



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**

**PROOF**

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

**Carbon Pricing**

**SPEECH**

**Monday, 7 November 2011**

BY AUTHORITY OF THE SENATE

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## SPEECH

**Date** Monday, 7 November 2011  
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**Questioner**  
**Speaker** Senator McKENZIE

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Senator McKENZIE (Victoria) (15:16): I rise to also take note of answers given by Senator Wong at question time today to questions asked by coalition senators, regarding the carbon tax. Just how typical it is of the Labor Party that, when they are asked for comments regarding job losses—in my own home state of Victoria, in the western suburbs, a particular region of socioeconomic disadvantage—they go straight to criticising Work Choices instead of dealing with the reality of the legislation in front of us this week that will lead to job losses. Where will the 150 workers who were mentioned during question time go so that they can pay their mortgages today, this week, this year? Where are the green jobs, not in five years time but today? Where are the training programs that will reskill these workers who are losing their jobs now, as a result of the uncertainty brought about by this clean energy legislation?

Speaking of job losses, I would like to mention an industry in our nation that is a significant employer: the dairy industry—40,000 jobs nationwide in the dairy industry, an industry that is particularly energy intensive and will be significantly impacted by the imposition of a carbon tax and the subsequent increase in electricity prices. This is despite agriculture not being directly taxed, as said in one of the many documents I have here as a result of our work this week, *Securing a clean energy future*. The modelling that is publicly available, including the assumptions used for calculations by the dairy industry, has indicated that individual dairy farmers will see an increase of \$6,000 per annum in their electricity costs. That is not to mention the flow-on effects for milk processors, transport after 2014 and even fridges, because that milk eventually goes down the supply chain and ends up in people's fridges, adding to the costs that householders will be subjected to.

Talking about the fridges holding the milk that will be subject to increased electricity prices, if we go to figure 8.2 on page 84 of *Securing a clean energy future*, we can see that the data on household emissions is based on household emissions in 2007. As the note below the figure says of the data:

... based on 2007 household emissions (the latest year for which the necessary detailed data are available).

So we are modelling all of this on data from 2007, which is the most recent data available—that is, four years ago. There are decisions being made on data that is so old. My comment would be: how are we going to monitor the success of this legislation in reducing emissions of CO<sub>2</sub> and in changing households' behaviour so that we can move forward to real action, in the long term, on climate change if we do not know how to collect the data, if we do not have the mechanisms in place to understand how much electricity households use day in, day out? How can we model it if we cannot get our hands on the data? This government answers questions by providing assumptions based on modelling of data that we cannot use.

I want to refer to a comment Senator Farrell made earlier. He said that 90 countries, representing over 80 per cent of global emissions and over 90 per cent of the global economy, have made a pledge to reduce those emissions. But none of them are taking the type of drastic action on climate change that this government is. None of those 90 countries has decided to impose a tax that will significantly damage their nation's economy—and why would they, in the current fiscal climate at the global level? Why would you damage your competitive advantage, particularly when you are a resource-intensive economy like Australia? Why would you risk losing your jobs and your exports for no environmental gain? I think that those 90 countries that Senator Farrell mentioned have not done so because they know how ridiculous this carbon tax is as a policy response to climate change. As we have said time and again, no matter how much paper has been used, no matter how many trees have been felled, in order to produce the legislation that we are considering this week, nothing will make this a good tax or a good response to climate change.