

TRANSCRIPT OF THE HON. TONY ABBOTT MHR ADDRESS TO THE 500 CLUB LUNCHEON, 15 MARCH, 2011

E&OE

Barry, it's fantastic to be here. I look out amongst this glittering concourse of Perth and West Australian leadership in business and in finance and in so many other fields of life, and I feel very buoyed and exhilarated to be in this great state; the greatest state of our Commonwealth I am constantly reminded whenever I am here in Perth.

Before I go any further, I should acknowledge so many of my colleagues who are here today, starting with my friend and my Deputy Leader the Honourable Julie Bishop, and then I have also Senator Judith Adams, Senator Michaelia Cash, Senator Mathias Cormann, Senator Alan Eggleston, Senator David Johnston, Senator Chris Back, members of the senior house they believe. Also members of the lower house, we have the Honourable Chris Pyne, Michael Keenan, Don Randall and Luke Simpkins. Would you please give all of my hardworking federal colleagues a very warm welcome.

I think it would be remiss of me not to acknowledge from this podium the presence in this room of one of Australia's greatest business success stories. A story started by her father, one of the pioneers of the iron ore industry in this country, but magnificently carried on by Gina Rinehart. Would you please welcome Gina Rinehart. Thank you, Gina, for all of the encouragement and help that you give to so many good causes, and thank you for the inspiration that you give to so many people in business and in particular to so many women in business. If there ever was a glass ceiling it has been smashed into a million harmless shards by your work as a businessperson in this country.

Now, ladies and gentlemen, as I look out around this room and I see the business elite of Western Australia and I am conscious of the fact that though you lead but 10 per cent of the Australian population you produce almost 50 per cent of our export income, I ask myself what have you done to upset this Prime Minister so much? Why is it that this Government and this Prime Minister is so upset with the people of Western Australia that she wants to hit this economy with one tax after another? There's the mining tax, which you are all only too familiar with, and now most recently there is the carbon tax. Both of them aimed directly at the prosperity of this great state. And it's not as if Julia Gillard does not get enough of your GST already. Having taking the lion's share of your GST she now wants to hit the industries of this state with a mining tax and a carbon tax.

Now, there are many reasons to be against a carbon tax. But perhaps the strongest reason to be against a carbon tax is that it sends the strongest possible message to the world do not use the things that we are best at producing and providing to the rest of the world. Don't use coal, don't use LNG, and if you're going to use iron ore makes sure there is no energy involved in transforming it. This is the message that the carbon tax is sending to the rest of the world. It is not good enough to use energy in ways which this country has been doing and doing successfully for generations.

This is a bad tax. It's a bad tax and it's based on a lie. I'm sure most of you are familiar with the fact that before the election the Prime Minister said "there will be no carbon tax under the government I lead". That's what she said before the election, and if any of you were up to watch

Q&A on the ABC last night there is now an explanation for why she has broken her word. 'The Greens made me do it', she said. 'The Greens made me do it', and isn't there something slightly sad about an Australian Prime Minister forced into something by Senator Bob Brown? But it's almost as if she didn't know the Greens existed before the election. Before the election "there will be no carbon tax under a government I lead". After the election 'the Greens made me do it', as if no one had actually heard of the Greens and no one had heard of the possibility of them having the balance of power in the Senate before the election.

She also said on

Q&A last night 'well, you know, I actually spent the whole of the election campaign talking about a carbon price'. Well, wrong Prime Minister. You actually spent much of the election campaign talking about a citizens' assembly. Remember the citizens' assembly that was supposed to deal with this problem and that took the whole question of an emissions trading scheme and a carbon price off the agenda? That was the whole point of the citizens' assembly. It was so that when people asked difficult and uncomfortable questions, 'what are you going to do in the future about carbon dioxide emissions?' she could say 'don't worry about that, don't worry about the emissions trading scheme, don't worry about the great big new carbon tax, it's all going to be handled by the citizens' assembly and the citizens' assembly won't do anything without achieving a stable and lasting consensus'. It was basically designed to anaesthetise the Australian public against what she had in mind. Her statement "there will be no carbon under the government I lead" is either a deliberate lie or it's a confession that she is not leading the Government, Senator Bob Brown is instead, and I know you're a very kind audience so I want you to take the most charitable possible interpretation.

But ladies and gentlemen, this is an economy changing tax. This is designed to change the way all of us live and work. The whole point of a carbon tax is to make the cost of energy more expensive. It's to make the cost of transport more expensive. The whole point of getting us to use less energy intensive substances in our economy, that's the whole point of this carbon tax. At \$26 a tonne – and don't forget that \$26 a tonne was too low for the Greens when the emissions trading scheme was promoted before the election; it's probably too low to actually change people's behaviour – but at \$26 a tonne a carbon tax will add \$300 to the price of your power bill. It'll add six and a half cents to the price of your petrol. It will cost 126,000 jobs in regional Australia according to Access Economics. It will cost 10,000 jobs and close down 16 coal mines according to the Acil economic consultancy. It will cost 24,000 jobs in other parts of mining according to Concept Economics, and it will cost 45,000 jobs in other energy intensive industries, and that is just for starters. This is what happens with a \$26 a tonne carbon price, and yet to actually make a difference, to actually make us less enthusiastic about our cars, less enthusiastic about our air conditioners the price may well have to be much, much higher than this.

I was at a building site in metropolitan Perth this morning. The Housing Industry Association calculates that the actual material used in the construction of a standard suburban home has been responsible for 160 tonnes of carbon dioxide emissions. The infrastructure in a new housing estate is responsible, the Housing Industry Association tell us, for 80 tonnes per house of carbon dioxide emissions. So each one of those new houses is responsible for 240 tonnes of carbon dioxide emissions. At \$26 a tonne that's \$6,240 put on the price of your average family home. And for what? For what? Why are we burdening ourselves with these additional costs? Because whatever we do in this country is not going to stop other countries like India and China and America continuing to emit carbon dioxide on their own account. It's certainly not going to stop the Indians or the Chinese, because the Indians and the Chinese understand, in way that our Government and our Prime Minister seems to have forgotten, that you cannot raise people's standard of living without also raising their energy consumption.

The Chinese are opening a new coal-fired power station every fortnight. If Australia stopped its carbon dioxide emissions altogether, in other words, if we closed our economy down and lived like the Amish the mere increase in China's emissions would entirely offset the gain that closing down the Australian economy would provide and don't think, if I may say so to people who might be in the gas industry, that closing down the coal industry is going to be somehow good for the gas industry or a carbon tax will somehow change the competitive situation in your particular industry or in your particular business' favour because if the Greens ever do succeed in closing down the coal industry in this country they will instantly come after the gas industry as well.

Every energy intensive sector in this country is at risk from this new crusade against carbon and I am all in favour of taking strong action to protect our environment. I am all in favour of doing what we reasonably can to reduce our emissions. We only have one planet, we've got to rest lightly on it, but the last thing we

should try to do is to cost jobs, drive industries offshore and raise Australians' cost of living in a futile attempt to cut emissions which is not going to produce any discernable environmental improvement.

A unilateral carbon tax or emissions trading scheme is an act of economic self-harm and I say to those of you out here who might be tempted, confronted with a carbon tax or an emissions trading scheme to plead for a better deal from government, I say you cannot improve this scheme, you just have to stop it. You cannot improve it, you just have to stop it and I say on behalf of the Coalition that I lead, we will not try to fix this scheme. We will fight it, because it's a bad tax, it's based on a lie and the best thing that I can do for this country right now is to stop this bad tax ever becoming law.

Now ladies and gentlemen, I don't want to give an entirely negative speech, as you can imagine, today. My job is to point out the flaws in government policy but my job is also to explain to the Australian public how a change of government will be better for them and better for our country and, you know, the first thing that a government can do for the people is avoid making bad situations worse and when I talk to the Australian people right around this country the message that I get loud and clear for them is that they are under pressure. Whether it's their businesses, whether it's their family budgets, they are under pressure.

Since December 2007 electricity prices have gone up 44 per cent. Water has gone up 46 per cent. Gas has gone up 28 per cent. Health costs have gone up 15 per cent. Education costs have gone up 17 per cent. Bread has gone up 12 per cent. Grocery has gone up 10 per cent. Rent has gone up 19 per cent, much more in places like Western Australia. If you've got a typical mortgage, it's costing you \$500 a month more. The last thing you want is a government which is going to make a difficult situation worse with unnecessary new taxes and that's why I am so implacably opposed to the carbon tax. That's why I'm so implacably opposed to the mining tax.

But I do think that it is incumbent upon responsible political parties to outline to the Australian people the better way that they will embrace should they enter government, and in a nutshell what we in the Coalition want to do is to produce a government and a society marked by lower taxes, better services, fairer welfare and stronger borders. What I want to see, what my colleagues want to see is more responsible government, more responsive institutions and more productive people and at the last election we outlined a series of policies that will bring that about and over the course of coming weeks and months, however long it is until the next election, we will be further developing those policies.

It is important that government maintains constant vigilance over its own spending. Every dollar the government has is a dollar that we take from the people, either in taxes or in borrowings. The idea that this government should be spending \$16 billion on overpriced school halls, \$2.5 billion on roof batts which sometimes catch fire, \$50 billion on a National Broadband Network when there are better and cheaper ways of improving broadband services – these are crimes against the taxpayer and they won't happen under a Coalition government. But we also want to see better services and I want to congratulate the Barnett Government for what it's done with public education in this state. The Barnett Government's independent public schools model which gives parents and principals much more authority over what happens in their schools is a good one and it's one that the Coalition would like to see extended throughout our country.

We need public hospitals that are more responsive to the doctors and the nurses and the other health professionals who work in them and above all else more responsive to the patients who need them and we took forward a strong policy to the last election for more beds, for community hospital boards and for a funding system that actually encouraged public hospitals to do more rather than to refuse to do more.

We want more productive people. The Australian people are so talented and so capable and we need to be more conscious of what they can do rather than of what they can't do. So, we took policies to the last election to encourage young people on welfare to relocate to where the jobs are. It's a scandal that employers in this state cannot get staff, cannot get unskilled staff while we still have about 400,000 or 500,000 people on unemployment benefits, particularly young people capable of making a new start on

unemployment benefits. We were proposing to pay \$6,000 to young people who moved to where there was a job and in return that young person would be required not to access unemployment benefits for 12 months should things not work out. But it wasn't all stick, there was also carrot. A young person who left unemployment benefits and stayed in work for a year or two years would get significant commitment bonuses.

There are lots of older people, lots and lots of older people who still have a contribution that they can make to our economy but we know that a lot of employers are still too mindful of this cult of youth and so we were going to make it easier for employers to take on people over 50 who were on benefits and I know not everyone in this room was particularly keen on my paid parental leave scheme but I think it is very important that the mothers of Australia don't just raise their families but contribute economically if that's their choice and I know it was going to be funded by a modest levy on larger businesses but we were making head room for that with an offsetting tax cut so there would be no additional burden on the businesses of Australia and there would be a significant tax cut for small business.

We can't do everything that everyone would like us to do but we must build a better country. What is the point of being in government? What is the point of holding office if we do not make the country better for our presence in the corridors of power? I think that the best days of our country are in front of us. I think that in a couple of years time we will look back on the last few years as wasted years, as an aberration in the progress of our country. Between 1983 and 2007 we had a quarter century of good reforming government, not perfect government but good reforming government; government that set up the prosperity that we now enjoy. Make no mistake, Australia got through the global financial crisis because of the reforms of previous governments, not because of the spending spree of the current government.

We can have a better government in Canberra. I believe we will have a better government in Canberra and my determination and the determination of my colleagues is to give a great country the better government that it deserves.

Thanks very much.

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