia, if it is established, will not be controlling expenditure. Infrastructure Australia will be providing advice—but not only to the Commonwealth government. Infrastructure Australia will provide advice to governments of Australia, probably through COAG, to private investors and to owners of infrastructure about all sorts of issues that have been put in front of it. So it is not simply the Minister for Infrastructure, Transport, Regional Development and Local Government of the Commonwealth of Australia who will be receiving that advice. To require all advices to go before the parliamentary Public Works Committee will simply make it redundant; it is not required and not needed. What is required is scrutiny when our government makes a decision to use public money, and that is when the normal scrutiny process will kick in.

If Infrastructure Australia advises the government to undertake a particular piece of work and the government puts money toward the construction of that piece of infrastructure, that is the point at which scrutiny should and rightly—and will—be applied. So to say that advice should be scrutinised, rather than the use of public moneys, is I think just missing the intent of what Infrastructure Australia is about. Infrastructure Australia may advise that it is more appropriate that a specific project is funded by the private sector, for example. If they make that recommendation, why should that then go before the parliamentary Public Works Committee? Infrastructure Australia will, I am sure, make recommendations about regulatory reform. Why would that advice need to go before the parliamentary Public Work Committee?

Can I say, Senator Milne, that your intention is sound, and I trust that you are trying to provide greater public scrutiny. I agree with the sentiment but the way you are trying to achieve it will not affect that outcome. It is when public money is proposed to be spent that scrutiny should apply, not at the point of receipt of advice.