

COMMITTEES

Environment and Communications Legislation Committee

Report

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (17:50): Pursuant to order and as the chair of the respective committee, I present the report of the Committee of the National Broadband Network Companies Amendment Tasmania Bill 2014 together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

REGULATIONS AND DETERMINATIONS

Migration Amendment (Offshore Resources Activity) Regulation 2014

Disallowance

Senator WRIGHT (South Australia) (17:51): I move:

That the Migration Amendment (Offshore Resources Activity) Regulation 2014, as contained in Select Legislative Instrument 2014 No. 64 and made under the *Migration Act 1958*, be disallowed.

The Greens are proud to be moving today to disallow the Migration Amendment (Offshore Resources Activity) Regulation 2014. Here is why.

If you are working on an offshore oil and gas platform in Australian waters you get Australian wages and conditions. If you are working at the oil and gas processing hub onshore you get Australian wages and conditions. But if you are working on the ship laying the pipe between the platform and the land, because of this regulation you do not have to get Australian wages and conditions. You get paid whatever your employer likes. You are not covered, for example, by the Fair Work Act. That is what this pernicious and sneaky regulation does. It is my understanding that this regulation is already costing Australian jobs.

I think most people would be shocked to know that companies in Australia's exclusive economic zone are extracting Australia's resources yet do not have to apply Australian labour law as the minimum standard. That is something that the Liberal Party and the coalition are actively pushing for. In effect, the government wants to maintain a loophole for cheap overseas labour that is being exploited at the expense of local workers. Legislation to close that loophole was passed by the last parliament and the Greens proudly supported it because it was squarely in the national interest. That was the Migration Amendment (Offshore Resources Activity) Act 2013 or the ORA act. The intent of the ORA act, which the Greens supported, was to make companies extracting Australian resources apply Australian labour laws. It is not rocket science; it is just fair. It is something that most people would expect happens already, but it is something that the Liberals have never supported.

The offshore resources activity act that was passed in the last parliament was opposed by the then coalition opposition. They have never supported it. Now in government they are trying to repeal it before it has even commenced operation. On 27 March 2014 the government introduced the Migration Amendment (Offshore Resources Activity) Repeal Bill 2014 into the parliament. As its name suggests, it is designed to repeal the ORA act that closed the loophole, which left overseas workers not only open exploitation on their wages but also high and dry when it came to their working conditions. The government bill has been passed by the House of Representatives but has not yet been passed by the Senate. The government failed to get its repeal bill through the parliament and that is why we have this sorry regulation before us. It is another sneaky workaround, but they have been caught out. We know what it will do.

For the first time, this regulation will allow overseas workers to work for up to three years straight in the oil and gas zone without a visa that has Australian labour law as the legal basis underpinning their wages and conditions. These workers would not be subject to Australian labour laws and could be paid as little as \$1,000 a month, or about the same as the Newstart allowance for unemployed Australians—that is \$250 a week for working 12 hours a day in hot, dirty and high-risk conditions. Prime Minister Tony Abbott likes to talk about moral barrels—well, this is his bottom of the barrel. The Greens heard from a mature age electrical engineer named Dave:

It's impossible for Aussie nationals to get employment in the offshore oil and gas sector. I got a call from an Australian company which urgently needed an electrician. I left for the airport the following morning at 5 am. I got to Broome and then flew to the vessel. The entire journey took 36 hours. When I arrived on the vessel, I was presented with a contract. It turned out that the Australian company was, in fact, just an agent for a Singapore company which was offering inferior wages and conditions as a result of this regulation.

No wonder the Liberals and their donors want this regulation. When we look behind it, what do we find? Cost savings and exploitation.

Increasing employment of overseas workers in the offshore oil and gas sector would also have the effect of eliminating some vital training for young Australians. Under current enterprise agreements, employers in the sector have agreed to train one new entrant marine engineer for every 10 marine engineers currently employed. Fewer Australian marine engineers employed translates directly into fewer trainees.

The current ORA act requires the Minister for Immigration and Border Protection to make a regulation allowing for the visas to be held by the workers on the ships laying the pipes between the platform and the land. The regulation that we are seeking to disallow includes a visa category that is totally inappropriate: a maritime crew visa. The maritime crew visa is an existing visa that was specifically designed to allow foreign seafarers on international trading ships to travel on their ships around the Australian coast as part of an international voyage. This is not a working visa. Those people are not allowed to work in Australia, yet the people laying those pipes are indisputably working. They are working just like those people working on the platform and they are just like those people working on the land.

The purpose of having this maritime crew visa is so that, when a company is extracting Australian resources, it does not matter if no locals are employed on that project and it does not matter if those people are employed on half the wages and inferior conditions than usually apply under Australian law. The government do not care, because all they need to hear is a list of submissions from big business that says, 'We'll make more money if we do it this way.' That is enough for them. What the Abbott government is actively doing here is selling out Australian workers, flogging off our precious resources cheaply and sending the profits offshore. Yet again we see the government's harsh globalisation agenda that betrays our people, this country and our essential fair go way of life.

The Australian Greens believe that companies making money from Australian resources in Australian waters should apply Australian wages and conditions on those projects. Instead, here we see the Abbott government making a sneaky regulation designed to circumvent legal protections for local workers. To justify what it has done, the government is making Chicken Little claims about what will happen if local workers are protected—but the claims are untrue.

The disallowance of this regulation need not be disastrous. The immigration minister can simply choose to fix the problem immediately by issuing a new regulation that provides for those workers to have an alternative visa that requires companies in Australian waters to comply with Australian minimum workplace standards when they employ local or overseas workers. Offshore oil and gas projects will, of course, continue but they will just have to pay their workers Australian wages and abide by Australian workplace conditions. Disallowing this regulation is about giving a fair share of resources to local workers. It is not just about preventing exploitation. More fundamentally, it is about standing up for a fair go. So while Prime Minister Abbott has his bargain basement economic approach, especially when it comes to terms and conditions for workers—not necessarily for his mates—the Greens believe in the rule of law and a fair day's pay for a fair day's work. Surely, that is what the Australian fair go is all about.

That is what the Greens are standing up for and that is why we are disallowing this regulation. The Australian Greens say that disallowing this regulation is squarely in the national interest. It is about shoring up the Australian way of life, Australian values, which the Prime Minister's radical agenda is rapidly eroding. Disallowing this regulation is about investing the value of Australian resources into our country and our people. Resources in Australia, including those in Australia's exclusive economic zone, are there to be used for the benefit of this country. But the bulk of those benefits have been flowing overseas for years. In the mining sector 83 per cent of profits flow overseas, largely to institutional shareholders. That is scandalous. There are problems in this country when it comes to our workers also getting a fair share from resources under our oceans. These resources are finite. You only get to dig them up once or extract them once and then they are gone. You would hope that, in the process of doing that, we would at least ensure that people in the Commonwealth of Australia and in the states of Australia receive a fair return. But that has not been happening. Now, on the other side of the mining boom, as the mining dust settles, it is clear that we have squandered and continue to squander our resources revenues.

It is not just the profits that have gone overseas; the profits that have been left here have been squandered by successive generations of Liberal and Labor governments. Instead of putting the profits away for some day in the future, when the rest of the world tells us to stop digging, we have spent and spent and now it is coming back to haunt us. Can we truly say that we have used that fleeting wealth to its maximum potential? Have we used it to invest in emerging industries? Have we used it to invest in the education and training of our people for the future? Why doesn't Australia have the world's largest sovereign wealth fund, like Norway, which invests in all those important aspects of its society—education, training and emerging industries, which it created by charging a 78 per cent tax on its resources, a similar level to that of our mining profits which flow offshore.

We need to treat our resources as precious because they are. They have built up over aeons and, once exploited, once mined, they will be gone forever. Our resources are not any more precious than our Australian people. The true value of those resources lies in being able to plough back that wealth into society for the benefit of all. They belong to all of us. We have a right to all jointly benefit from those resources.

Local workers have not been getting a fair share of the benefits from the resources boom. The profits have not been invested in transitioning us to the clean energy society that will set us up well for the 21st century when other nations say stop digging or stop emitting high carbon emissions or when, indeed, those resources run out. Like the cheap labour shill that he is, the Prime Minister wants to accelerate this wealth flowing out of the country. The Greens say that that is not good enough.

Disallowing this regulation is just about giving a fair share of resources to local workers. It is not just about preventing exploitation, although it is certainly part of that. More fundamentally, it is about standing up for a fair go. The Greens believe in the rule of law and a fair day's pay for a fair day's work and it is that simple. That is what the Greens are standing up for here and why we are committed to disallowing this regulation.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (18:03): Let us be very clear: we have just heard from the Australian Greens, who have moved the disallowance motion. They have confirmed by their words that there is only one threat to Australian jobs this afternoon and that is in this disallowance motion being agreed to. I want to make it very clear to those listening to this debate that, if this motion is agreed to, the immediate impact on the vote being declared will be that noncitizens and non-permanent residents working in the offshore oil and gas industry will have to down tools to prevent them from being in breach of their visa conditions. I want to say that again, so everybody listening is very clear of what will happen if this disallowance motion is agreed to. The offshore oil and gas industry in Australia is at risk of grinding to a halt this afternoon if the Labor Party join together with the Australian Greens and support the disallowance motion.

When you want to talk about the impact on Australian jobs, I truly hope that the shadow minister for immigration has given you all talking points. I hope the MUA have got their press release ready, because they will be explaining to the Australian workers in the maritime industry and to all of the workers who are affected by the downstreaming of this industry that their jobs are in jeopardy because the disallowance motion gets agreed to.

If Labor members and senators, and in particular senators because they will be voting on this motion, are truly concerned about the jobs of Australians and the interests of their union members, I would say to them: please recognise the necessity of these multibillion-dollar operations being able to use what is a very small number of highly specialised international workers who are integral to the operations of the companies that are currently providing jobs for thousands of Australians as a result of the fact that they are prepared to do business in this country. If you want to launch a campaign to stop Australian jobs this afternoon rather than keep Australians working in this industry, then support the disallowance motion. But I say to each and every senator who will be casting a vote: do so at your peril or, in the next 15 minutes, phone your shadow minister and find out what the true impact of this disallowance will be. I can assure you that jobs will be in jeopardy when the vote is declared because it is at that point that all of those people who are here on visas will no longer be able to undertake the work that they are doing.

I understand the shadow minister for immigration's instruction to Labor senators is to support this disallowance. The shadow minister is either blissfully ignorant of the effect the disallowance on what are Labor Party union members—and if that is the case then, quite frankly, he should resign—or perhaps, more worryingly, he is actually putting the interests of the MUA—one of the most militant unions in Australia—above the national interest and above the interests of those Australian workers who this afternoon, right now, are out there relying on the oil and gas industry to give them a job.

I refer to the shadow minister's potential ignorance in the press release that he issued yesterday accusing the government of trying to replace the offshore resource worker visa class. I would like to confirm with the Senate no such visa actually exists. Perhaps, though, it does exist as a figment of the shadow minister's imagination because, I can tell you now, there is no such visa.

Labor support of this motion is nothing more and nothing less to do with pressure that has been put on the Labor Party by the MUA, who have been trawling the corridors of this place for a number of days now. We know that they are one of the most militant unions in Australia. They are exercising this influence all because they want to have control over the 15 per cent of the highly specialised international workers who carry out work in Australian waters in support of the offshore oil and gas industry. The only reason, for those listening in to this debate, that those workers are now even in the migration zone is because Minister O'Connor, as one of his parting

gifts to the Australian public, on the final day of the parliament in 2013, rammed the legislation through the Senate with less than three minutes of debate.

This motion is not directed at immigration policy, far from it. The motion is intended to inflict harm on the oil and gas sector as a sector of the mining industry, which the Australian Greens are sworn to destroy. This is an issue about sovereign risk. If Labor supports the motion, it will send a very clear message to global industry that Australia cannot be relied upon to support the oil and gas industry operating in Australian waters. I remind senators this is a global industry which determines the allocation of billions of dollars of exploration and operating expenditure according to international risk.

If the disallowance is agreed to, these specialists currently employed on oil and gas installations in the migration zone will immediately become unlawful non-citizens under the Migration Act. This raises very serious questions as to whether or not contractual obligations that have been entered into by oil and gas companies will be affected. Quite frankly, the issue was raised that if they are affected and there are damages, will they be able to sue the Australian taxpayer for compensation?

I am aware of false claims by those advocating for the disallowance motion that disallowing the ORA regulations will compel the industry to use the subclass 457 visa. I can tell you that is completely, totally and utterly incorrect. I say to senators, if you are supporting the disallowance on the basis of that claim, please think again; it is wrong. The effect of that disallowance will be to prevent the use of any prescribed visa, including the subclass 457 visa. The effect of this, as I already stated, is that a person who is not an Australian citizen or a permanent resident will be in breach of their temporary visa conditions if the disallowance is agreed to and they continue to participate in or to support offshore resources activity in the migration zone.

The next allegation I want to address is that the government's regulation is somehow opening the floodgate for the industry to use foreign workers instead of Australian workers. Again, that is completely, totally and utterly incorrect. To anyone making that allegation, I say this to you: it shows that you have a complete lack of any form of any understanding of the offshore oil and gas industry internationally. Senators will be aware that the offshore oil and gas industry is a global industry and it relies upon the capacity to be able to transfer workers with specialist skills from project to project and from country to country. Without having access to this highly specialised international labour, which represents but a small fraction of those who are directly employed in the industry, I can tell you right now that this industry will not continue to exist in Australia and that is exactly what the Australian Greens want.

We will be the only jurisdiction globally to regulate these workers. And it is pretty obvious that when you are the only jurisdiction internationally doing something, you create an automatic issue of sovereign risk because future decisions of global companies in the oil and gas industry determine the allocation of billions of dollars of exploration and operational expenditure according to international risk. The offshore oil and gas industry has about \$200-billion worth of major projects either under construction or in operation. The maritime support sector employs about 2,500 people and this estimated by Deloitte Access Economics to create up to 10,000 flow-on jobs. Again, those jobs will be put at risk if this disallowance motion is agreed to.

In relation to the claims that have been made of the exploitation of foreign workers not on 457 or 400 visas, senators should understand that approximately 85 per cent of workers working in this area, in this sector, on specialist offshore resource vessels are Australian employees and 100 per cent of those on fixed installations, such as rigs, are Australian residents and they are paid in full accordance with Australian laws, they are superannuated in accordance with Australian laws and these workers pay tax just like any other Australian employee.

It is the remaining 15 per cent of workers in this sector—and they are the international highly skilled specialists—who are paid in accordance with international maritime law, including the rules set by the International Labour Organization and the Maritime Labour Convention 2006, which Australia has ratified. These are the people who the industry is not going to have access to as of this disallowance motion going through. Remember this: it is those highly specialised workers who create the Australian jobs—not the other way around. Any way you look at this, this is an international industry working under very specific conditions, and those conditions are going to be disallowed with this motion.

In terms of the effect on the specialists currently employed on oil and gas installations in the migration zone on an offshore resources activity, again, if the disallowance is agreed to, these specialists will become unlawful noncitizens under the Migration Act. These specialists carry out such roles as captain, chief engineer, first mate and ships electrician, and they are a vital part of keeping this multibillion dollar vessel operating. If the disallowance is supported, these ships, with their international crews, will not be able to work in Australian waters and participate in an offshore resources activity.

These multibillion dollar vessels are in demand globally, and it is a fact that, if they cannot crew these vessels with their own highly skilled specialists, whom they use internationally, as, for the majority of time, whether it is in Brazilian waters, Italian waters, waters off the coast of Africa or in Australia, the crew follows the ship, and they do not get access to that labour—and I again say to senators in this place, please be aware of what you are voting for when the vote is called—that potentially means a flow-on effect to the thousands of Australians who, at this present point in time, at 18 minutes past six, are currently employed. And it will not be because of this side of the chamber that they lose their jobs.

Offshore oil and gas facilities employ hundreds of Australian workers, and those workers know the vital part played by these specialists in keeping the offshore facilities operating effectively and safely. These Australian workers know the operational value and the skills they bring to the projects and why there is a need to employ these specialists. These Australian workers want to know that their jobs will not be threatened by the forced removal of these specialist operators. The Greens are well and truly using this motion to put in jeopardy the jobs of Australian workers because they hate the oil and gas industry internationally and they hate the mining industry—and anything they can do, even under the guise of telling people it is about Australian jobs, when they know it is not—they will do. The Greens are a party where sovereign risk does not appear on their radar.

In the short time I have left, I want to take the Senate to a case study of the Allseas Australia's workforce strategy to underline the importance of highly skilled international workers to ensuring the ongoing jobs of Australian workers:

Such is the highly specialised nature of Allseas' work that its pipelay vessels on current Australian projects, Lorelay and Highland Navigator, operate with full-time international crews. Lorelay is the larger of the two and comprises 25 non-Australian nationals, trained at Allseas' state-of-the-art facility, who travel with the 236 metre ship wherever she is needed.

In other words, the crew is dedicated to the ship. As was stated by Allseas Australia regional manager Willem van Benten:

If we were to work in Argentina or in South Africa or anywhere else in the world, we fly the people to the place that is used to run the crew changes; they travel to the vessel the next day by helicopter or crew boat and, after their four to six week period offshore, they then go back to their place of abode where they have their family.

Regardless of where we are operating, the vessel comes with about 25 international crew who remain with the vessel and are really the management of the vessel. This is where the special skills sets of controlling or operating and maintaining the vessel is concerned, they provide that expertise and know-how.

On Lorelay we use Brunel Technical Services to provide all of our blue-collar labour and the foremen to supervise and run those crews.

They are in partnership with Australian labour hire companies for the majority of the positions in these contracts, and on that particular vessel that is approximately 100 to 110 Australian workers.

He goes on to say:

Then for the nautical aspects, concerning the ship's duties like taking stores on board, maintaining the engine room and providing catering services to the ship's whole complement, we contract Programmed Total Marine Services—which is around 40 additional people.

Australian workers—

15 places on board are taken by the customer, in this case Chevron, for supervision and quality control; and then we have some quality control of our own which can be a mix of Australian and non-Australian nationals.

But from a total complement of 215 workers on board Lorelay, we have 140 or 150 Australian people doing those tasks that are more universal. So when we are in Australia—those positions go to Australians.

This idea that Allseas is taking jobs from Australians is a myth; really our ships are creating many times the opportunities for locals than are taken by the foreign crew.

Again I say to the Senate, please remember that the workers Allseas gets jobs for, because they bring their vessels into Australian waters and they contract with Australian labour hire firms to have those people brought out to the rigs or to the ships, they are the workers you will be doing out of a job if this disallowance goes through because all of the highly specialised labour currently working at 6.23 pm, will be unlawful citizens and unable to perform their duties under the Migration Act.

I say to senators, if you are truly concerned about the employment of Australian workers and the interests of your union members, you will see the necessity of these multibillion dollar operations to access what is a small number of highly specialised international workers who are integral to the companies securing the ongoing employment of Australian workers. If you want to stop that overnight, in fact if you want to stop it in but a few minutes, support the disallowance motion because that will be the effect of this disallowance motion going through. I conclude by asking all senators to have regard for the ongoing jobs of Australian oil and gas workers

and the workers in downstream industries and not put these Australian workers' future is in jeopardy. I ask you: please act in the national interest because if you do not you are likely to bring a global industry in Australia to a standstill tonight.

Senator LAMBIE (Tasmania—Deputy Leader and Deputy Whip of the Palmer United Party in the Senate) (18:24): The motion for disallowance of this regulation deserves the support of the Senate for one primary reason—that is, because if it is allowed to stand the jobs of thousands of Australians will be at risk. The specific reason this could occur is that the regulation introduces the maritime crew visa as being acceptable for overseas citizens working within Australia's offshore oil and gas industry.

The maritime crew visa was introduced in 2007 for seafarers on international trading ships sailing to and from Australia. It does not require compliance with Australia's labour laws. It allows Australia to undertake security checks on international seafarers and allows international seafarers to have access to shore leave for limited periods of time.

Seafarers covered by maritime crew visas are not subject to Australian minimum employment conditions. Their conditions may be significantly below Australian pay and conditions. Rates of pay under international agreements may be in the order of \$1,000 per month for an ordinary seaman. This is less than the Newstart allowance for unemployed Australians—let alone the rates of pay in the relevant awards and agreements.

There are hundreds of vessels operating in the Australian offshore oil and gas industry at any one time. These include seismic research vessels, drill ships, construction vessels, specialised vessels such as pipe-layers and rock dumpers, supply vessels, standby vessels and support vessels. The operation of these vessels currently involves the employment of thousands of Australians. The majority of these workers are employed in the waters off the north of Western Australia. However, they live in every state and territory of our Commonwealth. These Australian citizens and permanent residents pay taxes in Australia. Their livelihoods will be at risk if the regulation is allowed to continue because they could be replaced within a short period of time by cheaper, foreign workers under maritime crew visas.

The regulation for the first time makes the maritime crew visa available for people working continuously within Australia's migration zone. To repeat: this is the first time that the maritime crew visa would be made available to people working within Australia's exclusive economic zone, as opposed to international seafarers on commercial trading ships on international voyages.

The rates of pay for these seafarers are so low that it will be impossible for vessel operators to ignore the option of employing overseas workers within Australia's exclusive economic zone. Also, since the maritime crew visa is not subject to the labour market testing requirement introduced in 2013, there will be no need for any offshore oil and gas positions to be advertised within Australia.

Most of the jobs in the offshore oil and gas industry are casual jobs. The current Australian workers could be given their notice of termination and paid out within a very short period of time. Moreover, the employment of overseas workers will also exclude any opportunity for young Australians, like my son, to gain training in marine engineering. Under current enterprise agreements, Australian employers have undertaken to train new entrant marine engineers at a rate of one trainee for every 10 Australian marine engineers employed.

For these reasons, it is important that the regulation introduced on 16 June be disallowed. The minister should request an immediate re-write of the regulation without the maritime crew visa and table a new regulation as soon as possible to ensure that the Migration Amendment (Offshore Resources Activity) Act 2013 is implemented without putting at risk thousands of Australian jobs.

Senator BACK (Western Australia) (18:28): With deep respect, Senator Lambie—through you Acting Deputy President—I have to explain how wrong you are. I particularly appeal to Senator Carr, Senator Moore, Senator Brown, Senator McEwen and others in this chamber. It is not often that you rise to beg for bipartisan support across the whole chamber. Before I came into the Senate, I was an executive director in the oil and gas industry. It is an industry I know and my comments to my colleagues opposite—and I wish they were listening—are to appeal to you, Senator Carr, Senator Moore, Senator Lambie and Senator Wright—through the chair—to understand what it is that you are about to do.

The people to whom you are referring, Senator Lambie—through you, Acting Deputy President—are not the people who are going to be affected by this legislation. In a previous life I travelled on livestock ships; British officers, Pakistani crews. I travelled in and out of Australian ports; in and out of Middle East ports. I understand the maritime situation well.

I do not want to go into the politics of this. I want to say to you: you should understand very clearly—I went to you, Mr Acting Deputy President Whish-Wilson, before we had the maiden speeches tonight, because I want you

to understand clearly what it is we are talking about. This is not something to do with party politics. It is to do with the employment opportunities of Australians.

Senator Wright—through you, Acting Deputy President—you cannot be more wrong when you speak about low-paid international employees on these ships. I was on a platform supply vessel in Central America in December and January. This is an industry I understand. The sorts of vessels that Senator Wright was speaking about, and that Senator Lambie just mentioned, are highly specialised international vessels. They are platform supply vessels. They are dredgers. You would have seen them operating in our northern ports. They are subsea installation vessels. These are not low-paid international subclass workers; these are highly paid specialists. These are people who command the highest of incomes.

So that I could be accurate this evening, at twenty to five this afternoon I called an international shipowner who has their vessels currently in the Gulf of Mexico. I said to this shipowner: 'This is what is being proposed'—I am sorry you are leaving, Senator Lambie, because it is very important that you hear this—'what is being proposed is that, if you were to bring your vessels into Australian waters, you would immediately have to change the industrial conditions under which your highly specialised employees are registered to work'. Do you know what this person's answer was? It was: 'Chris, it would be totally uneconomic for me to bring my vessels into Australian waters under those conditions'.

I do not want to go down Senator Cash's path. I do not want to accuse my colleagues in the Greens of wanting to destroy the offshore oil and gas industry. That is Senator Cash's right. I will not go down that path. My Greens colleagues are people who I admire and respect. We often differ, but we can have good discussions, as Senator Siewert and I have done over the last couple of days on another issue.

I want you to understand clearly that what Senator Cash has said here this evening is absolutely right. The sorts of positions on the vessels we are talking about are not those that Australians will replace. These are highly specialised subsea installation vessels.

A colleague with whom I spent a lot of time not long ago was brought into Australian waters to re-establish the Montara field, above surface. But then he was asked to re-establish the subsea structures as well. He was competent to, because he is one of the best in the world, but he did not want to. Subsequently he did re-establish the subsea structures. He employed Australians as the opportunity arose. But each person in those crews was a highly-paid highly-specialised international. They are the people who follow the vessels.

These are dredgers; these are pipe-laying vessels; these are platform supply vessels; these are the vessels that produce the mud and the cement and pump it. This is not the sort of stuff you get people who are unskilled to do. This is the sort of work that is critical from an environmental point of view and from an occupational health and safety point of view.

This person said to me at twenty to five this afternoon: 'Chris, if you had not got me out of bed in the middle of the night, if I was in my office, I would send to you the demand curve. Because the demand at the moment around the world is so great for these highly specialised vessels that we could be operating in offshore Brazil'—where the same company is bidding on work at the moment—'in the North Sea, in West Africa, in the South China Sea, as we are here in the Gulf of Mexico.' And there is an enormous demand at the moment in Mexico; the Mexican government has increased radically its exploration drilling, and that is the work this particular group are in. And this person said to me: 'Chris, if you think that the owners of these vessels and these highly-skilled highly-paid international crews are going to come into Australian waters under these circumstances when we have so much other work around the world, then you must tell them they are dreaming.'

Colleagues, what I want you to understand is this: these vessels are very often the vessels that are directly related to the occupational health, safety and welfare of the Australians who work on the rigs. They are the people who take supplies out to the rigs. They are the people who take equipment off the rigs, take them in to shore, do the necessary maintenance and repair work, and take them back out. They are the people that look after the rig anchorage systems. They are the people who have the capacity in the event of fire, because their vessels are also equipped for fire control and fire suppression. I have to defer to Senator Cash as the Assistant Minister. I am not pretending to be far enough across the issues associated with visas. But if it is the case that, as of the time this is disallowed, those people working on those vessels find themselves illegal, let me tell you what is going to happen, Senator Carr: the first thing is those people are not going to work when they are working illegally. The second point I want to make to you is: those owners are going to remove their vessels from our waters. I cannot tell it to you any more plainly.

These are people are friends of mine. My son-in-law is a Norwegian from the city of Stavanger, which is the centre of the Norwegian shipping, and oil and gas industry. I would like to engage with you at some time: I too envy the Norwegians for the sovereign wealth fund that they have got, Senator Wright. This is not an industry

about which I have no knowledge; it is an industry that my family are involved in. It is an industry my son-in-law has helped to develop, particularly some of the platform and offtake vessels.

This is critically important, Senators, because if we cannot supply the rigs, if we cannot do the dredging, if we cannot lay cables, if we cannot do the subsea installation, simply because the economics of it is not there for the these owners, we are placing not just the \$200 billion offshore oil and gas industry at risk; we are placing thousands of high-paid Australian jobs at risk. We are placing at risk the opportunity for Australians to develop the expertise that resides on these vessels—all for what?

These people are already highly paid. They already travel with the ships. The ships do not stay all that long. They might stay weeks. They might stay months. If there is a dredging opportunity going on in Port Hedland, they will stay there—big Dutch dredges were there the last time I was in Port Hedland. They will be there for the length of that contract and they will be gone, Senator Wright. But they are not going to be replaced by Australians.

If you bring through this disallowance this afternoon, those dredges are not going to come into Australian waters and all of a sudden have Australian crews on them, because they do not have the skills. We do not have a skill base in this country and we will never develop a skill base in this country simply because those vessels are not going to be here. The Australians who are getting jobs on them and learning from the highly skilled specialists who are there will not have that opportunity, because they will be operating offshore Brazil. They will be operating the Gulf of Mexico. They will be operating in the South China Sea. They will be operating off West Africa, and we are the losers.

Senator Lambie, this is not a situation in which tens of thousands of Australian jobs are being put at risk because this disallowance has not been put through. I say to you: thousands of Australian jobs will be at risk tonight and beyond. If these people find themselves in a circumstance in which this disallowance goes through, they will no longer be able to work in Australian waters. Those vessels owned by overseas owners with crews that are highly specialised will leave Australian waters—they will go—and what will be left behind, unfortunately, is an industry at risk. We have at risk thousands of Australian high-paid jobs. Your colleague Senator Dio Wang, coming as he does from the mining industry, as I understand it, in Western Australia, would understand the levels of payment in that particular industry.

Let me finish with this: Australia is already becoming non-competitive in offshore oil and gas. Our costs have now escalated to such an extent that, by the time the new developments offshore come into commercial production, the Canadians will be delivering LNG into Japan more cheaply than we are here in Australia.

The managing director of one of the major—I will mention it, because he did publicly. Speaking to Roy Krzywosinski, the managing director of Chevron, recently, he said to me and then repeated it at an APPEA conference—they have the big Gorgon project that started out at \$37 billion, now \$52 billion; they have also got the Wheatstone contract further south. He said to me—

Senator Ludlam: You should have put it on the mainland.

Senator BACK: They might have put it on the mainland, if there had been a place to put it. He said, 'We are not going to go ahead with the next train on Barrow Island, because the economics just aren't in it.'

Can I plead with you—it does not affect me; none of my family work in the oil and gas world in Australia. It certainly affects Australia. It affects my state but, by gee, I tell you who it affects: it affects thousands of Australian workers.

Senator Wright may have wonderful motives in moving this disallowance. But I, like Senator Cash, want you all to understand very, very clearly that, if you move and if you pass this disallowance, you are putting those very Australian jobs about which Senator Lambie spoke at risk for no gain but massive loss.

I will finalise: the demand curve at the moment for the sorts of vessels we are speaking about is so high, every shipyard—the South Korean yards; the Chinese yards; the Singaporean yards—Keppel and Sembawang; and the yards in Malaysia at Johor Bahru—is building them at breakneck speeds. For any of us who think that we in Australia have got this magnetic attraction and everybody wants to come and work in our waters, I say to you: they haven't. I ask that you think very, very carefully. My plea would be that Senator Wright, on reflection, withdraws this disallowance motion. If she will not, I say to each of you: if you pass this disallowance tonight, you are immediately not only putting Australian jobs at risk; you are putting a massive offshore oil and gas industry at risk, one that internationally is already becoming uncompetitive because of cost. Of those who would be worst affected, not one of them operating on a vessel at the moment will lose one dollar, because they will be outside Australian waters so quickly, and the losers will be Australia. I hate to say it, but this Senate will have made that decision. I can assure you that I will, with some pride, be able to look my associates in the oil and gas industry around the world in the face and say, 'I did my best to convince my colleagues not to go down this path.'

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:46): I move:

That the question be now put.

The PRESIDENT: The question is that the motion moved by Senator Siewert—that the question be now put—be agreed to.

The Senate divided. [18:50]

(The President—Senator Parry)

Ayes35
 Noes31
 Majority.....4

AYES

Bilyk, CL
 Bullock, J.W.
 Carr, KJ
 Di Natale, R
 Hanson-Young, SC
 Lambie, J
 Lines, S
 Ludwig, JW
 Madigan, JJ
 McEwen, A (teller)
 Milne, C
 Muir, R
 Polley, H
 Rice, J
 Singh, LM
 Urquhart, AE
 Waters, LJ
 Wright, PL

Brown, CL
 Cameron, DN
 Dastyari, S
 Gallacher, AM
 Ketter, CR
 Lazarus, GP
 Ludlam, S
 Lundy, KA
 Marshall, GM
 McLucas, J
 Moore, CM
 O'Neill, DM
 Rhiannon, L
 Siewert, R
 Sterle, G
 Wang, Z
 Whish-Wilson, PS

NOES

Abetz, E
 Bernardi, C
 Brandis, GH
 Cash, MC
 Day, R.J.
 Fawcett, DJ (teller)
 Fifield, MP
 Johnston, D
 Macdonald, ID
 McKenzie, B
 O'Sullivan, B
 Payne, MA
 Ruston, A
 Scullion, NG
 Sinodinos, A
 Williams, JR

Back, CJ
 Birmingham, SJ
 Bushby, DC
 Colbeck, R
 Edwards, S
 Fierravanti-Wells, C
 Heffernan, W
 Leyonhjelm, DE
 Mason, B
 Nash, F
 Parry, S
 Reynolds, L
 Ryan, SM
 Seselja, Z
 Smith, D

Question agreed to.

The PRESIDENT (18:52): The question now is that the motion to disallow the Migration Amendment (Offshore Resources Activity) Regulation 2014 moved by Senator Wright be agreed to.

A division having been called and the bells being rung—

Senator Back: Kim, they will be bringing in helicopters tonight to start taking people off the offshore oil rigs. Do you people understand that?

Senator Kim Carr interjecting—

The PRESIDENT: Order! Senator Back and Senator Carr!

Senator Back interjecting—

The PRESIDENT: Order, Senator Back!

Senator Lines interjecting—

The PRESIDENT: Senator Lines, that applies to you too.

Senator Sterle: It's a shame you lot don't have the same level of passion about truckies!

The PRESIDENT: Senator Sterle!

Senator Heffernan interjecting—

The PRESIDENT: Senator Heffernan! Senators, it is disorderly to interject, let alone when you are not in your own seats, so there should be silence.

The Senate divided. [18:54]

(The President—Senator Parry)

Ayes	35
Noes	31
Majority.....	4

AYES

Bilyk, CL
 Bullock, J.W.
 Carr, KJ
 Di Natale, R
 Hanson-Young, SC
 Lambie, J
 Lines, S
 Ludwig, JW
 Madigan, JJ
 McEwen, A (teller)
 Milne, C
 Muir, R
 Polley, H
 Rice, J
 Singh, LM
 Urquhart, AE
 Waters, LJ
 Wright, PL

Brown, CL
 Cameron, DN
 Dastyari, S
 Gallacher, AM
 Ketter, CR
 Lazarus, GP
 Ludlam, S
 Lundy, KA
 Marshall, GM
 McLucas, J
 Moore, CM
 O'Neill, DM
 Rhiannon, L
 Siewert, R
 Sterle, G
 Wang, Z
 Whish-Wilson, PS

NOES

Abetz, E
 Bernardi, C
 Brandis, GH
 Cash, MC
 Day, R.J.
 Fawcett, DJ (teller)
 Fifield, MP
 Johnston, D
 Macdonald, ID
 McKenzie, B
 O'Sullivan, B
 Payne, MA
 Ruston, A
 Scullion, NG
 Sinodinos, A
 Williams, JR

Back, CJ
 Birmingham, SJ
 Bushby, DC
 Colbeck, R
 Edwards, S
 Fierravanti-Wells, C
 Heffernan, W
 Leyonhjelm, DE
 Mason, B
 Nash, F
 Parry, S
 Reynolds, L
 Ryan, SM
 Seselja, Z
 Smith, D

Question agreed to

The PRESIDENT (18:56): The matter is resolved in the affirmative, which means that the Migration Amendment (Offshore Resources Activity) Regulation 2014 has been disallowed.

Senator Back: Don't you talk to me about protecting jobs again, ever!

The PRESIDENT: Order, Senator Back!

Senator Sterle interjecting—

The PRESIDENT: Order, Senator Sterle!