



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

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

Carbon Pricing

SPEECH

Tuesday, 19 June 2012

BY AUTHORITY OF THE SENATE

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Questioner
Speaker McKenzie, Sen Bridget

Source Senate
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Responder
Question No.

Senator McKENZIE (Victoria) (15:14): I rise from my rock to take note of all answers by Senator Wong, dragging my knuckles all the way. The carbon tax: I did want to touch on something Senator Carr mentioned in one of his answers that tickled my fancy. He said that he did not want to deny—

The DEPUTY PRESIDENT: Order, Senator McKenzie! You cannot take note of the answers given by Senator Carr as the motion is to take note of answers only of Senator Wong.

Senator McKENZIE: Yes, I am getting on to that. I will focus on that then. Senator Wong was answering a lot of questions about the carbon tax, which arrives on our doorstep in less than a month. The Treasurer and Acting Prime Minister, Mr Swan, told his caucus colleagues this morning that the carbon tax would be a 'game changer'. You can bet your bottom dollar it is going to be a game changer. You know what is really important in playing any sort of game, particularly field games? It is a level playing field. We will not have one. Australian businesses will not have one. They will be snookered. They will be behind the eight ball, thanks to being lumped with this carbon tax.

Last Friday, the Gillard Labor government released a further list of local councils that will experience a significant carbon tax hit due to their landfill operations. In my home state of Victoria the outermetropolitan councils of Hume and Wyndham will be affected, as will the City of Greater Bendigo, and the great regional city of Geelong will be severely impacted. Councils will then have to charge ratepayers. This is in addition to the local councils that were previously mentioned, particularly Wagga Wagga, with their significantly increased bills for landfill issues because of the carbon tax that many of them have not put into their forward planning. They are going to be sluggish.

Some on the other side have been raising the issue of compensation. Nine in 10 households, I heard it said, will be compensated. My question is: where is the incentive to change behaviour if we are going to be compensating households to the extent that we are? We have the same policy as the government. We do want to reduce greenhouse gases by 2020 by five per cent. That will require all of us to change our behaviour.

That brings me to the incentives and the strategies in this policy implementation phase that this government has been undertaking over recent weeks and to the advertising campaign around the carbon tax. What a waste of money it is when we are talking about behaviour change. We had a carbon tax ad that did not even mention it. \$70 million was spent to tell people that they would find money in their bank accounts. You do not have to do anything to get it; it is just going to be there. When questioned during estimates on the folly of this sort of policy, it was acknowledged that, 'Sometimes we advertise so that those who are not eligible know they are not eligible.' I thought it was an odd strategy to pursue and a waste of money, but this government has form on that sort of behaviour with their policy implementation.

What I think is not being spoken about enough is the annual increases in electricity prices due to the carbon tax—year in and year out. It comes at the worst possible time for Australian families and businesses. Business is already hurting. One company on the big polluters list is Australia's largest dairy company, Murray Goulburn, which recently announced 300 job losses. I would like to take note of two mayors representing great Murray Goulburn dairy-producing districts in the gallery today—Kevin Simpson and Alex Monk from the Victorian region. Australian businesses are under pressure as they struggle with the continued high dollar and increased input costs, as admitted by Minister Combet last month. But the coming carbon tax for a business like Murray Goulburn slugs the producer and the shareholders. That is not to mention the dairy farmers', the actual producers, \$10,000 electricity cost before we get the milk out of the farm gate. My state's largest exporter off the dock every day and a regional success story, Murray Goulburn is now bearing the brunt of the government's failed policy—and we are sick to death of it.