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PARLIAMENTARY DEBATES



THE SENATE
PROOF
ADJOURNMENT
Carbon Pricing
SPEECH

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BY AUTHORITY OF THE SENATE

SPEECH

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Speaker Senator McKENZIE

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Senator McKENZIE (Victoria) (23:46): Tonight I stand here to make some additions to my remarks made a fortnight ago on the Clean Energy Bill. The passing of this insidious carbon tax was a very sad day for our nation, as we go it alone with a policy which is all economic pain for no environmental gain. Next week, environmental leaders from across the world are preparing to meet in the South African city of Durban for the next round of UN climate change negotiations. It is an obvious fact that Australia is way out in front of international opinion on the issue, so nothing we do will make any discernible difference to the world's climate. Last week, President Obama confirmed beyond any shadow of a doubt that the United States will not have a carbon price in place anytime soon—nor will India, nor will China. We rush to Durban to convince everybody to get on board with what we imposed on our economy and on our nation two weeks ago. President Obama also confirmed that the United States will not be a part of a global carbon trading scheme anywhere near 2016.

The government owes it to the Australian people to redo the carbon tax modelling. We have heard time and time again, in question time in this place, people—in particular, my colleague Senator Boswell—passionately advocating and seeking not just the modelling but also the assumptions that the modelling is based on. The rest of the world are walking away from imposing a carbon tax on their economies in these uncertain times. We saw what happened in Copenhagen. We are seeing the Kyoto protocol being abandoned by powers and big emitters. We have read in Europe's leading news magazine, *Der Spiegel*, about the death throes of the Kyoto protocol. 'There is little prospect that next week's climate summit in Durban will produce an emissions reduction agreement,' according to that magazine. If this is the case—and all evidence points to this outcome—then the only reason can be that this was the price of government.

The passage of the carbon tax through the Senate is a betrayal of the Australian people by the federal Labor government and the Greens. While the Labor government and the Greens continue their partying, I doubt that Victorian families, particularly small business families in the regions, will be joining in the

celebrations. Small business and regional Australians will be the hardest hit by this tax, and I doubt that they were rejoicing last week or will be rejoicing going forward into Durban.

As the daughter of a small business owner and operator, I am particularly interested in how small businesses will be impacted by the tax. I went to the government's own document, *Securing a Clean Energy Future*, and on page 58 I was very, very buoyed to find an entire section on the support for small business. Fantastic. It is going to be okay. I was heartened. I directly quote from that section:

When it comes to indirect impacts, most small businesses will not be materially affected—

and here is the clincher—

Nevertheless, many small businesses may wish to make a contribution towards the move to a clean energy future.

Fantastic. There is very little impact by the sound of it. But you can make a contribution—it is sort of like a tithe, not a tax—to a clean energy future. The Victorian government did some modelling on carbon tax, and I am not sure that small businesses in the regions will be celebrating. I am not sure that small businesses in the regions will be keen on making the type of contribution towards a clean energy future that the government has in mind for them, with increased electricity costs and transport issues after 2014.

I would like to quote a couple of examples from that modelling by the Victorian government, which I have spoken about before. The contribution that dairy farmers will make will be upwards of \$6,000 per year on their electricity bills; a pizza shop will be close to \$1,000; a hairdresser will be the same; a country pub will be a little less than \$1,000. This will be their contribution to a clean energy future. Fantastic. I would also like to pick up on something that Senator Williams mentioned today in question time, which is that the abattoirs out in the regions will have high electricity costs with, let us face it, very little opportunity to find a less carbon intensive way to go about their core business every day. So, essentially, I think what we find is that this government does not understand small business. We know that.

Page 58 of the government's document further confirms the fact that, whilst they are making the assurances that I mentioned earlier regarding the nonimpact of the carbon tax on small businesses, they go on to confirm the actual release of \$40 million in a grant program that will assist small business to manage the impacts. So there are not going to be any impacts, but here is some money just in case there are. Again, there will be extra costs to small businesses: time wasting with filling the forms out; increased electricity prices; and, for those of us in the regions, the increased burden of transport after 2014.

After only 26 hours of debate in the Senate the government put an end to it and rammed this unpopular legislation through the parliament. There were only 26 hours to debate the sum total of 17 bills—17 pieces of legislation that stood half a metre high on my desk; 17 bills that would have taken me a month of Sundays to read, absorb and understand, let alone for the Senate to debate, analyse and give full scrutiny; 17 bills that will severely impact our economy and communities.

In last week's *Bendigo Advertiser*, the ALP member for Bendigo, Steve Gibbons, agreed that the legislation was a modest start to deal with climate change, a lot of economic pain for not a lot of environmental gain—and the member for Bendigo agrees. Mr Martin Feil is an economist with national and international credentials and is an expert on Productivity Commission reports. He has published extensively and writes regularly for national newspapers and is on the ABC website. Writing in the *Australian* earlier this month—and I am glad Senator Conroy is not here to interject on anything that is quoted from the *Australian*—Mr Feil told us that not one country is moving to implement an economy-wide carbon tax as Australia is doing. This tax will impact on every aspect of our economy. We are going it alone. The carbon tax was a debt paid by the Labor Party to Bob Brown, and he will be the town crier in Durban, the lone wolf, seeking a pack. Current CO2 reduction agreements under Kyoto expire at the end of 2012 and there is enormous resistance to new targets.

The Prime Minister is fond of saying that the coalition is on the 'wrong side of history' on the question of this carbon tax. But we are now isolated in the world. Our economy will be enfeebled. Manufacturing exports will be unable to compete, and the only historical question senators will ask in the years to come is: 'Why did we let a Greens minority make her do it?'