

Dissenting Report from Labor Senators

Labor Senators note that the Government:-

- Has failed to provide any coherent policy rationale for the establishment of the Regional Investment Corporation (RIC);
- Has offered mixed messages when enunciating the policy objectives for the establishment of the RIC;
- Has failed to undertake a cost-benefit analysis to give confidence that the \$28m cost of establishing and operating the RIC delivers good value for the Australian taxpayer;
- Has deliberately structured the enabling legislation to minimise Parliamentary scrutiny and/or veto of Ministerial directions (as noted by the Senate Standing Committee for the Scrutiny of Bills Committee);
- Has failed to provide sufficient oversight for the activities of the corporation;
- Has failed to properly consider the effectiveness of the size of the board with regards to the range of expertise requirements and safeguards against political interference;
- Has extended the scope of the Board's and/or the CEO's capacity to delegate powers and functions beyond what is prudent governance;
- Has gone to great lengths to establish a Constitutional underpinning (including the invocation of the External Affairs Power) but has failed to address well-founded doubt including concerns expressed by the Senate Committee for the Scrutiny of Bills;
- Plans to have new future loans administered by the Commonwealth while existing loans continue to be administered by the States;
- Intends to keep the Ministerial review of the operation of the Act a secret.

Labor Senators believe the Government has neither established a policy rationale for the establishment of RIC nor justified the cost. We recommend the Bill be rejected by the Senate on that basis.

At the very least, the Government must address the governance concerns raised by the Senate Committee for the Scrutiny of Bills and other witnesses including the National Farmers' Federation.

Senator Glenn Sterle
Deputy Chair

Senator Malarndirri McCarthy
Senator for the Northern Territory