



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

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

Carbon Pricing

SPEECH

Tuesday, 20 September 2011

BY AUTHORITY OF THE SENATE

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Page 5853
Questioner
Speaker Senator McKENZIE

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Senator McKENZIE (Victoria) (15:15): I too rise to take note of a question asked by Senator Birmingham of Senator Wong, who stated that the impact of the carbon tax was modelled on the entire economy. We would really love to see some of that modelling. My constituency would love to see the modelling of the carbon tax impact on those in regional Australia. In regional Australia, we know emphatically that a one-size policy does not fit all. The Queensland and Victorian governments can model the impacts of the carbon tax. Why can't the federal government release their modelling? We need to know because it is sapping confidence from regions that are already under stress.

I am here today to give the government some benefit from the detailed modelling released by the Victorian government on the impact for Victoria. It was commissioned by the Department of Premier and Cabinet and conducted by Deloitte Access Economics. The results show that in 2015 there will be 35,000 fewer jobs in Victoria than otherwise, aside from the carbon tax, which represents a decrease of 1.8 per cent in our economic output as a state. This modelling includes detailed analysis of the impact of the carbon tax on regional Victoria.

The modelling shows that the Latrobe Valley will experience severe hardship as a result of the carbon tax. By 2020, there are set to be job losses of over 874 workers in the Latrobe Valley, an area that has been through significant restructuring over the recent past. In my local constituency of Bendigo, by 2020 there will be 705 fewer jobs as a result of the government's carbon tax. This represents a 1.3 per cent decrease in employment locally. In Ballarat, another huge regional centre, there will be 663 fewer jobs by 2020, representing a 1.2 per cent decrease in employment. I hope Mr Steve Gibbons, the Labor member for Bendigo, and Catherine King, the Labor member for Ballarat, will consider walking those 10 short steps in the other place to stand up for their constituencies and their workers.

In Shepparton in the north-east of Victoria, the modelling suggests that there will be 319 fewer jobs in an area where food processors such as SPC Ardmona are already closing as a result of external factors. That puts more pressure on these regional

economies. In Mildura, there will be 222 fewer jobs by 2020. Regional Victorians spend more on energy and transport than those who live in Melbourne. Whilst agriculture is out for now and transport—so vital to our way of life and crucial to the viability of our local industries—has a temporary reprieve, the increased on-costs are definitely an issue for those of us who live outside the capital cities.

The Victorian Farmers Federation are concerned with the substantial indirect costs involved with the carbon tax scheme. While fuel is excluded, the major cost impact will be on electricity use. We do not have any doubt about that. It is estimated that this could cost a dairy producer \$6,000 a year—\$6,000 a year for every dairy farming family right across regional Victoria and, indeed, other states.

The Victorian Employers Chamber of Commerce and Industry, VECCI, has also strongly criticised the carbon-pricing model and its lack of support for small- and medium-sized businesses. These mum-and-dad businesses are the backbone of regional economies. They employ over 75 per cent of our workforce locally. Ross Weightman from a Mildura packaging and supplying company has said that products will probably end up being imported because of the effect of the tax on the manufacturing industry and the like.

This policy is also going to affect our public hospitals and transport, with modelling showing that our public hospitals will be seeing over 2,500 fewer operations as a result of the increased cost of electricity. Let us face it: the government needs to look at how regional areas will once again be carrying the can for their failed policy misadventures.