



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



## **THE SENATE**

### **CARBON POLLUTION REDUCTION SCHEME BILL 2009**

### **CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009**

### **AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009**

### **CARBON POLLUTION REDUCTION SCHEME (CHARGES-CUSTOMS) BILL 2009**

### **CARBON POLLUTION REDUCTION SCHEME (CHARGES-EXCISE) BILL 2009**

### **CARBON POLLUTION REDUCTION SCHEME (CHARGES-GENERAL) BILL 2009**

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**CARBON POLLUTION REDUCTION  
SCHEME (CPRS FUEL CREDITS) BILL 2009**

**CARBON POLLUTION  
REDUCTION SCHEME (CPRS FUEL  
CREDITS) (CONSEQUENTIAL  
AMENDMENTS) BILL 2009**

**EXCISE TARIFF AMENDMENT  
(CARBON POLLUTION  
REDUCTION SCHEME) BILL 2009**

**CUSTOMS TARIFF AMENDMENT  
(CARBON POLLUTION  
REDUCTION SCHEME) BILL 2009**

**CARBON POLLUTION REDUCTION  
SCHEME AMENDMENT (HOUSEHOLD  
ASSISTANCE) BILL 2009**

**Second Reading**

**SPEECH**

**Tuesday, 11 August 2009**

BY AUTHORITY OF THE SENATE

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## SPEECH

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**Speaker** Nash, Sen Fiona

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**Senator NASH** (New South Wales) (7.06 pm)—I rise tonight to make some remarks about the Carbon Pollution Reduction Scheme bills that we have before us. When I came into this place as a Nationals senator my focus was, and still remains, on regional Australia and on making the best decisions I possibly can for regional Australia. To not support this ETS is the only decision I can possibly make. As my very good colleague Senator Joyce said the other day, this is an employment termination scheme; it is an extra tax system. That is what it is, and it is going to rip the guts and heart out of regional communities.

Let us have a look at what the government wants to do. The government very simply wants to reduce greenhouse gas emissions, but what we are seeing is a Prime Minister who, as my colleague Senator Cash said earlier, is strutting his stuff on the world stage trying to promote himself as the global leader in making sure we take the right steps forward. It is an absolute load of rubbish. Any solution to reduce emissions has to be global. We cannot simply do it from Australia. Only 1.4 per cent of global emissions come from this country. Quite simply, if the rest of the world is not on board, we are not going to make a drop-in-the-ocean difference—not one drop. Yet what have we seen? Very little movement from the rest of the world and our gung-ho Prime Minister determined to show that he can lead the rest of the world on what we should be doing. What is the point of that if our emissions—at only 1.4 per cent of the global emissions—are the only ones on the playing field?

And this will be at what cost? The costs are going to be absolutely huge. There will be costs to jobs. Two-thirds of the unemployment that will result from the ETS will occur in regional Australia. I am not going to stand here and say: ‘That’s okay, Prime Minister; that’s fine. We’ll watch two-thirds of those jobs disappear out of the regions.’ It is not right and it is not on. And for what? An Access Economics report said that Labor’s ETS would cost more than 126,000 jobs nationally. I think there would be around 66,000 jobs in the mineral industry alone. What are we looking at? Let us look at it from both sides. There would be 126,000 jobs gone, but for what benefit? If the rest of the world is not on board, what would be the benefit? I am not going to stand here and watch an ETS rip the guts out of jobs in our regional communities and say that that is okay, because it is not okay and it is not right. The costs to regional communities will be enormous.

The agricultural industry will be particularly hard hit by the Rudd government’s ETS. What have we seen? There will not even be a decision made until 2013 about agriculture and it may then be in 2015. What kind of certainty does that give to our farmers? What kind of path forward do they have when they have no idea what the future holds for them? My colleague Senator Adams in Western Australia knows very well the consternation that this is causing and the absolute disregard we are seeing the Labor government have for our agricultural communities. As if it were not bad enough for agricultural communities at the moment, they have to also deal with whether or not this is going to come in.

The interesting thing is that, even if agriculture is excluded, regional Australia and our agricultural industries are still going to be incredibly hard hit. Our farmers are at the bottom of the food chain. They are at the end of the line and the buck stops with them. Everything flows down to them. We know that as a result of the ETS there will be enormous imposts and huge increases on things like transport, fuel and electricity and inputs for farmers such as fertiliser and packaging. Guess what? The buck stops with the farmer. All those costs are going to be dropped in the laps of the farmers in those communities. So, even if agriculture is not included, our regional communities and our agricultural industries will still have to deal with the enormous negative impacts. To simply say, ‘Agriculture might not be included,’ is not good enough. It is not good enough because the difficulties they are going to face are still there and they have no capacity to offset the costs.

One thing we do hear talked about quite a lot is carbon sequestration and how important it is in terms of getting carbon back into the soil. Interestingly, under Kyoto it is not even counted. They will not even let you get the credits for it. All this good work that the farmers do is not counted. Farmers know that if they do not look after the land then the land will not look after them. We have seen such tremendous changes in practices and innovation across our farming communities for years now—improvements to how we look after the land and

the environment—and what is happening to our farming communities? They are getting kicked in the guts by Labor's ETS. Labor could not care less about our farming communities. They simply do not care.

As if farmers were not doing it tough enough already with years and years of drought, we have seen increases in inputs over the last 10 years, particularly for things like fertiliser, ripping the guts out of the farmers, their enterprises and what they are trying to do. What is the Labor government now going to do? Whack on another tax—and I take you back to my opening remarks—for what? For 1.4 per cent of the world's emissions. All of this is going to be sheeted home to our farmers. They are going to have to cope with it, and for what?

I want to go to some of the reporting that has come out on regional communities. It is interesting to note that some of these reports—both government funded and by government departments—have significantly focused on the impact that this is going to have on our regional communities. ABARE's 1 June 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—

and we know that is going to happen—

from downstream processors. These will have implications for the economic value of farm production.

ABARE says that the economic value of farm production in broadacre industries could fall between 0.3 per cent and 1.9 per cent in 2011 and by 2015 that fall could be between 9.1 per cent and 14.5 per cent.

Then on 4 May the government funded Rural Industries Research and Development Corporation released a study on farm impacts of an Australian ETS, prepared for them by the Centre of International Economics. These are some of the key findings. The CPRS will affect agriculture both directly through cost associated with a need to either buy permits or reduce emissions and indirectly through cost increases elsewhere in the economy. Farm costs will rise even if agriculture is not included in the CPRS. The CPRS will have a significant impact on the livestock sector. Farm cash income for the average beef farm would fall by over 60 per cent under a full participation scenario with a carbon price of \$25 per tonne of CO<sub>2</sub>, or 125 per cent at a carbon price of \$50 a tonne. These are the sorts of figures that our farmers are looking at at the moment. This is followed by an average beef-sheep farm with cash income down by 90 per cent if the permit price is \$50 a tonne. Profits for all farms would fall.

This is the sort of future that our farmers are facing under this ETS—it is simply not right. I thank Senator Adams for her interest in what I am saying because I know, as I said before, she understands—as so many of my colleagues do on this side of the chamber—the impact that is going to fall onto our regional communities. They are not going to be able to cope. It is as simple as that. Yet this government goes forward and puts in place an ETS that is going to rip the heart out of our regional communities. We have heard a lot from the other side, and, of course, we are very well aware of the global economic downturn, that agriculture is the very sector that is holding this country up at the moment. It is the very sector that is working its guts out. It is one of the shining lights that we can actually see across this country making sure that we have a viable future. So we have this sector that is doing the work—that is the engine room of this country—and this government is trying to rip the guts out of it through the imposition of an ETS. It is simply wrong.

We have seen the Australian Farm Institute also come out with a number of findings. One finding which is particularly interesting is that by 2030 beef gross value of production is projected to fall by \$6.6 billion if agriculture is included in the ETS. This is followed by: wool, \$1.1 billion; sheep meat, \$1 billion; dairy, \$793 million; wheat, \$497 million; pork, \$318 million; and poultry, \$318 million. Under the ETS, this is what is going to happen to the sector that we want to drive the future recovery of this nation.

The New South Wales government, under some research commissioned into the regional impacts of the scheme, found that regional centres such as Gippsland, Geelong, central western Queensland, Hunter Valley, central Western Australia, Kimberley, Whyalla and Port Pirie would shrink by over 20 per cent under the ETS. Could you imagine if we said to everybody across Australia, 'By the way, the economy is about to shrink by 20 per cent right across the nation.' There would be an outcry. But, oh no, it is fine if we can look at that happening in the regions because the regions are 'over there somewhere', they do not particularly matter! Well, they do. They matter enormously and it is extremely disappointing that the other side of this chamber do not understand how important it is.

That New South Wales report is talking about how the regions may experience economic impacts much more severe than the average. In the Hunter, we are talking about five times the average. In the Illawarra, it is going to be twice the average. There is a significant amount of work in the report showing how much the regions are going to be belted.

Farmers are at the bottom of the food chain, with no ability to pass on those costs, and for what? I will not stand here, in this chamber, and vote for this ETS when we know quite clearly and simply what it is going to do to our regional communities. I said at the beginning when I came into this place I would make sure that I made the right decisions for regional communities—that I would do the right thing by them. I will not stand here and vote for legislation that is going to rip the heart cleanly out of regional Australia.

The following point is extremely important: there is not a direct correlation between support for the ETS and supporting a cleaner, healthier future for the environment. Many people out in the community, who have been caught up in the Labor spin on all of this, are under the impression that if they support an ETS they are supporting a better environment. This is simply rubbish. I say to the people of Australia that you can absolutely—as we do on this side of the chamber—support a cleaner, healthier, viable future for the environment, not only right across this country but also right across the globe, without supporting this ETS. They are not tied.

I also say to the people of Australia—if indeed anybody is listening—

**Senator Payne**—I am listening.

**Senator NASH**—Thank you very much, Senator Payne. I do also note how concerned you are about this issue. I say to every single man, woman and child across this country who believes in an ETS: do you know what an ETS is? Just sit down and think to yourselves: do you know how it is going to work? Do you know what it means? Do you know how it is going to impact your life? Do you know if it is going to impact your job? Do you know if it is going to impact you when you walk into that supermarket once the ETS comes in and prices go up? Do you know how this scheme works? If the only reason you are supportive of an ETS is because you think you are doing your bit for the environment, then I would ask you to reconsider. There are so many other ways to ensure we have a viable future and a very clean, healthy environment right across the world without supporting this ETS. There are other ways you can do it and I would ask you to very seriously consider this: if you support an ETS do you really know what it is?

We need to make sure that we continue to do everything we can in terms of renewable energy. One of the interesting things that the world is grappling with is peak oil. We should be out talking about our reliance on fossil fuels and making sure that we can reduce that reliance. Scientists predict that in about 2010 we are going to hit peak oil. Where are we going with our renewables? We must make absolutely sure we do everything for the environment in terms of renewable energy. We must make sure that we do not miss the opportunity to provide incentives to businesses to reduce their emissions regardless of an ETS. We must make absolutely sure that we have policies in place so there is a carrot for those industries to reduce their emissions.

It is a very interesting road that we have been travelling along in this debate on the ETS. One point is that there has not been much debate about global warming around this whole issue. Over the time that it has been at the forefront, debate about global warming has not really been allowed. I agree with what my colleague Senator Eggleston said before when he said he believed in climate change. So do I, absolutely. The climate has been changing for millions and millions of years. It is about the cause and, far more importantly for farmers, it is about adapting to change and making sure that they have got risk management practices in place to adapt to that change.

One thing that has concerned me is that we have not had a debate about whether or not global warming is occurring. It is a bit like the Spanish Inquisition. If you dare to even ask the supporters of global warming a question about some of the science, you may as well be under the Spanish Inquisition because you are a heretic. That is not right and that is not on. I was brought up to question things, to think about things and to ask questions about the issues that were put before me. But have we ever seen that in this debate? No, because we have been given one side of the argument. If you do not take that side of the argument then you are an absolute sceptic; you are a nonbeliever. Well, I would say that questioning is healthy, sensible and smart. There are a range of scientists out there who have a different view. Ian Plimer, Bob Carter and Bill Kininmonth are among a number of scientists out there who have a different view. I would say: have we actually listened to an alternative view at all? Do we ever actually think about whether or not the premise for global warming is actually correct? I would suggest it has been a very one-sided debate.

In conclusion, I will never step away from the people of regional Australia. I will never stop making what I believe are the right decisions for regional Australia regardless of the impacts those might have, because regional Australia is the engine room of this country, it is driving this country and it is driving this nation. We should start giving the farmers of this nation the respect that they deserve, because they are out there, day in and day out, producing for us, making sure we can feed our nation and making sure we can feed the rest of the globe. Food security is an issue for another day. We need to make sure they have our support every single day, day in and day out. They will have mine on this issue and I will not be supporting the ETS.

Debate (on motion by **Senator Stephens**) adjourned.

Ordered that the resumption of the debate be made an order of the day for a later hour.