



September 22, 2011

Committee Secretary
Joint Select Committee on Australia's Clean Energy Future Legislation
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam,

The Western Australian Farmers Federation (Inc.) (WAFarmers) thanks you for the opportunity to provide comment to the Joint Select Committee's Inquiry into Australia's Clean Energy Future.

As background, WAFarmers is the State's largest and most influential rural lobby and service organisation. WAFarmers represents approximately 4,000 Western Australian farmers from a range of primary industries including grain growers, meat and wool producers, dairy farmers, pastoralists, horticulturalists, commercial egg producers and beekeepers. Collectively our members are major contributors to the \$5.5 billion gross value of production that agriculture in its various forms contributes annually to Western Australia's economy. Additionally, through differing forms of land tenure, our members own, control and capably manage many millions of hectares of the State's land mass and as such are responsible for maintaining the productive capacity and environmental well being of that land.

In this submission, WAFarmers has not reviewed the entire package of Bills which, if passed, will facilitate a carbon pricing mechanism in Australia. Rather we focus our brief comments on the policy issues surrounding Australia's current climate commitments.

WAFarmers does not support the 'Carbon Tax' proposal of the Gillard Government.

Our basis for this position is in the body of research that has identified the negative impact which the proposed Carbon Tax will have on the profitability of Western Australia's farmers. In broad terms this will be both through direct costs, such as farm inputs and via supply chain costs. WAFarmers, unlike the assumptions in the Federal Government's modelling, believes that supply chain costs will be borne by farm businesses. Allowing farm businesses to take what amounts to a 'double-hit' of costs is in stark contrast to the Federal Government's approach to limiting the impact of the Carbon Tax on households and to retail food prices.

WAFarmers realises the impact that our opposition to the proposed Carbon Tax may have on Australia's capacity to meet its ongoing international commitments to reduce greenhouse gas emissions. That Australia remains on likely to meet its Kyoto target without needing to purchase international credits, can be largely attributed to land clearing restrictions, which cannot be

thought of as a solution for the next phase of the agreement. Whilst the defeat of the proposed Carbon Tax in parliament may impact on Australia's capacity to meet these obligations, WAFarmers does not see this as justification for its passage.

WAFarmers again thanks you for the opportunity to make a submission to this inquiry, and we request an opportunity to address the Inquiry, should you hold public hearings. To arrange that or to further discuss the issues raised in this submission, please do not hesitate to contact WAFarmers Director of Policy, Alan Hill on 9486 2100.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mike Norton', with a stylized flourish at the end.

Mike Norton
President