



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

**QUESTIONS WITHOUT NOTICE:
TAKE NOTE OF ANSWERS**

**Australian Defence Force:
Fuel and Carbon Costs**

SPEECH

Thursday, 13 October 2011

BY AUTHORITY OF THE SENATE

SPEECH

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Questioner
Speaker Senator FAWCETT

Source Senate
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Responder
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Senator FAWCETT (South Australia) (15:53): I rise to take note of the answer from Senator Evans. He was asked whether the ADF would be expected to pay, or be exempted from, the carbon tax in terms of its use of energy. Senator Johnston mentioned the 1.7 million tonnes of pollution per year in 2009-10 and the fact that that is 68 times over the threshold. What was Senator Evans's response? He had had no brief; that is fair enough. He had no knowledge; that is fair enough. The important thing to recognise is that, like many of their other policies, there will be no accountability from this government for the unintended consequences that flow from their policies.

I see Senator Wong making a face, but let us look at the BER. Nobody complains about school halls; we celebrate the fact that the community has good infrastructure. But nobody should celebrate the fact that there has been over \$3 billion of waste because of poor implementation of policy and unintended consequences. Another example is pink batts—it was a great concept, but what were the unintended consequences? Not only waste and corruption—in this case it actually caused death. Unintended consequences can be really serious. Then we have border protection. There has been a lot of talk about the change from three boats in the last year of the Howard government to something in the 200s since then, but what is really important is not the number of boats but the number that did not arrive. Nobody actually knows the true number, but, even by the Labor Party's own estimates, probably over 400 people have drowned. That is a dreadful unintended consequence of policy. In the area of national security, the response to the Black review showed a dreadful lack of understanding by this government of how their response to that review of just adding more layers of bureaucratic oversight to defence will actually decrease accountability and effective outcomes—the very things that they have been talking about—as opposed to achieving them.

Now we have the carbon tax. Here we are in the Senate—it has been passed over from the House of Representatives—with the opportunity to save Australia from the unintended consequences which will flow from yet another government policy. The question related to defence and Senator Evans had one bit of knowledge—that additional funding is provided

in operations so there is no win and no loss for defence. In terms of something fairly straightforward, such as fuel operating costs, that is true. But defence capability is not just about platforms; defence capability also includes our defence industry, which is a vital part of our ability to maintain, to repair and to improve our equipment for use both during peacetime emergency responses and during operations.

We need to have a defence capability onshore and ministers from their own side—Minister Combet, Minister Carr, Minister Clare—have talked about the important role, the vital role, the defence industry plays. They have also noted, importantly, that defence industries are only sustainable, in many cases, when they can link into a global supply chain. What is interesting is that Senator Carr said at the Paris Air Show:

Australia has undoubtedly earned its place amongst the leaders of the global aerospace industry, with a reputation for cost-competitive, market-leading solutions.

The magazine *SA Defence Business*—the defence industry puts over \$2 billion into South Australia's economy—says that all businesses in the defence industry must be globally competitive.

What do commentators say? What do experts in the field say about this carbon tax? Frontier Economics has identified that Australian industry will be unique in having to compete in the international market while burdened by the carbon tax. So we have identified that our defence capability needs industry; that our industry needs to be in the global supply chain to be sustainable; that, to be in the global supply chain, our industry has to be cost competitive; and that experts such as Frontier Economics are clearly identifying that these sorts of things will make our industry uncompetitive. Clearly, then, one of the unintended consequences of this policy from this government is that we are putting our defence industry, and therefore our defence capability, at risk—as well as the livelihoods of many people in states such as South Australia which rely to a large extent on the defence industry. Senator Wong, as a representative of that state, should be ashamed that she is not standing up for the workers in the defence industry and for our defence capability.

Question agreed to.