



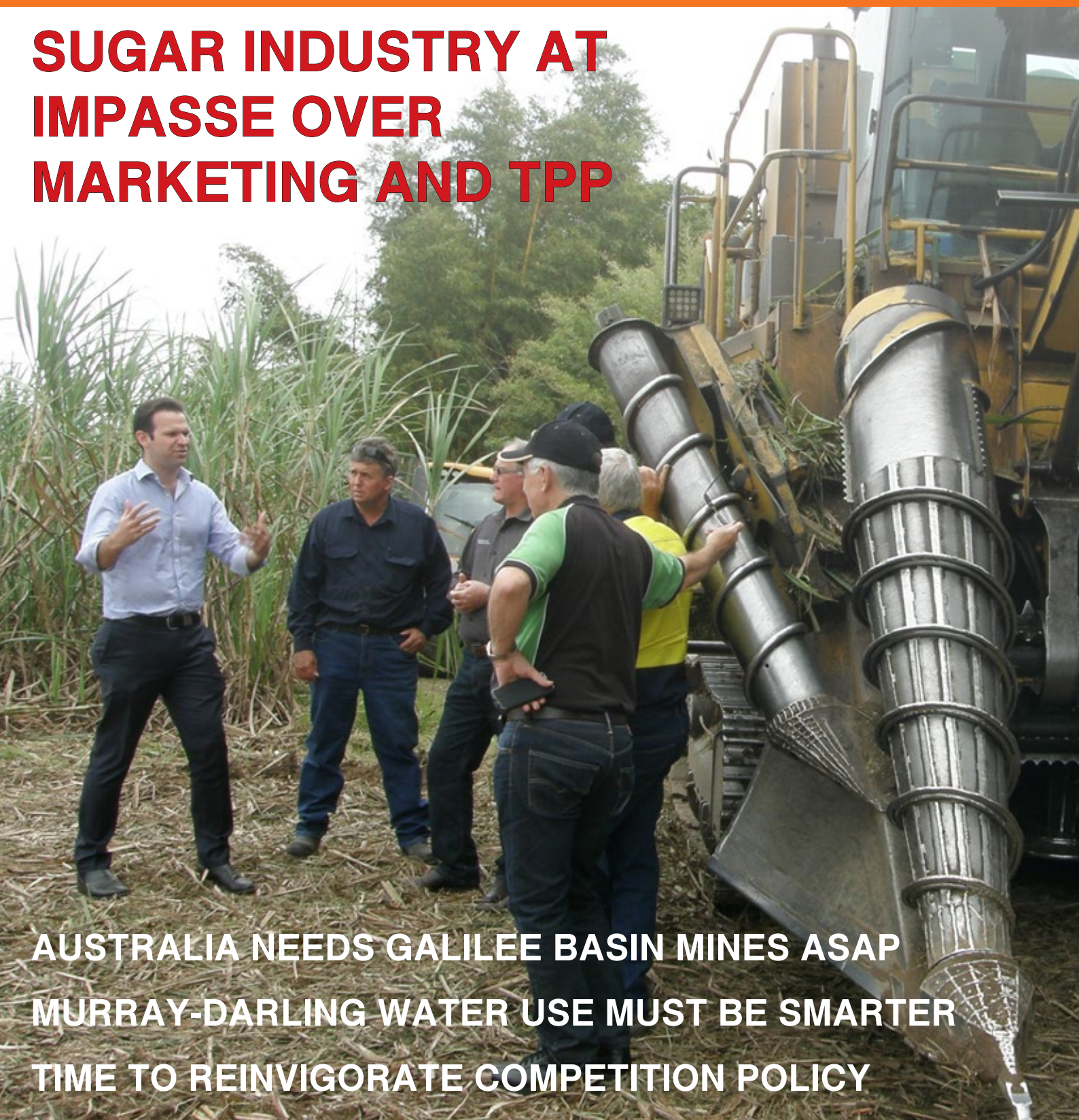
Central Bulletin

A newsletter from Central Queensland's only Senator, Matthew Canavan

THE NATIONALS
for Regional Australia

LNP LIBERAL NATIONAL PARTY

SUGAR INDUSTRY AT IMPASSE OVER MARKETING AND TPP



AUSTRALIA NEEDS GALILEE BASIN MINES ASAP
MURRAY-DARLING WATER USE MUST BE SMARTER
TIME TO REINVIGORATE COMPETITION POLICY



Coalition agreement benefits the bush

Families, small business operators and people in rural and regional Australia are set to benefit from a new Coalition agreement between the Nationals and Liberals signed in mid-September.

The change of leadership in the federal parliamentary Liberal party – and hence the change of Prime Minister – necessitated a new agreement between the Nationals and Liberals.

I am particularly pleased to see in the agreement an extra \$1,000 a year for 140,000 families with stay-at-home mums and dads and agreement to push ahead with reforms to competition laws that will protect small business.

I have been campaigning for more support for single-income families since I was elected as a Senator two years ago. This is great news for families throughout Australia.

Also, support for changes to introduce an effects test were included in a side letter to a new Coalition agreement concluded

between Warren Truss and Malcolm Turnbull.

Big businesses should not be able to act in ways that damage competition and get away with it. That's exactly what has been happening at the moment because our competition laws have been mired in a morass of legal dispute.

As Warren Truss announced, the new agreement also covers a broad range of other key policy issues, including:

- maintaining the existing policies in relation to climate change, carbon taxes and emissions reduction targets;
- ongoing funding for communications technology, including for mobile phones and television black spots;
- the establishment of a new jobs program to address areas of high regional unemployment;
- support for the Government's infrastructure investment program, including a major commitment to inland rail;
- reducing financial barriers in

accessing higher education for rural and regional and remote students;

- supporting the commitment to the Northern Australia and the Agricultural White Papers and our dams implementation policy;
- maintaining the existing policy to refer the same-sex marriage issue to a plebiscite of the people in our next term; and
- transferring responsibility for the water policy outcomes of the Department of the Environment and the Murray-Darling Basin Authority to the agriculture portfolio.

These are important measures which identify some of the policy issues and how we will deal with them in the term ahead.

The Nationals are delivering for regional Australia.

We have an agenda in the new Coalition Government that will enable us to work constructively on those things that matter to people who live outside the capital cities.

Nationals help stay-at-home parents

Stay-at-home-parent families with a child below the age of one will benefit from an increase in Family Tax Benefit Part B payments under the re-negotiated Coalition agreement.

This is an issue I'm passionate about and worked with my Nationals colleagues to ensure it was included in the new agreement. It is likely to mean an extra \$1,000 a year for around 140,000 families across Australia, many of them in rural and regional areas.

Our tax and welfare system has tilted the playing field too much against parents who choose to stay home with their children. It is inefficient, unfair and ignores the development benefits of stay-at-home parenting for children.

I recommended changes in a formal submission to the Commonwealth Government discussion paper on taxation earlier this year. Because a working couple can access two tax-free thresholds, whereas a single-income family can access only one, a single-income family earning \$120,000 pays \$10,000 a year more in tax than a double-income family also earning a total of \$120,000 a year.

Our tax system subsidises both parents to go to work. That's exactly the wrong way around. We should be encouraging more people to stay at home with their children, particularly when they are young. I firmly believe that we must move our tax system to one based on the family, not the individual. The increase in Family Tax Benefit Part B payments will go some way towards redressing

The Daily Telegraph WE'RE FOR NSW

Prime Minister Malcolm Turnbull (centre, holding grandson Jack) shortly after being sworn in and (from left) Daisy Turnbull Brown, Lucy Turnbull and son-in-law James Brown.

Cash for mothers in PM's \$4b Nats bribe to bind Coalition

MUM'S THE WORD

SIMON BENSON

MALCOLM Turnbull has been forced to splash out \$4 billion on a raft of promises to the Nationals to guarantee Coalition unity following the political assassination of Tony Abbott, including a \$600 million package for stay-at-home mums.

WHAT THE NATS GOT

- » \$1000 extra for stay-at-home mums
- » No change to climate change policy
- » No change to gay marriage plebiscite
- » Youth allowance for bush kids
- » Water ministry goes into agriculture
- » Road black spot funding

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NSW Nationals Senator John Williams said the shifting of the water portfolio was a significant move. "If they want us to support them, then regional Australia has to have its fair share of the cake, too," he said. "We insisted we have a written and signed agreement so that in the future it couldn't be misinterpreted."

One Nationals MP said Mr Turnbull had not said "no" to anything they had demanded as the price of loyalty.

Queensland Nationals Senator Matt Canavan secured the deal for families under which families earning less than \$100,000 a year be given an

extra \$1000 a year to care for children under the age of one as part of family tax benefit B payments.

"I was not happy that the families package ignored stay-at-home parent families," he said. "I believe the tax system should not be biased to one form of parenting rather than another."

A senior Liberal MP said the deal "showed Malcolm is prepared to work with people". "Those who said the sky would fall in because the Nats wouldn't cop Malcolm have been proven wrong," he said.

The Nationals' deal securing \$1000 a year for families with a child under the age of one made front-page news in "The Daily Telegraph" on September 16

the current imbalance.

I have had firm support for a better deal for single-income families from many of my Liberal and Nationals colleagues. This

is an important issue for young families throughout Australia but particularly in regional areas, where single-income families tend to be more common than in some city areas.

“Effects test” big win for small business

Agreement by the Liberal and National party leaders to push ahead with reforms to competition laws that will protect small business is an important benefit from the new Coalition deal.

The effects test has been a controversial proposal but it's clear something needs to be done to the current law, which is simply not working. Without strong competition laws, big business will be protected from being threatened by new competitors and savvy consumers.

The Nationals party is proud to stand up for small business and this change would likely not have happened without the support and advocacy of the Nationals.

Three Nationals Senators supported the introduction of an “effects test” in a vote in the Senate recently, despite other

Government Senators voting against the motion.

While some argue that introducing an effects test would chill competition, the facts are that we already have an effects test in telecommunications law and many other countries (such as the United States, Europe and Canada) have competition law systems based on the effects of actions by dominant firms.

The change is not only about protecting small business and farmers, it is also about ensuring competition remains vigorous because competition is the best recipe to deliver lower prices and better products for consumers.

The win for small business also comes after the Nationals passed a motion at Federal Conference in support of introduction of an effects test.

The motion was: *“That this Federal Conference calls for section 46 of the Competition and Consumer Act to be amended to include an ‘effects test’ as recommended by the Harper Review to stop large corporations with substantial market power from engaging in conduct that damages competition.”*

The LNP State Council had also previously supported a motion to introduce an effects test to, in particular, help protect dairy farmers and get a better deal in the marketplace.

It's another reason it is important to be a member of a political party. Motions supported by grassroots members at the Nationals conference became crucial elements of an historic Coalition agreement just days later.



An effects test can deliver lower prices and better products for consumers

TPP deal disappointing for sugar



The Trans-Pacific Partnership (TPP) deal will substantially benefit Australia but it has missed some substantial opportunities, especially for Queensland sugar.

Analysis by the US Department of Agriculture before the TPP deal was reached showed that the removal of barriers to sugar trade had the potential to increase trade in sugar between TPP members by a whopping 48 per cent – the second biggest potential increase in any agricultural product.

The TPP will provide Australian sugar producers an additional 65,000 tonnes of access to the United States, and the US will also provide Australia with 23 per cent of future additional WTO quota allocations. Australia's exports to the US are likely to double: from around 100,000 tonnes a year to 200,000 tonnes.

While these and other changes are welcome, they are far from the potential gains that could have been achieved, and they do little to amend the distorting impact of the US sugar program.

I recognise Australia's negotiating team did all they could to get the best outcome for Australia.

Global trade in agriculture is the most distorted sector in world trade. Previous economic modelling has shown agriculture

and food would deliver more than 60 per cent of the potential gains from trade liberalisation, a remarkable result given that agriculture accounts for less than 10 per cent of global trade.

I would like to see the next round of world trade negotiations focus on agriculture. That is where the largest potential gains lie and that is where developed countries have the most to gain.

You can contrast this focused approach with the failed Doha round of trade talks, which rested on the big idea of an all-inclusive grand bargain. I believe we should return to a renewed focus on achieving progress in discreet areas of trade reform, not shooting for the stars or the grand bargain. This would concentrate minds on the specific gains in particular areas.

Sugar marketing

The sugar industry remains in limbo as a deal on future arrangements of the marketing of sugar remains unresolved.

The uncertainty was created last year when Wilmar, the largest owner of sugar mills in Queensland, announced it wanted to move away from marketing arrangements which saw export sugar marketed through a company jointly owned

Addressing a meeting of cane growers in Tully.

between growers and millers. The arrangements allowed growers to maintain a degree of choice and control over the sugar supply chain.

Canegrowers deserve a choice about who markets the sugar that determines the price they get. Choice is the best way to ensure that people get the best deal, whether they are choosing which restaurant to eat at or who to supply a product to.

That's why earlier this year a Sugar Industry Taskforce that I was a member of recommended introducing a code of conduct that gave canegrowers that choice. Growers and millers have been locked in negotiations and mediation since but without resolution.

If the matter can not be resolved soon the Government will need to respond to the Taskforce's recommendations and possibly introduce such a code to guarantee choice for canegrowers.

I spoke on this issue in the Senate on October 18 and my speech can be viewed on my website at: http://www.mattcanavan.com.au/trade_in_agriculture_trans_pacific_partnership

Galilee Basin coal mines should be developed ASAP

One of the best things Australia could do for the environment, many of the world's poorest communities and our own economic wellbeing is to develop coal mines in places like the Galilee Basin as soon as possible.

Black coal from Queensland is the most energy efficient in the world in terms of energy output per unit of coal burned. Therefore, the most efficient outcome for the environment is to use more of Queensland's coal and less coal from overseas countries.

Australian thermal coal exports are of the highest quality coal found anywhere in the world, with an energy content above 5,500 kilocalories per kilogram, which compares favourably to Indonesian coal, which has a range of between 4,200 and 5,200 kilocalories per kilogram.

Recently, Greens leader Senator Richard Di Natale gave a nationally televised address to the National Press Club in Canberra.

Senator Di Natale said: "Thermal coal in Australia is in structural decline and no-one is more exposed than Australia. ... the Institute of Energy Economics and Financial Analysis reported that our major export markets for thermal coal are disappearing and there are no new growth markets appearing on the horizon."

The Institute for Energy Economics and Financial Analysis is not an independent research body. It is a renewable energy think tank funded by large trusts, such as The Rockefeller Foundation, with a history of opposing fossil fuels. Their work



I hope the Abbot Point coal terminal will be getting even busier, soon.

is not independent and, in this instance at least, it clearly does not accord with the facts. Their story on coal is a fairy tale.

The figures are all out there for everyone to see that our coal sector is not in decline. Last year, in fact, we produced and exported a record volume of coal. When it comes to this record performance of the Australian coal industry, the Greens party are acting like a bunch of deniers.

Australian coal production was 491 million tonnes in 2014, an increase of almost 5 per cent on 2013 levels. Production volumes have been steadily rising over the past decade, with an increase in the average annual rate of more than 3 per cent over that period. Total volumes increased from 363 million tonnes in 2004 to 491 million tonnes in 2014, an average increase of around 13 million tonnes a year.

Australia's coal export volumes are expected to increase even further from this 400 million tonnes today to around 433

million tonnes over the next five years and will boost our national income by \$200 billion. Australia is forecast to overtake Indonesia as the world's largest coal exporter in 2017. That does not mean that growth is always smooth or that prices will not fluctuate. Global coal prices have been at multi-year lows but they remain much higher than they were at the beginning of the century. That is the world of commodity prices. They are volatile.

Leading energy forecasters agree that the continued industrialisation and urbanisation of Asia will drive enduring growth in coal demand. The International Energy Agency (IEA) estimates the world will use one billion tonnes more coal in 2019 than today. It explicitly states that the danger of stranded assets for the coal industry is "limited".

The IEA concludes that, even under its most stringent climate change policy scenarios, no oil or gas field currently in production would shut down prematurely, and only the oldest and least

efficient coal mines would close.

It also expects coal to continue to be the biggest single source of electricity generation. In 2030, coal is expected to fuel 10,200 terawatt hours of electricity, around 31 per cent of global generation and nearly twice as much as hydro, four times more than wind and eight times more than solar.

The best solution to help improve the environment all around the world is to make sure that other countries have access to such energy in affordable ways. We have a choice. Either we can have cheap energy, or we will have cheaper wages for some of the poorest people in the world. I personally would choose cheap energy, high wages and coal.

Greens MPs should hand in their smart phones

It is the height of hypocrisy for Greens Members of Parliament to steadfastly oppose mining in Australia but continue to use technology that can't exist without mining products.

For example, smart phones contain copper, gold, silver, indium, tin oxide, silica, cobalt, carbon, aluminium, nickel and magnesium, all mined in Australia, and in fact require a total of 40 mined metals and minerals.

And Greens MPs better hand in their laptops too, because they have plastic cases made from coal.

The Australian mining industry generates \$138 billion per annum in exports to Australia's economy, every smart phone depends on mining, and opposition to Australia's mining industry would restrict the supply of these mineral resources and opponents should therefore refrain from using these smart phones and tablets.

The Greens might be happy with reverting to something like the fourth millennium BC Sumerian cuneiform writing on clay tablets – though that would still require mining of clay. Would they be alright with that, I wonder?

Reptiles delay job creation in CQ

A bureaucratic bungle involving a snake and a skink has been allowed to delay the creation of thousands of new jobs in Central Queensland.

The Adani Carmichael mine project is a \$20 billion project and it has been waiting more than 1,800 days now for the Federal Government to rule whether it can be approved. What other country would take five years to say yes or no to a \$20 billion project?

Loopholes in the law are being abused by vigilante green activists who have no interest in protecting the environment but simply want to stop coal mines. Their acts are killing Australian jobs.

When a bureaucratic error about a report about two reptiles – reptiles that are not under threat from the mining proposal – is

gamed in the court process to unnecessarily delay approval for a multi-billion-dollar project, something has to change.

Activist litigation is on the increase. Our environmental laws mean that well-financed green groups and big environment groups get a bigger voice than ordinary Australians who actually live near coalmines and want the benefits of their development.

These activists have developed a strategy to shut down coal mining in Queensland and indeed across the country. Their strategy document is called *Stopping the Australian Coal Export Boom*.

This document is very explicit about its aim: "Our strategy is essentially to 'disrupt and delay' key projects and infrastructure while gradually eroding public and political support for the



industry and continually building the power of the movement to win more."

How they use the court system is very clear in their strategy document too: "The first priority is to get in front of the critical projects to slow them down in the approval process. This means lodging legal challenges to five new coal port expansions, two major rail lines and up to a dozen of the key mines. This will require significant investment in legal capacity. While this is creating much needed breathing space, we need to continue to build the movement and mobilize to create pressure on politicians and investors alike."

CLOSE THE PUBLIC PURSE TO LAW-BREAKING ECO-WARRIORS

Tax deductions should not be available to environmental groups to assist paying fines

MATTHEW CANAVAN



As far as parties go, it sounded like a big one. In July 2012 green activists organised a “Lizard’s Revenge protestacular” at BHP Billiton’s Olympic Dam uranium mine site. The pictures show the more than 500 “brave souls” sure seemed to have a good time — except possibly for those poor souls who got arrested.

Nothing to worry about though, the greenies had a plan. They put out a call to supporters after the event: “To support arrestees, please make a tax-deductible donation ...” Thankfully the protest event even had its own bank account in the name “Lizard’s Revenge”.

On my weekends I would prefer to ride in a golf buggy than in the back of a paddy wagon, but each to their own. Then again, I don’t expect anyone to make a tax-deductible donation towards my green fees.

Greenpeace, another recipient of tax-deductible gifts, was recently asked on radio, “That range of tactics includes breaking the law?” Its response was emphatic: “Absolutely, when necessary.” In a submission to the Australian government a few years ago, Greenpeace justified such illegal activities by arguing they “have never been for any purpose except the public benefit”.

How did we end up in a situation where self-appointed environmental organisations get to decide when a breach of the law is in the “public benefit”, then ask for tax deductions to fund their self-described philanthropic, unlawful acts?

Under the Income Tax Assessment Act some organisations can apply to be placed on the Register of Environmental Organisations,

providing their purpose is to protect or enhance the natural environment, or to provide information, education or research on the natural environment.

Donors to registered organisations can receive a tax deduction for the donations they make. About 600 environmental organisations are registered and or than \$100 million of donations are made to these organisations every year.

Most registered organisations are focused on practical actions to protect and improve the natural environment.

However, more than 100 of these organisations would appear to be more focused on campaigning for political change than directly helping the environment. Such activities have increased. In recent state elections, some organisations asked for tax-deductible donations so they could fund “doorknockers” targeting marginal seats.

Reviewing the scores of how-to-vote cards distributed by these organisations is like listening to variations on a theme — in e-flat: dead possums, dead koalas, turtles, dark clouds, traffic lights and stars. How many different ways can we rank Greens first, Labor second and Liberal-Nationals last?

I have examined the activities of more than 100 of these organisations. More than 80 per cent of them have promoted or been involved in demonstrations, and half support divestment initiatives or legal action against certain developments.

At least 12 per cent of organisations have been involved in unlawful activities of some form. The activities of these groups have moved away from the original purpose of the register.

The trends in Australia have been observed in other countries too. New Zealand, Canada, the US and Britain

have all recently taken steps to address the gap between the stated purpose of some organisations and their activities.

We should consider adopting some of the overseas approaches, which include prohibiting: unlawful activities; the soliciting of donations to pay for fines; the making of demonstrably misleading statements; and supporting or opposing political parties or candidates. Greater transparency on the activities of registered organisations and enforcement of existing regulations is needed too.

A current House of Representatives inquiry into environmental organisations eligible to receive tax-deductible gifts is considering these issues.

At the heart of this issue is an imbalance in our democracy.

Some of these organisations are highly active in political debates such as what size coal industry we should have, should we irrigate northern Australia and should we permit further tourism developments on the Great Barrier Reef. Some have also tried to influence the decision of UNESCO on the potential listing of the reef as “in danger”, using misleading advertising about the health of the reef.

These are all legitimate policy debates but our democracy will be weaker if one side of the debate can have its voice amplified through generous tax treatment.

However public-spirited the man in the koala suit may think he is, he deserves no louder voice than the man in the hi-vis shirt or the man in the Akubra. It’s time tax concessions for the environment should return to funding actions of practical benefit to the environment, not to fund partisan political debate.

THE AUSTRALIAN

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GST CARVE UP NEEDS A SHAKE UP

MATTHEW CANAVAN

You learn early as a parent that young children have only a concept of themselves, every toy is "mine".

It is a phenomenon that the Premiers attending last week's Council of Australian Governments meeting would be well-familiar with. The selfishness and parochial bickering of state Premiers risks doing serious harm to our national fabric.

The major sticking point last week was the distribution of the GST. The distribution of the GST is meant to be "policy neutral". States should not be able to affect their distribution of the GST simply by changing their policy settings. It's a nice theory but hard to achieve in practice.

Reading Commonwealth Grants Commission reports is to enter into a dense, almost-Rawlsian, philosophical world. The "veil of ignorance" descends: what if we did not know whether we were a rich Western Australian or a poor Tasmanian? What would be the fairest rule to divide wealth?

Would we seriously design the scheme that the Commission ends up with?

Every year the average Australian pays around \$2,300 in GST. Western Australians will get back \$714 per person next financial year, less than a third of what they pay. This transfer from WA mainly goes to South Australia (an extra \$1000 per person per year), Tasmania (an extra \$2,000 per person per year) and the Northern Territory (an astonishing extra \$11,000 per person per year).

The Commonwealth Grants Commission estimates that WA gets \$7.2 billion in mining revenues a year but, under the existing formula, they lose about \$4.6 billion, more than 63%, to other States.

Some argue that the grants formula is sacred, has not been changed since the early 1980s and therefore should be left alone. That is bunkum. The Commonwealth Grants Commission regularly changes its methodology with major reviews released in 2004, 2010 and this year.

This year changes to methodologies changed the direction of payments by \$640 million. The method changes actually reduced payments to Western Australia because the Commission decided to use specific royalty calculations for different minerals rather than a grouped approach.

Queensland and Western Australia have long argued that there are two main flaws with the approach as it relates to mining.

First, coal and iron ore royalties are assessed separately from many other royalties. Because Western Australia and Queensland dominate these



two products, any changes they make to their royalties can have a large impact on their GST share. For example, if Queensland were to increase its coal royalty rate it would lose somewhere between 30 to 50 per cent of the increased revenue. So much for policy neutrality.

Second, the GST calculations fail to properly factor in the costs of developing a mining or gas sector. Queensland is the only state to have had the guts to develop a CSG industry. It's been politically difficult but the decision is meant to deliver \$850 million in royalties every year.

Under the current formula, however, Queensland stands to lose around half of this amount. What incentive then is there for a state to develop its gas industry? New South Wales has just as good CSG resources as Queensland but it will get bailed out thanks to a subsidy from Queensland CSG royalties.

This is not a "veil of ignorance" it is simply plain ignorance.

I live in central Queensland. The CSG industry has brought many jobs and investment but it has also brought housing stress, road damage and inflated costs for local governments.

Western Australia and Queensland have been arguing for years that these costs need to be factored in when splitting up the GST. In 2005, Canada adopted a 50 per cent discount to mining royalties in response to similar concerns in their federal division of revenues.

The current approach is in effect a mining tax by stealth and reduces incentives for states to develop their own industries. This makes us poorer as a nation with fewer good job opportunities.

Tony Abbott has pointed out that we have 16 months until another state or federal election in Australia: a unique opportunity to put political squabbling aside and come together in the national interest. He has invited Premiers to come together for a "Camp David" style retreat in July to work matters out. For our interests, let's hope that the Premiers use the next few months to grow up.

This article was published on www.onlineopinion.com.au on 22 April 2015

Water allocation must be smarter... and fairer



We must be smarter about the way we recover water from the Murray-Darling system or some communities will be irreparably damaged.

The current approach is causing distress to a number of local economies, and this was brought home to me at a hearing of the Senate inquiry into the Murray-Darling Basin Plan held in St George in late September.

We must start looking at how we can protect the environment in a range of ways, not just taking water away from farmers and with it productive resources of regional communities like St George. If you just take that water away, it will pull the economic rug out from under these communities and potentially destroy vibrant regional towns like St George.

The Plan was signed into law in late 2012 carrying a baseline target of 2,750 gigalitres (GL) in Sustainable Diversions Limits (SDLs) or environmental water flows, with an additional 450 GL allocated for South Australia.

The St George hearing focused on an upcoming review of the Northern Basin in 2016, where the Basin Plan's SDL targets could be adjusted via recommendations made by the Murray Darling Basin Authority (MDBA).

It is clear from the inquiry that the Murray Darling Basin Plan is not done and there's still a lot more work to do, particularly in the Northern Basin. It is time greater reality was brought to bear on the Northern Basin, which is completely separate from the Southern Basin.

The Northern Basin is a flatter, less-regulated system but the

approach so far has been too concentrated on buying water back and "just adding water".

As someone said at the hearing in St George, we have got to get over that "two-minute noodle" approach to the Northern Basin – thinking that just adding water into the system and letting it go is going to deliver us a result. It won't.



During a recent visit to St George, I held meetings – indoors and out – to learn more about water issues in the region.

Existing water infrastructure in the Northern Basin must be used smarter and more efficiently to meet the Basin Plan's environmental watering targets.

For example, weirs can be used and infrastructure upgraded to better direct environmental water to environmental assets where needed, and therefore potentially use less water but achieve the same environmental outcomes.

I am concerned there is a clear lack of science around the shared reduction targets for the Northern Basin. The 140GL figure does not have a lot of science around what

that water is actually going to be used for.

Right now, the shared reduction amount has no specific environmental target so I would question the need to proceed with that shared reduction amount. I am certain that is something the Senate Select Committee and Northern Basin review will be looking at very closely.

We need to maintain faith with the community and make sure that we're open to changes where environmental science or economic impacts clearly show that there needs to be a change.

My new office open in Rockhampton

After 12 months of occupying temporary office accommodation in Rockhampton, my permanent office is now open for business.

Warren Truss, Deputy Prime Minister and Minister for Infrastructure and Regional Development, officially opened the office in the heart of the city on October 2.

Since first considering a career in politics, I always planned to establish my office in regional Queensland rather than in

Brisbane. Central Queensland is now home for me and my family.

Rocky is the perfect place to establish my office. It is more than just central to Queensland in a geographical sense. Rockhampton is the beef cattle capital of Australia, it is a gateway to vital mining enterprises and it has terrific tourist attractions, and so plays a significant role in three of the pillars of the Queensland and Australian economies – and there is potential here for growth in all three.



Deputy PM Warren Truss performed the official duties during the opening of my new office in Rockhampton.

Nationals welcome cap on buybacks

Nationals Senators have welcomed the introduction of a cap on water buybacks in the Murray-Darling in September.

This is a policy that the Nationals fought for in opposition and it's great to see this protection for communities come into law thanks to the Coalition Government.

In September, the Senate passed the Water Amendment Bill 2015, which ensures that no more than 1,500 gigalitres of water will be bought back from farmers under the Murray-Darling Basin Plan. Around 1,160 gigalitres has been bought back so far.

This will mean that communities will have certainty about the adjustment that they are facing and can plan for their future. This is a responsible decision, unlike that of the previous Labor Government, which spent \$303 million of taxpayers' money buying water from the Twynam Group for no obvious benefits.

Labor also funded the then NSW Labor Government back in 2008 to turn Toorale Station from a grazing block into a national park.

I am concerned there has been a disproportionate amount of water bought back in southern Queensland.

Farmers deserve the certainty provided by the Coalition water plan. Despite the drought, farmers in the Murray-Darling have shown they are committed to water efficiency and the certainty provided by our cap on water buybacks from the system will be welcomed by communities throughout the basin.

All roads led to Rockhampton

Rockhampton was the focus of Australia's beef industry on October 2, when it hosted a roundtable for the \$100 million Northern Australia Beef Roads Programme.

Led by Warren Truss, Deputy Prime Minister and Minister for Infrastructure and Regional Development, the talks brought together leaders in the beef industry to help identify investment priorities for beef roads.

This was the first of three roundtables held in northern Australia, with the remaining two to be held in WA and the NT.

As Warren said on the day, Australia's beef industry injects billions of dollars into the national economy and investing in key infrastructure to help make it more efficient will boost our national – and local – prosperity.

Feedback from industry players is an essential part of getting the best result possible.

Close to home, I will be supporting fellow MP Michelle Landry in her



Fellow federal Parliamentarians Michelle Landry, Warren Truss, Natasha Griggs and Ken O'Dowd were among the many stakeholders attending the first Northern Australia Beef Roads Programme roundtable meeting in Rockhampton recently.



push for Federal Government support to co-fund a loop road project in Rockhampton to stop trucks having to inefficiently decouple at Gracemere.

As the beef capital of Australia, having a safer and more

efficient loop road to take cattle road trains off the new bridge in Rockhampton to the beef processing precinct is vital to fix a major kink in the nation's valuable beef production line in Central Queensland.

Red meat inquiry comes to Queensland

The Senate inquiry into the effect of market consolidation on the red meat processing sector has come to Queensland.

This inquiry is examining the impact of the red-meat processor consolidation on competition, creation of regional monopolies and returns to farm gate.

It will also consider the existing selling structures and processes at saleyards, particularly pre- and post-sale weighing, as well as

direct sales and online auctions, plus the regulatory environment covering livestock, livestock agents, buyers and meat processors.

Beef prices are at record highs at the moment but only a couple of years ago were at record lows despite high prices overseas.

There are continuing issues with measuring fat trim, the application of Aus-Meat standards and regulatory imposts that seemingly

prevent new entrants into the meat processing industry.

These are important issues for the beef industry. We have had valuable input from a number of industry participants, both in Roma and at the other two hearings held so far, and I believe the report of the inquiry will make important recommendations for improving farm-gate returns to cattle producers when it is presented in March 2016.

Live cattle exports from Port Alma a step closer

Port Alma is a step closer to seeing its first shipment of live cattle, following its export registration by the Federal Department of Agriculture.

Everything is set to go for local live cattle exports from Central Queensland. Local producers tell me the only thing holding it up now is the high prices being paid for cattle on competing local markets – which is great news for the industry as a whole.

Port Alma – at the mouth of the Fitzroy River near Rockhampton – is an excellent alternative export facility for CQ cattle as and when it's needed.

Lowering transport costs by providing local export options, in addition to the highly important processing industry, will deliver better returns to CQ cattle producers in particular by giving access to more markets.

Around a quarter of all the cattle exported from Townsville come from CQ and producers bear the costs of trucking them north. Port Alma gives them a much closer



Nationals MPs visiting CQ have inspected facilities at Port Alma with local cattle producers.

facility with much lower transport costs.

The Coalition Government has opened seven markets for live exports, including most recently China, and signed four new free trade deals with Korea, Japan, China and the Trans-Pacific Partnership between 12 nations

Strong international demand, a lower Australian dollar and tighter cattle numbers have produced terrific prices for our cattle, but CQ producers have the knowledge that there is a local export facility approved now and ready to go at Port Alma if prices settle back in future and this becomes an attractive alternative.

Senate support

The importance of Port Alma for future live cattle exports has been acknowledged by the federal Senate.

I recently put up a motion noting the approval of Port Alma as a live cattle export facility and the benefit of providing new export options to producers.

The Senate voted overwhelmingly in support of that motion. The vote was 45 to 10 in favour. Only the Greens voted against it. The Greens would still ban live export of cattle, given half a chance.

Town Hall meetings in Capricornia

Recently I accompanied Michelle Landry on a listening tour to Sarina, Clermont and Middlemount. We engaged with local communities to hear their concerns.

Overwhelmingly, the major concern in these communities is the state of their local economies. The downturn in the mining sector has had a severe impact, with many people leaving town and small businesses struggling to stay afloat.

Locals raised the need for infrastructure projects to boost

the economy and help increase agricultural capacity.



Michelle Landry and I at the Sarina Town Hall meeting.

Time to reinvigorate competition policy

It is time to rediscover a national, consistent and broad-based approach to competition policy reform.

We have just seen the 20th anniversary of the signing of National Competition Policy (NCP) agreements between the State, Territories and the Commonwealth Government.

That broad-based national approach clearly delivered great benefits to our community. It provided effective incentives for governments to implement what were, at the time, difficult and tough reforms.

It also delivered enormous gains for the Australian people. Those gains are still there. We could still make many gains in these areas for the Australian people. If we were just to return productivity growth to the level we have traditionally had – not the level we have had in the last 10 years, which has been quite stagnant – we would deliver in 10 years to the average Australian an income \$6,000 per year higher. That is if we were only to hit those historical productivity targets.

The only way we can hit those targets is not by just setting a target. Setting a target does not always work. It will take hard work to make these difficult decisions to look into our electricity sector, and look at whether we have got the right incentives in place for the cheapest electricity to be produced.

It will take hard work also to look into the efficiency of our ports, which have become



It is time to examine the efficiency of our ports, which has declined in recent years.

more inefficient over the last few years, and to look into our telecommunications sector as well, to make sure it is acting as competitively as it should, particularly with the emergence of the National Broadband Network.

In the 20-year history of national competition policy agreements, we had 10 years of formal agreements, with financial incentives to comply, but then, in the last 10 years, we have had an uncoordinated and haphazard approach that has not delivered the same kinds of clear, national and consistent benefits.

It is now time to reconsider our approach to these areas of reform. I compliment the Government for bringing forward a root-and-branch review of the Competition and Consumer Act that has recently reported – the Harper review. It is considering those recommendations now.

But that was only one small component of the national competition policy reforms. At the time, those reforms did make changes to the then Trade Practices Act as a result of the Hilmer review, but they did not just stop there.

They did help make sure that we provide services to the Australian people in the cheapest and most cost-effective way. They did ensure that our regulations were well suited to the objectives that they were seeking to fit and did not unnecessarily restrain competition and reduce benefits to Australian consumers.

In effect, the changes allowed Australian businesses to do more with less. They allowed them to employ more people and unemployment fell to levels not seen since the 1970s. Productivity growth was the highest in 40 years and the average

Australian was \$7,000 better off thanks to this economic growth. The Productivity Commission estimated at the time that the changes increased Australia's GDP by 2½ per cent.

One of my first jobs as a professional economist was to work on the Productivity Commission's 2005 review of National Competition Policy.

Unfortunately, our record in the last 10 years has wiped away many of the hard-fought gains we had made. Since then, electricity prices have more than doubled.

There has been a re-regulation of our ports and coastal shipping

laws leading to the absurd situation that it costs more to send sugar from North Queensland to Melbourne than it costs to send sugar to Melbourne from Brazil!

At the core of national competition policy was the application of competition and price oversight to the government businesses involved in the hard infrastructure sectors of energy, water and telecommunications.

Ten years ago, the Productivity Commission recommended that some of the NCP reforms should be adopted and that they should focus on applying the same principles to the so-called "soft sectors" of health and education

and training. That has happened to some degree. We have introduced case-mix funding in our health sector, and we have reformed some aspects of our education sector.

However, to a large degree there has been no coordinated approach from all State and Territory Governments and nothing to replace the competition payments that encourage States and Territories to comply with those agreements.

We need to rediscover a national, consistent and broad-based approach to competition policy reform.

Carbon tax debate shows skewed thinking

Nothing demonstrates a change in our political debate better than the debate on carbon tax.

Twenty years ago, Treasury and our central economic agencies would have extolled the benefits of lower electricity prices and their importance for the wider economy. During the carbon tax debate, they argued that higher electricity prices did not matter all that much because businesses could just pass them on.

In 10 years, I have gone from working at the Productivity Commission to becoming a Nationals Party Senator for Queensland. The people that I now represent – such as small businesses and farmers – cannot just pass it on. Many get paid based on a world price and no-one in New York or other international markets is going to pay our cane growers more just because Australian governments routinely ignore their costs.

We have gone from having an electricity market that is based on getting the cheapest electricity despatched first to one that gets the most expensive electricity, by definition, despatched first.

Twenty years ago, when we signed the National Competition Policy agreements, we established a national electricity market. We established an auction process that every five minutes sets a price for electricity in this country. We set up that market because it would provide incentives to make sure that the cheapest electricity was bought first in that marketplace because that would benefit those purchasing electricity. Electricity was no longer sold in a Stalinist or planned way; it was sold on the basis of who could provide the cheapest electricity.

Today, we have things like renewable energy targets, which, by definition, despatch the most expensive electricity first. The most expensive electricity is still renewable energy.

Under the Renewable Energy Target, electricity providers must meet a mandated amount of their electricity production from those sources, from more expensive sources. That pushes up the price and the cost of production, which will ultimately flow through to businesses and households and make us less efficient, less productive, have a weaker investment climate and lead to fewer jobs.

PRAGMATIC PARTY DOES WHAT WORKS

Attacks on the Nationals often fail to understand the organisation's purpose

MATTHEW CANAVAN



On these pages recently Judith Sloan attacked the Nationals for proposing “protectionist” policies such as a code of conduct for the sugar industry.

The code has been proposed because cane growers often cannot supply anyone but the closest mill. The proposed code would provide for a mediation and arbitration process to resolve disputes between growers and millers.

Before Sloan was a columnist she was a commissioner at the Productivity Commission. While there she presided over a report into international cargo shipping and recommended “independent dispute resolution process involving arbitration and provisions to ensure the parties to the negotiation are bound by the results”.

Attacks such as this on the Nationals are not uncommon, but often miss the mark and fail to understand the true nature and history of the party. They are often written by people who have little to no contact with Nationals MPs. I could not find one colleague who had spoken to Sloan before her column. If such conversations had taken place, she might have realised that putting any ism protectionism, agrarian socialism or anything else — on the Nationals would not fit well.

Nationals do not look to some wise Ming-type ruler and say: “What would he do?” Instead, we have one unifying principle — we will do whatever best works for our people.

So when the Country Party — predecessor to the Nationals — was formed it was ardently free trade because high tariffs hurt farmers who wanted to export. Indeed, Earle Page — the first major leader of the Country Party — made it a condition of forming a Coalition government in 1934 that 465 items of machinery would be made tariff free.

Overall, however, the Country Party failed in its bid to move Australia towards free trade. Both the Liberal and Labor parties advocated higher tariffs to protect manufacturing industries. The Country Party was left in the position that if you can't beat them, you have to join them, leading them to advocate protection all around, including for agricultural industries.

As Black Jack McEwen summed up, “You cannot logically protect one section and not protect other sections, given basically similar circumstances.” Most trade restrictions have been removed but that does not mean farmers operate in fully free and competitive markets.

It is not a free market when farmers overseas can employ labour without the protections and costs imposed on our employers. It is not a free market when large retail companies can demand non-contractual payments from suppliers to maintain relationships, as revealed in the Federal Court last year.

It is not a free market when Australian governments can unilaterally and

without compensation take away a farmer's right to manage their trees and vegetation. And it is not a free market when snails and frogs are given greater rights than human beings.

A case in point is the long-running saga of the proposed Nathan Dam. First proposed in the 1920s, the dam, about 400km west of Hervey Bay, has received steam in the past two decades as a way to expand cotton production and underpin the development of coal mines in the area. It has hit a barrier, though: 850 boggomoss snails were found near the dam site and the federal Environment Department ordered that they be “translocated” before any work could progress. Not long after, more than 18,000 snails were found nearby so the dam builders assumed they could proceed. Not so fast! The environmental experts are now saying the original 850 snails is an important “sub-population” and must be protected.

The Nationals have been behind a push to throw away this ideological madness and put forward practical, environmentally sustainable ways of building more dams. The Coalition has already committed to building dams and the agriculture white paper puts more meat on this skeleton.

The Nationals are the second oldest party in parliament. They have had more reported deaths than the average house cat but in five years they will celebrate 100 years as a party. They have survived this long by being a pragmatic party that puts what works ahead of what is ideal. As for Deng Xiaoping, so for the Nationals: it is not whether the cat is white or black, it is whether it catches mice.

THE AUSTRALIAN

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What did the Nats ever do for us?

It was disappointing to see independent MP Bob Katter criticising the new Liberal-Nationals Coalition agreement.

I am happy to compare the Nats' achievements for the people of

regional Queensland against Bob's anytime. People in the bush know it isn't what a man says that matters— it's what he does.

The Nationals are delivering for regional families, businesses and communities, and are responsible for getting billions of dollars committed to spending that will directly help people in rural and

regional Australia, including Bob's seat of Kennedy.

Bob chose to go independent and isn't in a position to deliver anything for anyone. He was a great supporter of Kevin Rudd when Mr Rudd was Prime Minister and I would welcome Bob telling us how that helped anyone in Kennedy.

Labor “gags” traditional views on same-sex marriage

Labor has moved a number of debates on same sex marriage in federal Parliament recently but one thing has distinguished their contribution to the debate: not one Labor member who supports traditional marriage has been allowed to speak.

Labor says they are in favour of a free vote – a “conscience vote” – yet we never hear from the Labor members that support traditional marriage, even though I know they are out there! (In fact, Labor are only in favour of a free vote until after the election, when Labor members will be bound to support same-sex marriage.)

This is a very personal issue for many and it’s time we gave the people a say, not let politicians who are silencing one side of the debate control the debate. At this stage, the only way that a “people’s vote” will occur is if the LNP Coalition is re-elected at next year’s federal election.

I support keeping the current definition of marriage. I know there are also still Labor Members of Parliament who support traditional marriage. However,



they are not allowed by their party to speak.

The position of the Liberal National Party Coalition is to maintain our party position that marriage is between a man and a woman, as it has been for centuries.

We had a lengthy joint party-room debate on this issue, where every member got to speak. At the end of it, the clear majority was in favour of maintaining our party policy position.

We also said there should be a people’s vote after the next election on the issue. It is important we should be deliberative about this change. It is not something we should rush into.

The Marriage Act and definition of marriage are extremely important. I believe the nurturing of a child in a relationship between a married mother and father is the best outcome, the ideal outcome, for a child.

That is not something I believe from any religious or personal view but from a very extensive and clear-sighted look at the research in this area. The technical literature in this area is clear: the best outcome, on average, for a child’s development is to be nurtured by a mother and a father who remain married.

We should be very careful before we tinker with an institution that has survived the test of time, and in fact been the norm for at least five centuries.

It is right to allow the Australian people to make that choice after a lengthy and considered debate.

Crackin’ the whip

I am proud to have been elected the Nationals whip in the Senate, succeeding fellow Queensland Senator Barry O’Sullivan, who has diligently policed us during my time in Parliament since July last year.

As can be seen from the photograph, Barry is slightly less than distraught at relinquishing the task. Like Barry, I never expect to actually use that stockwhip on the wall.



Fishing bans a warning to all primary producers

From November 1, net fishing has been banned in more than 1,600 square kilometres of water stretching from the Fitzroy River out beyond the Keppel islands and in areas near Mackay and Cairns.

Not only do these unnecessary fishing bans cast a dark shadow over the lives of 50 fishing families and other seafood industry business operators but also, as the Queensland Seafood Industry Association says, “stand as a “stark warning to all primary producers”.

I agree with a recent editorial in the *Queensland Country Life* newspaper that said in part: “Set out neatly in the Parliamentary committee report into the (net-fishing) bans ... is a cautionary tale for all Queenslanders. It reveals a government that refuses to consult with those affected and ignores the evidence and the science in order to gain votes.”

Ruining the livelihoods of these commercial fishermen and their families is just one more example



This T-shirt at the Tin Can Bay Seafood Festival said it all: “An industry that feeds you is an industry worth fighting for.”

of how the Labor Party is killing jobs in Central Queensland.

The Labor Party is bad news for jobs in this region. Labor is taking away the livelihoods of commercial fishermen, won't support development of the Great Keppel Island resort and refuses to help the Federal Government reign in environmental activists blocking jobs in stalled mining projects.

On top of that, Labor want to impose a new carbon tax and

Katters disappoint

Fishermen were disappointed to see the two members of the Katter Australia Party in State Parliament – Robbie Katter and Shane Knuth – vote with the Labor Government to shut down net-fishing in those three regions rather than sending the policy back to be re-examined.

Their votes helped give Labor the numbers in State Parliament to defeat an LNP disallowance motion against the net bans.

So, the Katter Australia Party has voted to put primary producers out of work.

shut down coal-fired power generation in Australia, a policy that will cost thousands of jobs that rely on coal mining and the cheap energy it provides.

Labor Party politicians are being real job-killers in regional Queensland and I can't understand why they are behaving this way when we have so many young people in particular looking for work.

Aquaculture has plenty of potential in Queensland

Aquaculture holds enormous potential for growth in Northern Australia, and that includes Queensland.

As part of the Australian Parliament's Northern Australia Committee inquiry into opportunities for expanding the aquaculture industry above the Tropic of Capricorn, I attended hearings in Cairns, Townsville and Brisbane in August.

The Committee inspected existing operations and heard

about opportunities to expand aquaculture here to meet increasing demand for prawns, fish and other species.

While wild-catch fisheries continue to supply most of the seafood produced in Australia currently, it is clear the majority of future growth in production will come from aquaculture.

We heard that new technology and improved farm design and management is already mitigating potential contamination of the

Great Barrier Reef catchment, which will facilitate further development of an industry that can contribute significantly to regional economies.



Coral trout is one of the species where aquaculture could boost production.

\$100,000 cheque for Clarke Creek Community

Fellow Rockhampton-based MP Michelle Landry and I recently took a two-hour drive north-west to the little township of Clarke Creek to see Anglo American Coal hand over a \$100,000 cheque to local community representatives.

Anglo American promised the funding as part of the community push for better mobile telephone coverage, and the company's Head of Corporate Affairs, Jon Richards, handed over a cheque at a ceremony at Clarke Creek State School.

Clarke Creek is one of four sites for new mobile base towers in Capricornia announced by Michelle in June as part of the

Federal Government's \$100 million project to improve coverage in regional Australia.

Michelle had been determined to get a mobile tower in the area and she had taken the whole Senate team to the town in 2013 as part of the Federal election campaign.

Prior to the election of the Coalition Government, there had been no funding for mobile phone towers in regional areas.

Ongoing funding to fix mobile phone blackspots was another win by the Nationals in the Coalition agreement.



A nice big cheque from Anglo American Coal for the Clarke Creek community.

Parents passionate about schooling remote kids

I recently met with members of the Isolated Children's Parents' Association (ICPA) to hear about the special challenges of educating kids from far-flung properties and remote communities. ICPA represents more than 3,000 families across Australia.

Along with fellow Nationals Senator Bridget McKenzie – who is based in Victoria but chairs the Senate Standing Committee on Education and Employment – and Member for Capricornia Michelle Landry, I talked to ICPA members from Central Queensland at the Capricornia School of Distance Education in Rockhampton.

They provide a schooling base to teach remote country students via the internet and, in some cases, the old school of the air (though online instead of via radio).

There are 35 teachers on site in Rockhampton looking after 560

students across an area from Mackay to Bundaberg and Alpha (about twice the size of Victoria).

These parents are passionate about constantly improving the education opportunities for children and deserve support.



Teaching kids on remote properties requires dedicated parents.

Contact

For more information about any of the articles or issues raised in this edition of Central Bulletin, please contact me at the addresses or numbers below. For the latest news and views - including media releases and opinion articles - check out my website and Facebook page and follow me on Twitter.

Address 34 East St Rockhampton Q 4700
Postal PO Box 737, Rockhampton Q 4700
Phone (07) 4927 2003
Fax (07) 4927 2004

Email senator.canavan@aph.gov.au
Website www.mattcanavan.com.au
Facebook www.facebook.com/SenatorCanavan
Twitter @mattjcan

Michelle Landry opens new office in Sarina



Federal Member for Capricornia Michelle Landry has ticked off another election promise to support residents in the Sarina and West Mackay district by officially opening a new Sarina office.

Michelle promised to establish this office during the last election campaign because the northern part of Capricornia around Sarina, West Mackay and the Pioneer Valley is an important area for the State.

The shop-front, believed to be the first Federal MP's office to be based in the town, is located at the Sarina Beach Shopping Centre.

She has been fighting for many things in this area in the 20 months since taking office – including a better deal for the sugar sector in their marketing row with Wilmar and on the Trans Pacific Partnership (TPP) trade deal.

I attended the recent office opening with fellow LNP Senator James McGrath.

Fitzroy water workshop attracts stakeholders

More than 150 people have attended a “Fitzroy Water Workshop” in Rockhampton to hear detailed cases for competing water project concepts.

I hosted the workshop on October 28 with fellow CQ Coalition MPs Michelle Landry, Member for Capricornia, and Ken O’Dowd, Member for Flynn, so we can mount the best possible arguments for the region when debating with Federal Ministers and other colleagues about water infrastructure spending.

It was a bonus that Josh Frydenberg, Minister for Resources, Energy and Northern Australia, also attended the workshop and heard firsthand about the opportunities and challenges represented by a number of options for dams on Australia’s largest east coast river system.

There are more infrastructure projects in Australia than funds to construct them, so it is important that expensive projects like dams and water pipelines demonstrate value for money.

There are always going to be arguments about which infrastructure projects should be funded. That’s true at the local level and at the national level, with fierce competition for available funding.

The workshop was open to the public and included short presentations by invited speakers, followed by a panel discussion and questions from the audience.

The three-hour workshop certainly achieved its goal of providing information and hearing the views of a wide range of stakeholders about the needs and capacity, challenges, benefits and costs of potential projects.



Keen interest in dams on the Fitzroy system was reflected in a big turnout at the recent workshop in Rocky.

Front cover photo: During a driving tour of North Queensland in August, I had the chance to talk with canegrowers about current industry issues, including the Trans-Pacific Partnership trade deal which has delivered a disappointing result on sugar. This paddock meeting was in Tully.