



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE
MATTERS OF PUBLIC IMPORTANCE
Carbon Pricing
SPEECH

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SPEECH

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Speaker Bernardi, Sen Cory

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Senator BERNARDI (South Australia) (3.41 pm)—In any normal environment it would be unbelievable to hear a government propose a massive new tax, a change in the fundamental way in which Australian businesses operate that is going to have a profound impact on Australian families, without any detail. In the normal range of circumstances, that would be simply impossible for the Australian people to swallow. But it is the track record of this government that they throw policy options out there and they say, ‘This is what we’re going to do, but don’t worry about the detail—we’ll fix that up later on.’ They are softening the Australian people up again and again and again, and they are conning the Australian people. That is precisely what is happening here, but the Australian people will not swallow it. They will not accept it anymore, because the track record and the legacy of this government is one of failure, incompetence and waste. There is no reason any Australian should have any confidence in this government’s ability to introduce a carbon tax in this economy in an efficient, practical manner whilst not putting forward all the detail.

There is no doubt that those on the other side of the chamber will say, ‘We will provide the detail at a later stage; we are just agreeing on the framework right now.’ But Ms Gillard is damned by her own statements. On the one hand, she and her acolytes and advocates are out there saying that we have to put a price on carbon so it will be more expensive and so we can change people’s behaviour. On the other hand, she says that we are going to compensate families for the cost-of-living pressures and the increases in their electricity bills—in fact everything they use. We are going to compensate them and sometimes maybe overly compensate them, which will not make them change their behaviour one little bit. But what we can be very sure of is that Ms Gillard cannot be trusted. We know she said she would not implement a carbon tax, and yet she is introducing one now. We know she said she would not knife Kevin Rudd, but she did anyway. This government cannot be trusted on the big policy issues or the detail.

What I would say to Ms Gillard and those opposite, who conveniently forget about the families of Australia, except at election time, is that the families of Australia are already struggling. They are already struggling with cost-of-living pressures which are a direct result of the government’s poor policies. Electricity prices have risen, and the government’s justification for future electricity price rises is that they are not responsible for the previous ones. What utter nonsense. They have implemented all these green programs, which have squandered billions of dollars, and they are already adding a billion-plus dollars a year to the price of electricity for consumers.

Cost-of-living pressures with regard to housing and interest rates are increasing. The government will say, ‘That is not us—our hands are not on the levers.’ But when you inject a hundred billion dollars or more of borrowed money into any economy, you see interest rates rise; that is just common sense. If it were not for this government’s wasteful spending and extravagant borrowing, we would not have interest rates anywhere near the mark they are at now. But of course the government does not want to know about that.

Food costs for Australian people are rising exponentially and the government do not seem to care. Already, we have predictions that fruit and vegetable prices are going to rise by up to 15 or 16 per cent in the months ahead. That is one estimate by a bunch of leading economists. But the government do not seem to care about that. They keep talking about how inflation is running at 2.5 per cent and saying that that should be okay because it is under the RBA’s threshold band. Let me tell you that the reality out there in punterville is that the cost of living is rising by 4½ or five per cent every year, because the official inflation rate is mitigated by things that are unnecessary, that are discretionary items for the Australian people. Unfortunately for the Australian people, housing and transport and food are not discretionary items and the cost of those things is devastating Australian families at the moment. Those are the things that the government are in absolute denial about, because they do not seem to care. They have never seen a problem that could not benefit from another tax. They have never seen a problem that could not be fixed by more government intervention and taking control of the lives of so many Australians. This is the great tragedy of it. The government are squandering a wonderful legacy—a legacy of prudent financial management, preparing for the future. Another generation—possibly two generations—of Australians have been sentenced to debt and serfdom at the feet of an extravagant, wasteful and hopeless government.

We know that there are those among us in society who are really struggling more than others. Welfare recipients, for example, have seen their cost of living increase by in excess of four per cent. We know that pensioners had their cost of living rise by 3.1 per cent over the year. Yet this government is now proposing to add a tax that will increase the cost of living for everyone. It will not go away, because we know that the whole point is to ratchet it up again and again and again, every year, so that there is increasing pressure on people for the things that they need every single day of their lives. We are not talking about international air travel or anything like that—although that will be much more expensive. We are talking about when you start your car to drive down to the shops: it is going to cost more. When you turn on your lights or cook some toast or use electricity for anything in your house it is going to cost more. We know that when you go to the shop it is going to cost more, not only because of the increased costs for business but because the food is going to be higher priced.

I saw an interesting table today outlining the costs for the top companies in Australia of a carbon tax of \$26 a tonne. For one energy generation company a carbon tax of \$26 per tonne will lead to an estimated cost of \$623-plus million. Do you think this company are going to absorb that? Of course they are not going to. They are going to pass it on to every single consumer. And so it will go down the line when Woodside Petroleum are responsible for another couple of hundred million dollars in additional imposts by this government. The simple fact is this: this government has run out of money and it has run out of ideas and it knows that what it does with regard to a carbon tax is not going to make one jot or tittle of difference to the environment or the climate. It is not going to make a difference to the temperatures around the globe. Yet it is pursuing this ideological agenda because it has run out of cash and it needs a justification for it.

Let me tell you that the Australian people are rapidly running out of cash too. They cannot continue to prop up a defunct, dud, deadbeat government. We have seen the results of what happens when that takes place overseas. We have seen comparable partners and comparable democracies struggle under the yoke of debt that has devastated their economies. We cannot afford to let that happen. But equally, we cannot afford to cripple Australian business, enterprise or industry under the weight of attacks that are unnecessary, unwise and self-indulgent. This measure is not going to make a difference to the environment; we know that. But we also know that it is going to make a huge difference to Australia's competitiveness internationally. It is going to swallow up the profits of many companies unless they can pass the costs on—and they will have to do that in order to remain competitive for the cost of funds. We know that the government do not seem to care about the health and wellbeing of industry, which not only provides jobs for tens or millions of Australians but also provides our future base for prosperity. They do not care about that. They only care about the immediate needs that they have. That is a very selfish attitude for a government.

One thing that struck me when Ms Gillard announced this—I should say Senator Brown announced it; Ms Gillard played sidekick to him—was that she said, 'Bill Gates was at the forefront of the digital revolution and look how wealthy he has become.' Anyone who thinks that indulging in a new tax that is going to put Australian industry at a competitive disadvantage is somehow riding a great wave of future prosperity is fooling themselves; they are living in a fool's paradise. You actually create wealth by creating something that people want. I have not met anyone who wants a new tax except those on the other side of the chamber and, unfortunately, the Greens. They are the people that want a new tax, because they are desperate for it. If you really want to have a competitive workplace and to promote industry in this country you do not slug those who are trying to build wealth, but the government does not seem to understand that.

And then we hear about the other aspect of it, which is the green jobs it is going to create. We can only look at the examples of those countries which have pursued such an ideological agenda. Germany has dumped it because they have realised that any jobs that have been created have been offset by two or three times as many losses and that there are billions and tens of billions of dollars in subsidies that are necessary every single year.

Have a look at Spain. Spain is as close to bankrupt as any economy in Europe, basically because they pursued this ideological green agenda. There is so much to learn from right around the world about the policies that this government is advocating, which are failing internationally. They are going to fail the Australian people, and the fact is that this government will not explain them because they are tenderising the Australian people before they slug them onto the hot frying pan and try to cook them.

But the goose of this government is what should be cooked. This government should be plucked, it should be tarred and feathered and it should be splayed flat out and destroyed by the Australian people because they have failed miserably.