

MEDIA RELEASE



The Hon **David Hawker** MP
Federal Member for Wannon



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RUDD'S ETS TO MILK ALL CONSUMERS

The Federal Government must level with Western Victorians about the real cost to consumers of its proposed Carbon Pollution Reduction Scheme, Federal Member for Wannon, David Hawker said today.

"Today in Question Time, the Prime Minister admitted that the price of milk and other food products would go up, but he clearly did not know by how much," Mr Hawker said.

"Independent research has made crystal clear that food production will take an almighty hit from the Rudd Government's ill-considered and rushed ETS.

"Economic modelling prepared earlier this year for the agriculture sector showed that farm output would be slashed by \$2.4 billion a year by 2020 and by \$10.9 billion annually by 2030. Production will decline in all sectors, with beef and dairy farmers in Western Victoria hard hit."

Mr Hawker said that although agriculture is excluded until 2015, the cost of inputs like energy, fertiliser and chemicals will rise rapidly from the scheme's introduction date. Other research suggests the average sized farm will lose about \$11,000 a year in income. Yet farmers will not be allowed to claim credits for the carbon sequestration they undertake.

"The average impact on a dairy farm is estimated to be more than \$10,000 in energy costs alone. And dairy farmers cannot switch to solar power to do their pre-dawn and after-dark milking," he said.

"Local farmers will inevitably have to pass on these extra and unnecessary costs. But imported food products, including New Zealand dairy products, will not have to bear the cost of the Rudd CPRS, stacking our shelves with imported food and threatening our exports.

"The Government has run away from the truth on this matter by not instructing Treasury to do some appropriate modelling.

"Western Victorians need to come to grips with the fact that the Rudd CPRS is not just about taxing big multinational companies. It affects everyone living in Australia, and hits everything they buy. The only excuse the Prime Minister can offer is that some poor families will receive compensation.

"The Prime Minister was unable in Parliament today to answer questions about the impact of his ETS on agriculture, public transport, taxis and milk prices, yet he expects the Coalition to vote for his legislation unchanged this week," Mr Hawker said.

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Media contact: Jane Templeton (03) 5572 1100