



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

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REDUCTION SCHEME BILL 2009**

**CARBON POLLUTION REDUCTION
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AMENDMENTS) BILL 2009**

**AUSTRALIAN CLIMATE CHANGE
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**CARBON POLLUTION REDUCTION
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**CARBON POLLUTION REDUCTION
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Second Reading

SPEECH

Wednesday, 3 June 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Cobb, John, MP

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Mr JOHN COBB (Calare) (8.40 pm)—Before I get into the debate on the Carbon Pollution Reduction Scheme Bill 2009 and related bills, I want to pose a question to all Australians and particularly to the Labor government: where do you think our food comes from? I strongly believe food and water security will become one of the defining issues of the 21st century, if it is not already. The legislation we are debating tonight is a debacle and should be voted down. It is nothing but a tax on production that will drive businesses and jobs offshore and all it will achieve is a new export in carbon emissions.

Electorates such as Calare, which are exporting, wealth-generating electorates, will bear the brunt of the Rudd government's emissions trading scheme, which is nothing more than a new tax with another name. The effect of this legislation will be felt much more brutally in regional Australia than it will be in the capital cities. Yet those opposite have done nothing to negate the effect of this legislation on our agricultural sector. Agriculture is the only bright light in our economy and the only sector to record any growth in the last quarter of the last calendar year. It also recorded major growth in exports in the first quarter of this calendar year, which led to that small growth which kept Australia out of recession in the last figures. And it has been ignored by the Rudd government.

Whether it is the current drought or future climate change, the result is a drier weather cycle. To put it simply, we cannot eat a computer generated climate change model. What we need is government investment into research on practical measures which will allow our farmers to increase productivity. For example, this involves investment in new plant varieties which are disease resistant and which can tolerate dry conditions. Yet all we have got from this government is massive cuts to research and development in this year's budget. Having slashed R&D funding, it was the height of hypocrisy for the Minister for Agriculture, Fisheries and Forestry, Tony Burke, to swan around Europe as an observer to the G8+ Agriculture Ministers Meeting in April, where he claimed in a media release:

Australia has a major role to play in meeting the global food shortage and boosting global food security ... We believe investment in agricultural research will be essential ...

If only his actions matched his words. Our farmers are already being forced to produce more with less—less water through drought, and less arable land due to the expanding population—and without increasing public expenditure to dramatically increase productivity there is the very real possibility of Australia becoming a net importer of food when the world population is set to double within the next 30 years and the ravages of global warming are meant to hit us.

In a joint media release the Minister for Foreign Affairs and the Minister for Agriculture, Fisheries and Forestry recently stated:

... there are already 925 million people around the world who are malnourished and for the first time since 1973 the world is facing the combined impact of record oil and food prices.

One hundred million of the world's most poor and disadvantaged risk being driven deeper into poverty by the recent escalation in food prices.

Yet the Rudd government is spending less money on researching and developing new plant varieties and farm management practices to increase food production than it is on promoting and popularising its economic stimulus package. In fact, the Rudd government thinks so little about where our food will come from that agriculture is the only sector which is not receiving free permits; nor does it have a \$500 million clean coal fund.

The Minister for Agriculture, Fisheries and Forestry has been very slow in releasing information about the impact that the Rudd government's emission trading scheme will have on agriculture and food production, manufacturing and processing. The government has no idea and nor does it care about the effect of this legislation on agriculture. Despite two reports from his own department finding that the ETS will have a major negative impact across all commodities whether agriculture is covered under the scheme or not, the minister for agriculture

keeps on saying that farmers will simply reorganise their businesses. If anything shows his total lack of knowledge of his own portfolio and the people who are involved in it, the farmers, that statement does.

The latest ABARE report to come out of the minister's department, titled *The effects of the Carbon Pollution Reduction Scheme on the economic value of farm production*, finds that agriculture will be hit hard from day one under the Rudd government's ETS. Interestingly, this is the first time that ABARE has admitted that there will be severely negative impacts on agriculture as a direct result of the legislation that we are debating now. The ABARE report states:

Even if the agriculture sector is not a covered sector under the CPRS, agricultural producers will face increased input costs associated with the use of electricity, fuels and freight and may face lower farm-gate prices for their goods from downstream processors. These will have implications for the economic value of farm production.

Farmers know that whatever the people above suffer in costs they will take off what they are willing to pay. You do not have to be Sherlock Holmes to figure out that just about every bit of food and fibre grown in Australia has some form of processing, manufacturing and/or transporting before it is eaten or worn. Yet none of our manufacturers will be eligible for free permits to offset the cost of the ETS. The report finds that graziers will be hit particularly hard and producing beef will be next to impossible, with returns expected to drop by 22 per cent. Producers of wool, mutton and lamb are also set to take a whopping 17 per cent cut to their income. These are from the figures of the minister's department, not from others that show far worse effects.

I fail to understand how the Rudd government believe anything that breathes and breeds can be polluting our environment. The amazing thing about this is that we are going to destroy our beef industry, yet the global warming zealots are not interested in doing anything about India, which has a cow herd of over 250 million—over a quarter of a billion—while to those zealots Australia's 28 million obviously pose a huge threat. I cannot see the Hindus allowing their sacred cows to be slaughtered to contain emissions. An interesting but little known point is that people who have a balanced diet, including red meat, emit less noxious greenhouse gases than vegetarians, who eat a diet heavy in pulses and beans. The Prime Minister should take note.

Grain growers are not missed, either, with their income predicted to fall by 14.5 per cent. The dairy industry, already struggling because of low export prices, will lose another 11 per cent of the bottom line because of the emissions tax. Every family needs a farmer to survive, but no farmer can survive the Rudd government's 20 per cent cut of their bottom line. We are finally starting to see some figures on the cost of the ETS to food production, and even the government's own modeller cannot hide the shocking effect that its ETS will have on farm productivity. Where does the minister for agriculture, Tony Burke, and the Prime Minister, Kevin Rudd, think that their food will come from when all our primary producers have been sent broke? The simple fact is that food and water security will be the defining issue of the 21st century.

The opposition's amendment to defer this legislation until after the Copenhagen conference is sensible. Not only do we need to know what the rest of the world is proposing but we also need to know whether there will be changes to accounting and measuring tools under the current Kyoto agreement. If there are no changes to the accounting rules, then positive and practical measures such as no till cropping, biochar or voluntary carbon markets will simply not happen. They will not count towards the greenhouse gas inventory accounting for the Kyoto target.

The Rudd government's emission trading scheme is not only biting the hand that feeds it but gnawing the hand off up to the elbow. As I asked at the start: where do you think, Prime Minister, your food will come from under this scheme? For the minister for agriculture to stand here a day or so ago and say how much worse agriculture would be because of global warming if we do not do this totally ignores the fact that no-one else in the world is proposing a scheme like this at the moment. The minister for agriculture talks about less rainfall and less water and how farmers will be hurt by it if we do not fix it. But nobody else wants to fix it in the same way Kevin Rudd does.