



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

MOTIONS

Carbon Pricing

SPEECH

Monday, 14 July 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Date Monday, 14 July 2014
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Questioner
Speaker Prentice, Jane, MP

Source House
Proof No
Responder
Question No.

Mrs PRENTICE (Ryan) (11:17): I move:

That this House:

- (1) understands that the carbon tax has caused a reduction in confidence and competitiveness for small business;
- (2) notes that:
 - (a) the carbon tax has seen gas and electricity prices rise by around 10 per cent;
 - (b) the former Government did not provide compensation for small businesses hit by the carbon tax;
 - (c) many small businesses are run at a very slim profit margin and are unable to pass these costs on to the consumers, forcing them to absorb the burden of the carbon tax themselves;
 - (d) with the cost of doing business increasing due to the carbon tax, small businesses lose confidence, invest less money in their business, and are forced to employ fewer staff; and
 - (e) under the former Government, too many small business jobs were lost; and
- (3) commends the Government's action to repeal the carbon tax to provide certainty to small business and restore the sector's competitiveness, viability and capacity to employ.

Six years of the previous government's reign of chaos has resulted in the highest level of debt and the fastest rate of increasing debt in our nation's modern history. Under Labor, Australian small businesses have been doing it tough. Labor legislated more than 20,000 pieces of new regulations, placing an unnecessary burden on the cost of doing business. However, as if this were not enough, Labor also introduced the world's biggest carbon tax, sending the cost of doing business in Australia skyrocketing.

After promising in 2010 not to introduce a carbon tax, the then Prime Minister, Julia Gillard, blatantly backflipped on her promise to the Australian people and introduced a carbon tax, after being manipulated by her coalition with the Greens. After originally supporting the carbon tax, Kevin Rudd later changed his mind and decided not to support it, before then opting for an emissions trading scheme. Now we have Bill Shorten, who is just as inconsistent, who sways in the wind, when it comes to caucus allegiances and policy positions on the carbon tax, saying one thing to electors in Western Australia and another to those on the east coast.

Small businesses are doing it tough. The coalition government recognise this, which is why we have pledged to cut red and green tape and to repeal the carbon tax. We have delivered on our promise to establish a one-stop-shop for green tape. We have already repealed more than \$700 million of red tape in our first repeal day, and we have introduced carbon tax repeal legislation three times to parliament, only to have it rejected by the Labor-Green alliance in the Senate.

I note that the carbon tax legislation is now before the new Senate, and the coalition hopes for a sensible result in support of the bill. Unfortunately, the responsible decision by the new Senate, while necessary, comes slightly too late. As a result of the Greens and Labor blocking the carbon tax repeal legislation, two weeks ago marked the second anniversary of Labor's destructive carbon tax, which means even higher power bills for families, more jobs at risk and more damage to Australia's international competitiveness. On 1 July the carbon tax increased by five per cent, from \$24.15 to \$25.40 per tonne. The world's biggest economy-wide carbon tax just got bigger.

In its first two years of operation, the carbon tax has been a \$15.4 billion hit on the Australian economy. Seventy-five thousand Australian businesses are directly hit by the carbon tax, and this flows through to impact on every Australian's cost of living. One small business in my electorate of Ryan had this story. Luke Sherman, owner

of Cave Coffee in Keperra, asked me during the election campaign to imagine a cheese sandwich—a humble cheese sandwich, with no ham, no tomato, no spreads; just a plain cheese sandwich. How much do you think that would cost at your local cafe? Around \$4? For Luke, his food costs went up by around 25 per cent with the introduction of the carbon tax. By the time a cheese sandwich lands in Luke's refrigerators, ready for his customers, he has essentially received it 'fourth-hand'—and paid for it. The cheese has made its way from the factory and the bread from the bakery to the wholesaler. At this stage, the transportation of the goods has incurred carbon tax and now the wholesaler will pay extra in his electricity costs as a result of the carbon tax. Once Luke has received the goods from the wholesaler, he has to pay any extra costs that have been passed on, as well as paying extra on his own electricity bills. So, in the end, Luke has to make a decision: does he pass the extra cost on to his customers; does he stop stocking certain types of food; or does he, like many other owners, take a pay cut and wear the extra costs himself?

Luke used to own two coffee shops—one in Keperra and the other in Fortitude Valley. He had to close his Fortitude Valley shop because it was no longer viable. But, on a more positive note, he says that consumer confidence is returning since the change of government. He says that people are much happier with a stable government, and he is looking forward to the economy improving under the coalition. I remain hopeful that the new Senate will do the right thing by all Australians and repeal this unfair hit on Australian families and businesses; they need to repeal the carbon tax.

The DEPUTY SPEAKER (Mr Mitchell): Is there a seconder for the motion?

Mr Entsch: I second the motion.