



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**

**PROOF**

**MATTERS OF PUBLIC IMPORTANCE**

**Carbon Pricing**

**SPEECH**

**Tuesday, 11 September 2012**

BY AUTHORITY OF THE SENATE

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## SPEECH

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**Questioner**  
**Speaker** Urquhart, Sen Anne

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**Senator URQUHART** (Tasmania) (16:50): Another day, another fear campaign, another bungled, distorted rant by Senator Joyce. Fear, spin and distortion of the facts. This Labor government has continued on with our agenda to move Australia to a clean energy future. We have pushed on with this vital reform because we know it is the right thing to do for our community and we definitely are not going to let the almightiest of fear campaigns bring us down.

Today we are debating a matter of public importance that shows how lost and confused the conservatives are on this issue. The unravelling of the Gillard government's carbon tax is what those opposite would like us to debate this afternoon. Interesting, isn't it, because the Clean Energy Future package and the carbon price are moving along well. In fact, since the carbon price came into effect on 1 July we have improved our emissions reduction scheme by linking it with the EU and removing the floor price. Last month the government secured an agreement to link Australia's carbon price with the European Union Emissions Trading System. From 1 July 2015, Australia's carbon price will reflect the carbon price paid by at least 30 other countries including the UK, France and Germany. From 2015 we will transition into an internationally linked ETS where the global market sets the price on pollution.

This is an important agreement because linking means we can reduce carbon pollution at the lowest cost. It is also a significant step forward in countries joining together to tackle climate change. With emissions trading schemes being developed in China, Korea, the US state of California, Canada and South America, it is likely to be the first of many international links that will form a global carbon market. But the Leader of the Opposition likes to misrepresent the facts when it comes to international action on climate change. Last year he said:

... there is no sign, no sign whatsoever, that the rest of the world is going to do things like introduce carbon taxes or emissions trading schemes.

This is just plain wrong. The world is introducing carbon prices and emissions trading schemes. And this number is set to grow as another 17 countries, across all continents, are currently developing emissions trading

policies. By next year, more than 850 million people will be living in a jurisdiction with a carbon price.

Last month the opposition leader said:

There are no developing carbon markets in the Asia Pacific.

The fact is, as Senator Faulkner outlined, that Korea, China, Japan, New Zealand, Thailand, Indonesia and Vietnam either have or are developing emissions trading schemes right now. It was just the latest misleading claim by the opposition leader. These countries know they have to reduce emissions, and they know the cheapest way to do this is to put a price on carbon. This is a significant step forward for global action to tackle climate change.

In the next few years, as the planned markets begin operating in countries around the world, the prospect for internationally linked carbon markets will just improve. On this side of the chamber, our desire is to see Australia do its bit to reduce emissions at the lowest cost. We acknowledge that acting on climate change is necessary. We are working with industry, with the community sector and with state and local governments to do just that.

Since the carbon price came in, businesses have started taking practical steps to improve energy efficiency, reduce their power bills and reduce greenhouse gas emissions. These actions are generating win-win outcomes, improving the business bottom line and helping tackle climate change by reducing greenhouse gas emissions. Carbon pollution can often be reduced with relatively simple technology. At a meatworks, for instance, the settlement pond can be covered. This allows the methane that would otherwise be released into the atmosphere to be captured and flared, potentially removing the carbon price liability. And if the methane is used to generate electricity, this can not only help reduce energy costs but also earn the business extra income from selling this clean energy back to the grid.

Extracting methane from landfills is already being done by local councils. The Tweed Shire Council in Northern New South Wales has been able to reduce emissions below the 25,000 tonne liability threshold at its Stotts Creek Resource and Recovery Centre.

The pollution captured is used to power some 400 homes. At a recent forum for local councils in North West Tasmania, councillors expressed an interest in learning more about reducing emissions from Tasmanian landfills. This is about taking an innovative approach to how we do business in Australia. It is a far cry from Mr Abbott's massive scare campaign about the impact of the carbon price on business.

I would like to highlight a grant to Simplot, a potato processing plant in Ulverstone Tasmania, that will assist the company upgrade its coal-powered boilers to natural gas. The 2010 election commitment that the Labor government has delivered upon is an example of what is possible under the Clean Energy Technology Food and Foundries Investment Program. The funding from federal and state Labor governments of \$3 million and \$1 million each, together with investment from the company of \$17 million, will reduce carbon dioxide emissions by 39,000 tonnes a year—the equivalent of taking 8,000 cars off the road. It will also support hundreds of permanent and seasonal jobs across the north-west coast of Tasmania through cutting the energy bills of this large employer in my region. Farmers, farm contractors and service providers whose jobs and businesses depend on Simplot's operations will benefit from this upgrade at the plant through greater certainty and lower costs for the factory. Funding that assists Simplot replace its high energy intensive coal boilers and install gas-fired cogeneration capacity at the Ulverstone potato processing plant will thereby remove the need to burn coal in the production of potato chips.

While this grant was announced in the 2010 election campaign and is therefore not part of the Clean Energy Technology Food and Foundries Investment Program, it is an example of what is possible through the Clean Energy Future package. It is a clear example of how the Gillard Labor government will work with the high power, intensive businesses in the food, metal forging and foundry industries to assist them to remain competitive through switching to low pollution options by providing grants for energy efficiency improvements. This government is committed to working with industry, committed to working with communities and committed to working with other countries to achieve a clean energy future for our world. We are committed to working through the challenges and providing support to Australians.

I had the pleasure of being a member of the Senate Select Committee on Australia's Food Processing Sector. That committee heard evidence from a range of processors from right across the country. There are many examples in the food processing sector that highlight the potential for innovation and opportunities

being harnessed through the Clean Energy Technology Food and Foundries Investment Program.

I note that a significant portion of the revenue from carbon pricing is spent on industry assistance. In evidence to the committee, Mrs Mac's, a large-scale bakehouse, expressed appreciation for the range of government grants to assist businesses. Mr Beros said that, through investing with government, Mrs Mac's had a 28 per cent decrease in water heating costs, a 25 per cent increase in one of their line speeds using the same level of energy input, and a 30 per cent efficiency gain in some of their condensers. I also understand that Crafty Chef in Emu Plains, New South Wales, have received nearly \$500,000 from carbon pricing revenue to install a new commercial blast freezer. This will reduce the carbon intensity of its operations by over 54 per cent, reduce energy intensity by over 56 per cent and boost turnover by 150 per cent to \$50 million per annum.

Treasury modelling of the food manufacturing industry forecasts growth by 108 per cent by 2050. It is government's role to create an enabling environment for strong market participation, and this report highlights some areas of reform that will be critical for the food processing sector. We were provided with inspiring examples of new and emerging products that are capable of transforming parts of the sector. We need to remember, however, that industry is best served by an innovative and adaptive business culture and a trained and supported workforce.

I encourage all Australians to continue to look above the coalition's negative rhetoric and embrace the opportunities available under the clean energy package—to look above the daily fear campaigns and think: 'How can my workplace and my community benefit from this reform?' This Labor government has continued on with its agenda to move Australia to a clean energy future. We have pushed on because it is the right thing to do. Together, we can make a difference to limit Australia's emissions.