



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**

**PROOF**

**ADJOURNMENT**

**Tasmanian Economy, Shipbuilding Industry**

**SPEECH**

**Tuesday, 25 November 2014**

BY AUTHORITY OF THE SENATE

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## SPEECH

<b>Date</b> Tuesday, 25 November 2014	<b>Source</b> Senate
<b>Page</b> 82	<b>Proof</b> Yes
<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> Lambie, Sen Jacqui	<b>Question No.</b>

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**Senator LAMBIE** (Tasmania) (19:29): I rise to share with this Senate the grave concerns I have for the security of tens of thousands of direct and indirect jobs tied to Tasmania's heavy manufacturing industry. I will repeat that figure again just in case senators here missed it. Tens of thousands of direct and indirect jobs in Tasmania are today under threat.

Since being elected to this place, in meeting after meeting with Tasmania's biggest businesses—its biggest employers—I have had general manager after general manager pleading with me to help them keep their manufacturing operations and businesses from closing. These managers care deeply for their workers' welfare and want to protect their workers' jobs. Their message to me is very simple, and I repeat it in this Senate in the hope that the Prime Minister and his government listen and act quickly: ten thousand Tasmanian jobs are under threat because our largest employers—our biggest manufacturers—are forced to pay too much for the total cost of their electricity.

One of the main reasons why the total cost of our energy in Tasmania is so high is that our heavy manufacturers, in addition to paying for their normal electricity charges, have been forced by government laws under the RET scheme to buy renewable energy certificates. I like renewable energy. It is good for the environment. Solar panels are one of the best ways of harvesting renewable energy in small-scale energy systems for homes.

However, businesses like Bell Bay Aluminium in Launceston, which uses large amounts of energy, employs hundreds of Tasmanians and produces wealth and jobs for thousands more, after they have paid all their normal taxes—payroll, company tax, stamp duties et cetera—every year have to find an additional \$8 million to \$10 million to purchase renewable energy certificates. This is despite the fact that Bell Bay Aluminium effectively uses 100 per cent renewable electricity produced by clean, green Tasmanian hydropower.

Why should a Tasmanian business which does not pollute the environment with carbon dioxide because the electricity it uses is created by water power and not coal power have to pay extra for their electricity? It is a crazy state of affairs when a government makes businesses which do not pollute pay a penalty which is designed to target polluters. It does not make any sense at all. It is as if successive federal governments have deliberately tried to undermine those businesses doing the right thing and using renewable energy and tried to kill off tens of thousands of jobs in Tasmania's heavy manufacturing sector.

The current RET scheme has been in place since 2001. Both Labor and Liberal governments are to blame for the mainland RET rip-off in my Tasmania. They have made laws that force Tasmanian big employers and big energy users to pay more for their total energy bills. Since 2001, Tasmanian heavy manufacturers have been forced to buy billions of dollars of RET certificates. Indeed, parliamentary library research I commissioned confirmed that, aside from the large-scale energy users, every Tasmanian energy user pays at least an extra 3.6 per cent because of the mainland RET scheme. Why?

The whole purpose of the RET scheme is to establish a fund which increases the percentage of renewable energy generators in mainland states. Any income or job boost that Hydro Tasmania claims it receives from RET income is cancelled out by the added cost burden placed on our large manufacturing industry, the possibility of their collapse and the subsequent threat to ten thousand direct and indirect jobs.

Tasmania uses 100 per cent renewable hydropower to produce our goods and products. Why should any Tasmanian business be forced to pay more for their electricity? The federal government and other mainland states still have not worked out we do not have coal fired power stations in my Tasmania. They have taken away our single best economic advantage: cheap electricity. Labor's and Liberal's RET policies have placed a boot on the throat of Tasmanian industry and workers, and I want it removed immediately.

Today I met with the boys from the AMWU, and I strongly support their campaign to protect Australian jobs in the Defence Force shipbuilding. There is no reason why Australia cannot have a sustainable, world-class shipbuilding and repair industry.