



Speech By
Hon. Tim Nicholls

MEMBER FOR CLAYFIELD

MOTION: CARBON TAX

Carbon Tax



Hon. TJ NICHOLLS (Clayfield—LNP) (Treasurer and Minister for Trade) (11.03 am): I move—

That this House:

1. endorses the election commitment of the Abbott federal government to immediately scrap the carbon tax, which is currently costing the Queensland government \$148 million a year;
2. notes that, unless repealed, the cost of the carbon tax will only worsen, with Queensland Treasury modelling revealing that Labor's carbon tax impost on Queensland will rise to \$200 million by 2015-16 and that by 2020 gross state product could take a hit of up to \$9.6 billion, up to 21,000 jobs could be lost and real wages could be reduced by \$2,900; and
3. in view of the burden on the public purse and ordinary households imposed by the carbon tax, calls on senators from the Labor Party, the Greens, minor parties and Independents to honour the Abbott government's newly won mandate to repeal the carbon tax and provide immediate cost-of-living relief to hardworking Queenslanders.

As I indicated earlier today, we all know that this election which saw the victory of a coalition government federally had fairly and squarely in its consideration the repeal of the carbon tax. No-one in Queensland—indeed, no-one in Australia—can be under any misapprehension that the removal of the carbon tax was a key priority and is a key priority of the coalition government. In our position as a state government we have taken steps to reduce the cost of living for Queenslanders. We have introduced a substantial range of measures aimed at reducing the cost of living for Queensland families and those measures have come into effect. From 1 July we reintroduced the \$7,000 principal place of residence concession. We introduced the concession in relation to electricity prices. We took steps to halve car registration—a multitude of actions designed to reduce the cost of living.

That very same day the federal Labor government, cheered on by their state counterparts in this place, introduced a great, big tax that has been destroying jobs and destroying confidence and increasing the cost of living ever since. As much as those opposite may choose to ignore it, this great, big tax—this great, big mistruth to the people of Australia—has been making it harder for working families to make ends meet. It has been making it harder for businesses, large and small, to continue to grow and to continue to employ Queenslanders.

I said at the time that this tax would have a much more pronounced effect on Queensland than any other state in the nation. Why is that? Because we have an economy that is based on energy. The great advances that occurred in Queensland occurred because we had access to cheap, reliable power. We had a great competitive advantage over every other part of the country. We had a great competitive advantage over foreign competitors, and that great competitive advantage was our mine-mouth fired black coal generators—baseload power supplied economically throughout the state of Queensland. At the height of troubled times in the world economy, at the height of troubled times that were being forced on Australia by the Labor Party, they added to the burden by making the cost of power much more expensive in Queensland. It was a tax that started having an immediate effect. It did not matter whether you were a small leather goods manufacturer in the electorate of Narangba, if I recall correctly which the Premier visited, which was nearly wiped off the face of the planet. It did not

matter whether you were a timber processor such as Kennedy's Timbers, which was hit by it as well. It did not matter whether you were a small farmer growing crops on the Darling Downs or a horticulturalist in the backblocks outside of Bowen, where I visited with the member for Burdekin. They were all hit by this great, big, new tax. Not only was business hit, not only were families and households hit; the state government was also hit.

The impacts of this great, big, new tax were calculated using Labor's own modelling. I mentioned this also in my answer to a question without notice. Gross state product reduced by potentially \$9.6 billion, 21,000 jobs lost and average wages reduced by almost \$3,000 per year. That was the impact of Labor's great, big, new tax. In addition, ACIL Tasman has found that the carbon tax will cost Queensland taxpayers \$1 billion in lost royalties from coal mines alone by 2020. It also found that the tax would cost 2,700 direct jobs in the coalmining industry. We are already seeing that starting to play out. We have had some success in recent times from the change around, but it has played out.

Why is this tax bad? Even the father of the Leader of the Opposition has said that a carbon tax is a tax on coal and that any move to introduce a coal tax will not only threaten jobs in the coal industry but also make Australian manufacturers less competitive. We need senators to do the right thing by Australia in supporting Tony Abbott to remove the carbon tax without delay.

(Time expired)