Chapter 9

The transport industry and the carbon tax

Introduction

9.1 Under existing taxation arrangements excise is imposed on fuel. In the case of households and small commercial vehicles, the full amount of excise is borne by the consumer. Excise on commercial use of fuel is lessened through the fuel tax credit system. The Goods and Services Tax is imposed in addition to excise on fuel.

9.2 On announcing the Clean Energy Future Reform package, the government detailed that an effective carbon tax would be imposed on certain fuel usage but that measures would be introduced to ensure that households, on-road business use of light vehicles and the agricultural, forestry and fishery industries would not incur any carbon tax.[1]

9.3 An effective carbon tax will be introduced by the government through the legislation currently before the Parliament by changing the existing fuel tax credit system. Through its legislation the government intends to reduce the credits which can be claimed by relevant fuel users to reflect the amount of the carbon tax.[2]

9.4 The carbon tax on fuel will impact directly about 60,000 businesses from day one, 1 July 2012, rising to around 200,000 businesses once the government implements its effective carbon tax on heavy vehicle transport from 1 July 2014.

The road transport industry

On-road fuel usage in the transport industry

9.5 In announcing the introduction of a carbon price for the transport industry, the government made a commitment that the on-road use of fuel by heavy vehicles would not be subject to the tax until 1 July 2014. The delay in the introduction of the carbon tax has however done little to alleviate the concerns of this industry.

9.6 As detailed in Chapter 6, when appearing before the committee, Inverell Freighters explained that regardless of the two year reprieve there is little they can do to modify their activities and behaviours to further reduce their carbon emissions.[3]

---

1 Australian Government, *Clean Energy Future – Fact sheet 16*, p. 43.

2 Australian Government, *Clean Energy Future – Fact sheet 16*, p. 43.

3 Mr Keri Brown, Managing Director, Inverell Freighters, *Committee Hansard*, 3 August 2011, p. 1.

They suggest that there is real concern that the added costs that result from the imposition of the tax in 2014 may be the straw that breaks the camel's back.[4]

9.7 The Transport Workers Union of Australia (TWU) raised these same concerns when they appeared before the committee:

> ...we say that there are many tens of thousands of owner-drivers and employees across the country who will be directly affected with the carbon tax. We estimate the decrease on the diesel fuel rebate, which will in effect be the carbon tax in another form in 2014, will cost a driver $150–$200 a week. That is directly off their bottom line and directly off what we consider income after tax.[5]

9.8 In their submission to the committee, the TWU detailed their concerns that the imposition of the tax through a reduction in the diesel fuel rebate would put additional pressure on an already squeezed price taking industry:

> [T]his is an industry that is already described as 'highly sweated' and 'highly pressured.' Drivers will have two options: accept the decrease, or work longer hours and take more dangerous trips, and report after report confirms that that is what happens, because clients will not pay.
>
> ...
>
> Quite clearly the 2.5 per cent margin is a high margin in many transport operations. Many of these reports point out that many operators are effectively working in a negative margin for parts of the year. The consequence of the carbon tax and this payment will put truck operators, truck drivers and many fleet operators quite clearly over the edge as they will not be able to recoup the costs without safe rates.[6]

9.9 Mr Tony Sheldon, the National Secretary of the TWU, explained that the imposition of a carbon tax was unlike other imposts which the industry has continuously absorbed over the years, as it involves a 'massive hit' of $150–$200 per week.[7] Mr Sheldon had grave concerns that this will have dire consequences for the industry:

> In the trucking industry there has been a history of incapacity, which is in all of these reports, of being able to pass costs on and what happens is that the truck drivers and trucks get sweated and when they get sweated that is

---

4 Mr Keri Brown, Inverell Freighters, *Committee Hansard*, 3 August 2011, p. 1.

5 Mr Tony Sheldon, National Secretary, Transport Workers Union of Australia, *Committee Hansard*, 22 July 2011, p. 22.

6 Mr Tony Sheldon, Transport Workers Union of Australia, *Committee Hansard*, 22 July 2011, p. 24.

7 Mr Tony Sheldon, Transport Workers Union of Australia, *Committee Hansard*, 22 July 2011, p. 25.

> what increases the death rates. A big hit like $150–$200 a week is a death tax.[8]

Committee comment

9.10 The committee acknowledges that over the years the heavy vehicle on-road transport industry has taken action to reduce their emissions through the adoption of better engine technology.

9.11 The committee considers that the introduction of a carbon tax by a reduction in the fuel tax credit in 2014 will result in the loss of jobs and businesses and that the impact of this will be felt particularly in regional areas given their reliance on road transport.

Off-road fuel usage in the transport industry

9.12 As a result of the operation of the existing fuel tax credit system, some businesses effectively pay no excise on the fuel they use off–road.[9] The government's Clean Energy Future Package, however, proposes changes to this regime which will impose an effective carbon tax on businesses' liquid and gaseous fuel emissions.[10] In announcing these changes the government has given an undertaking that fuel tax credits will not be reduced for the agriculture, forestry or fishing industry.[11] Although the government has given this undertaking concern among these industries remains.

9.13 When appearing before the committee, the Victorian Farmers' Federation (VFF) explained that although the farming industry is relieved that the carbon tax proposal exempts on–farm emissions, there is 'no doubt' that famers will have to bear the extra costs of power and energy sources:

> This means that costs of farm supplies such as power, fertiliser, chemicals and fuel will go up as the full effect of the carbon tax is passed on to farmers. On the output side, manufacturing processes and the costs of transporting livestock and bulk commodities like grain will increase quite significantly as the price of carbon drives costs forward.[12]

9.14 Evidence provided to the committee, in fact, suggests that there is some uncertainty as to how the introduction of an effective carbon tax through its interaction with the existing fuel tax credit system will affect off-road fuel users.

---

8 Mr Tony Sheldon, Transport Workers Union of Australia, *Committee Hansard*, 22 July 2011, p. 25.

9 Australian Government, *Clean energy future – Fact sheet 16*, p. 43.

10 Australian Government, *Clean energy future – Fact sheet 16*, p. 43.

11 Australian Government, *Clean energy future – Fact sheet 16*, p. 43.

12 Mr Peter Tuohey, Vice President and Chair, Farm Business and Regional Development Committee, Victorian Farmers' Federation, *Committee Hansard*, 1 September 2011, p. 20.

Although the VFF's understanding is that their off-road fuel use won't be affected,[13] the Secretary of the Department of Climate Change and Energy Efficiency, when appearing before the committee, explained the position as follows:

> **CHAIR:** I am looking at the exposure draft, page 5, 43(8), 'working out the amount of carbon reduction'. This clause effectively imposes a carbon price on fuel through a reduction in the fuel tax credit, does it not?
>
> **Mr Comley:** That is correct.
>
> **CHAIR:** Essentially, it contains a formula. The credit for taxable fuel or the fuel tax rebate is reduced by a formula that is the quantity of fuel times the carbon price times the carbon emissions rate. Doesn't this mean that recipients of the fuel tax rebate are paying a carbon price from the word go by the wording of your own legislation?
>
> **Mr Comley:** It certainly means that they are having a reduction in their credit linked to the carbon price, yes.
>
> **CHAIR:** From day 1, as of 1 July 2012 under your exposure draft?
>
> Mr Comley: Yes, that is correct.
>
> **CHAIR:** I thought that that was correct, which is not entirely consistent with the proposition that fuel has been excluded from the carbon pricing package that has been released by the government.
>
> **Mr Comley:** The documents make it clear that there is coverage of the transport sector. In fact, if I were to turn to both the policy tables and the full clean energy document, it is clear that transport is covered in some part. There are exclusions for small on-road vehicles under 4.5 tonnes. But it is entirely consistent with the documentation that has been provided.
>
> **Senator WILLIAMS:** So are you telling us that the 6.21c a litre on the rebate for transport of more than 4.5 tonnes tare weight will start on 1 July 2012?
>
> **Mr Comley:** No—sorry Senator. For the large vehicle issue, there is a government commitment to start on 1 July 2014. The fuels being referred to here are a fuels related effectively to off-road use.
>
> **CHAIR:** And of course the expected revenue which the government intends to include, in terms of transport fuels, into the carbon pricing regime from 2014-15 has been included in the costings of the package, too, has it not?
>
> **Mr Comley:** It is part of the forward estimates, yes.[14]

---

13 Mr Peter Tuohey, Victorian Farmers' Federation, *Committee Hansard*, 1 September 2011, p. 21.

14 Senator Mathias Cormann, Chair, senate Select Committee on the Scrutiny of New Taxes and Mr Blair Comley, Secretary, Department of Climate Change and Energy Efficiency, *Committee Hansard*, 10 August 2011, p. 42.

9.15 It appears therefore that although the government has given an undertaking to exclude off-road fuel usage in the forestry, farming and fishing industries,[15] other off-road fuel use, such as that used by mines, will be captured by the changes and will incur an effective carbon price from 1 July 2012. As a result, many more than 500 big emitters will be caught paying the government's proposed carbon tax. Indeed, in a recent Australian National Audit Office Audit Report, the Tax Office identified that in the 2009–10 financial year there were 192 195 registered claimants in the fuel tax credit system (up from 146 997 in the 2006–07 financial year).[16]

9.16 Therefore, despite undertakings from the government to exclude the on-road transport, forestry, farming and fishing industries from changes to the fuel tax credit system until 1 July 2014, a large number of businesses will still be affected by the reductions that take effect from 1 July 2012.

9.17 Consistent with Tax Office data provided to the Auditor General, at the time of writing this report 59 079 businesses would incur an effective carbon tax through a reduction in their fuel tax credits from 1 July 2012. That number will increase further to about 200 000 businesses once the government imposes the carbon tax on heavy vehicles from 1 July 2014.

Table 9.1.: Fuel Scheme Claims Data (by industry)[17]

	2006-07		2007-08		2008-09		2009-10	
Industry	**No. claims**	**Claims $m**	**No. claims**	**Claims $m**	**No. claims**	**Claims $m**	**No. claims**	**Claims $m**
Mining	1060	1390	1282	1439	1539	1689	1518	1700
Transport, postal and warehousing	33 067	1090	38229	1165	40612	1164	39008	1118
Agriculture, forestry and fishing	79 553	533	90 289	618	94 920	629	94 108	641
Professional, scientific and technical services	1047	288	1343	240	1796	300	1834	342
Manufacturing	3684	268	4452	271	5310	268	5346	268

15 In their supplementary submission to the inquiry the Commonwealth Fisheries Association welcomed the government's commitment to exempt direct emissions of the fishing sector from any carbon price mechanism. Source: Commonwealth Fisheries Association, *Supplementary Submission 89*, p. 1.

16 Australian National Audit Office, *Audit Report No. 49 2010–11, Fuel Tax Credits Scheme, Australian Taxation Office,* pp 73 – 74.

17 Australian National Audit Office, *Audit Report No. 49 2010–11, Fuel Tax Credits Scheme, Australian Taxation Office,* pp 73 – 74.

Financial and insurance services	586	212	714	219	866	212	902	217
Construction	11 415	164	14 909	215	21 211	275	22 423	277
Electricity, gas and waste services	1461	150	1809	141	2093	110	2136	106
Public administration and safety	606	96	749	112	786	137	804	120
Rental, hiring and real estate services	2212	26	2756	36	3507	43	3709	43
Retail trade	2981	19	3531	22	4164	24	4234	24
Other services	1881	15	2376	17	2980	18	3132	19
Unknown/other	461	14	629	8	687	8	742	6
Administrative and support services	1141	13	1493	13	2983	16	3293	17
Accommodation and food services	681	10	865	11	1298	11	1330	10
Arts and recreation services	469	10	604	19	945	18	1008	24
Information media and telecommunications	90	3	111	15	139	6	131	4
Education and training	361	2	465	4	713	4	775	5
Health care and social assistance	307	2	375	2	436	2	457	2
Total	**146 997**	**4379**	**171 688**	**4648**	**192 339**	**5016**	**192 195**	**5016**

9.18 In announcing the changes to the fuel tax credit scheme the government has stated that the fuel tax credit changes for petrol and diesel will be determined according to their level of emissions, given that different fuels emit different amounts of carbon when burnt.[18] The fuel tax credit changes for liquid fossil fuels, other than petrol and diesel, will be based on the diesel emission rate and changes for gaseous fuels will reflect the effective carbon price based on their specific emission rates.[19]

18 Australian Government, *Clean energy future – Fact sheet 16*.

19 Australian Government, *Clean energy future – Fact sheet 16*.

The government has announced that there will be a three year transitional period involved in effecting these changes:

Table 9.2.: Fuel tax credit reductions per fuel type over the three year transitional assistance period[20]

Year	Petrol	Diesel and other liquid fuels*	LPG*	LNG & CNG#
2012-13	5.52	6.21	3.68	6.67
2013-14	5.796	6.521	3.864	7.004
2014-15	6.096	6.858	4.064	7.366

* cents per litre and # cents per kilogram

Committee comment

9.19 Contrary to government assertions that the carbon tax will only be paid by the top 500 emitters, the changes to the fuel tax credit system will introduce an effective carbon tax for approximately 60 000 fuel users from 1 July 2012.

The air transport industry

A carbon tax on aviation fuel

9.20 As aviation fuel is not subject to the existing fuel tax credit system, domestic aviation fuel excise will be increased annually from 1 July 2012 by an amount equivalent to the carbon tax.[21] The method for determining the increase in the aviation fuel excise will change from 1 July 2015 when it will be increased on a six monthly basis, based on the average carbon price over the previous six months.[22]

Table 9.3: Carbon price impact on aviation fuel, cents per litre[23]

	Carbon price ($/tonne CO2-e)	Aviation kerosene	Aviation Gasoline
2012-13	23.00	5.98	5.06
2013-14	24.15	6.279	5.313
2014-15	25.4	6.604	5.588

9.21 Throughout the course of the inquiry, the committee received evidence from the aviation industry as to how the increase in fuel excise – an effective carbon tax,

20 Australian Government, *Clean energy future – Fact sheet 16*.

21 Australian Government, *Clean energy future – Fact sheet 16*.

22 Australian Government, *Clean energy future – Fact sheet 16*.

23 Australian Government, *Clean energy future – Fact sheet 16*, p. 44.

will impact their operations. The industry is concerned that the impact of the carbon tax on the airline industry will not lead to the change in behaviour that the government is seeking but will instead threaten jobs and damage the industry's competitiveness and viability.

9.22 When appearing before the committee, Regional Express Holdings Ltd, (REX), which operates regional airline services, voiced concern that the carbon tax initiative may challenge their long term financial viability, putting in jeopardy the service they provide to rural and regional areas of Australia:

> We have got very few substantial things we can do that will reduce our carbon emissions beyond what we are already doing and have been doing. It is in the interests of all airlines to reduce their fuel bill and whether or not you add another 6c per litre or not it is still a significant cost. There has always been a very big driver to reduce the sheer amount of fuel that we burn. Short of actually reducing activity, there is not a lot we can do... [I]f the objective is for us to reduce carbon emissions and therefore reduce activity, regional communities that do not necessarily have any other way of achieving that kind of service will be without an air service. We do not feel we can simply pass on the fuel excise without affecting the demand and therefore without affecting our profitability and potentially leaving some communities without a vital regional air service.[24]

9.23 REX is a regional airline formed in 2002 out of the collapse of the Ansett Group; it operates over 33 routes to 29 regional destinations and in the 2010-11 financial year carried approximately 1.2 million passengers.[25] REX employs approximately 1,000 people, many of whom are based in regional centres.[26]

9.24 The REX witnesses identified that passing on any cost to their passengers will have an impact on demand and any such downturn may affect profitability leading them to withdraw from some routes:

> **Mr Hine:** We will have little option but to pass the cost on to our passengers. As I said, the biggest concern to us is that, given the nine years we have of operating, plus Warwick and I have been with the two combined companies for 16 years—Warwick for 19—the data tells us that we cannot simply add $2, $3 or $4 and it have no effect on demand. So the fear to us is it will reduce our profitability and therefore on some of the marginal routes we already have the end result could be us having to pull out of those communities.
>
> ...

24 Mr Christopher Hine, Regional Express Holdings Ltd, *Committee Hansard*, 22 July 2011, p. 13.

25 Mr Christopher Hine, Regional Express Holdings Ltd, *Committee Hansard*, 22 July 2011, p. 13.

26 Mr Warrick Lodge, General Manager, Network Strategy and Sales, Regional Express Holdings Ltd, *Committee Hansard*, 22 July 2011, p. 18.

Mr Hine: We previously identified seven ports/routes that we want to make known as being marginal ones for us. They are out of Sydney: Bathurst, Taree and Grafton. And out of Melbourne: King Island, Merimbula and Griffith.

Mr Lodge: Primarily all those routes achieve less than 30,000 passengers per year. I guess it is the thin passenger volumes that make it quite difficult to provide a frequent service and achieve the required economies of scale to service those thin and marginal routes.[27]

9.25 REX are of the view that as use of their service is largely for non-discretionary travel, if they are forced to withdraw from regional routes the environmental outcome will be worse, as customers will have no choice but to rely on more emission intensive cars to reach their destinations:

...we believe that more than 80 per cent of passengers travelling across our network do so because they need to. It is actually essential travel. That is one of our arguments in terms of the public service and the public provision we are providing through these regional services where there are people in many of the regional [communities] that we service that are travelling to the city to undertake specialised medical treatment, business people travelling to and from Sydney, Melbourne and Adelaide. We are linking regional Australia with the city, and that is where the services we provide...are vastly different to the major carriers... .[28]

9.26 The concern that the introduction of a carbon tax would jeopardise the ongoing viability of regional airlines to provide these essential services was also voiced by the Regional Aviation Association of Australia (RAAA):

The CT [carbon tax] will mean higher costs for regional air services and may further discourage people to move from the crowded major cities to opportunities in the regional centres.

The CT will only apply to domestic carriers. International operators will not be charged the tax on fuel thus forcing an unequal burden on regional operators. In Europe all international flights are subject to a carbon penalty through the European ETS.

Regional aviation will experience a 'quadruple whammy' on 1 July 2012. This will have a considerable dampening effect on the sector and may threaten the viability of some routes.[29]

9.27 The 'quadruple whammy' that the RAAA is referring to is:

- the introduction of the carbon tax through the increased fuel excise;

---

27 Mr Christopher Hine and Mr Warrick Lodge, Regional Express Holdings Ltd, *Committee Hansard*, 22 July 2011, p. 13.

28 Mr Warrick Lodge, Regional Express Holdings Pty Ltd, *Committee Hansard*, 22 July 2011, p. 19.

29 Regional Aviation Association of Australia, *Submission 76*, p. 3.

- the removal of the successful enroute rebate scheme;
- new security screening measures that will result in increases in operating costs at regional ports; and
- ongoing fuel excise increases that do not apply to international airlines, Airservices Australia and capital city airports.[30]

9.28 The RAAA was established in 1980 to protect, represent and promote the interests of regional airlines and regional aviation in Australia; jointly, the Association's members turnover more than $1 billion per annum, and carry more than two million passengers and 23 million kilograms of freight.[31]

9.29 The RAAA takes the view that the additional $11 million per annum that will be added to the fuel costs of its members will not only create barriers to entry but will threaten the viability of some carriers and force all operators to review their current route structures.[32] They suggest that the government needs to consider the cumulative effect of the proposed policies on their industry.[33]

9.30 Even QANTAS Group, a large aviation industry participant, with ability to access capital, acknowledges that broader policy implementation and reform would enhance the ability of the aviation industry to transition to a low carbon economy.[34] Arguably they do not face the same challenges as regional airlines such as REX and the members of the RAAA. However, they may be impacted as international aviation fuel use is not subject to fuel excise and will, therefore, not be subject to an effective carbon price.[35]

9.31 In addition to regional airlines, concerns have been voiced by businesses like Superair Australia. Superair Australia, a small regional aerial agricultural specialist based in Armidale and employing 20 people, is also concerned that the increased operating costs that will result from higher fuel prices will damage their profitability:

> As a direct result of increased fuel pricing, increased fertilizer costs and increase in costs over and above our direct competitors, Superair's turnover will ultimately decrease and therefore lead to loss of jobs within the company and the industry as a whole.[36]

9.32 Superair Australia is critical of the government's view that the introduction of a carbon tax will not be borne by the agricultural industry:

---

30 Regional Aviation Association of Australia, *Submission 76*, p. 3.

31 Regional Aviation Association of Australia, *Submission 76*, p. 1.

32 Regional Aviation Association of Australia, *Submission 76*, p. 3.

33 Regional Aviation Association of Australia, *Submission 76*, p. 3.

34 QANTAS Airways Limited, *Submission 52*, p. 5.

35 Australian Government, *Clean energy future –Fact sheet 16*, p. 44.

36 Superair Australia, *Submission 69*, p. 2.

> My main focus is the effect the Carbon Tax will have on the major component of our business being our Agricultural and Forestry operations. Specifically the expected 5.588 cents per litre increase in Avgas and the 6.604 Jet AI turbine fuel increase. This directly will add some $30,000 to $40,000 to our costs of aviation fuel per year just for our company alone...
>
> Our business is solely dependent on agriculture... For the government to come out openly and say that agriculture is exempt again I find hard to find the facts in that statement. Because Superair operates in a very high capital cost industry with low margins, we will have no choice but to pass onto our clients the graziers or the forestry industry the increase in fuel costs that we will incur because of the direct burden of the carbon tax. If this makes agriculture exempt from the carbon tax in any way shape or form I would be happy for someone to enlighten me as I may be missing an important point that the government is aware of and I am not!
>
> ...
>
> Another issue that highlights how inequitable this tax is to our company is that our direct competitor the Fertilizer Ground spreading industry utilizing trucks is exempt from the tax under the agricultural exemption. This gives our direct competitors a market advantage.[37]

9.33 The airlines also explained to the committee that they have been taking steps to reduce their emissions for some time and that with or without a carbon tax they have put efforts into reducing their fuel burn[38] and that beyond what they are already doing, cannot do much to further reduce their carbon emissions:

> Short of actually reducing activity, there is not a lot we can do. There are no modified engines available and there is very little chance that anyone, particularly a regional operator, is going to invest the dollars required to produce an alternative engine for a Saab 340 for example... The other concern to us is that, if the objective is for us to reduce carbon emissions and therefore reduce activity, regional communities that do not necessarily have any other way of achieving that kind of service will be without an air service.[39]

CQ Rescue

9.34 Like previous witnesses, CQ Rescue stated that the increased operating costs they will incur as a result of the additional impost of a carbon tax are a cause of concern. CQ Rescue operates an aero medical and search and rescue facility covering

---

37 Superair Australia, *Submission 69*, pp 1–2.

38 Mr Christopher Hine, Regional Express Holdings Ltd, *Committee Hansard*, 22 July 2011, p. 15.

39 Mr Christopher Hine, Regional Express Holdings Ltd, *Committee Hansard*, 22 July 2011, p. 13.

an area within approximately a 300 nautical mile radius from Mackay.[40] The cost of providing the service, which is made available free of charge to all Australian residents, is approximately $5 million per annum.[41] CQ Rescue is funded partly by government grant (40 per cent) and the remaining 60 per cent by donation and corporate sponsorship.[42]

9.35 In addition to an increase in their operating costs of approximately $20,000, CQ Rescue raised the impact of the carbon tax on their corporate sponsors as a source of some uncertainty:

> **Dr Bastable:** I guess it is difficult to predict what sort of effect the carbon legislation is going to have on a lot of our sponsors. Our sponsors are largely coal producers or concerned with the mining industry—BMA, Peabody, Thiess, Leighton—but I think in the main the fuel would be the consideration. I am not sure what the price of aviation fuel per litre is today but, given it is 341,000 litres, it will be significant. I am not even sure what the price impact will be. It is somewhere between 3½c and 10c—is that right?
>
> **Senator BOSWELL:** 19c in three or four years.
>
> **Dr Bastable:** My CEO told me it was about $20,000. I am not sure what price per litre he based that on.[43]

9.36 CQ Rescue, however, is confident that their service will not be curtailed as a result of the impact of a carbon tax and the increased operating costs they will incur.

Committee comment

9.37 In announcing their Clean Energy Package the government has consistently claimed that the scope of a carbon tax would be restricted to Australia's top 500 emitters – this claim has been used to mislead the Australian public. Throughout its inquiry this committee has uncovered the truth, that the real scope of the government's carbon tax plan will be more than 60 000 businesses. This impact will be felt through the changes to the fuel tax credit scheme that the government is seeking to introduce from 1 July 2012. These changes again hit small businesses, often in regional Australia, where the challenges of transitioning to large scale government policy initiatives are often more deeply felt.

---

40 Dr Peter Bastable, Chairman, CQ Rescue Board, CQ Rescue, *Committee Hansard*, 5 August 2011, p. 52.

41 Dr Peter Bastable, Chairman, CQ Rescue Board, CQ Rescue, *Committee Hansard*, 5 August 2011, p. 52.

42 Dr Peter Bastable, Chairman, CQ Rescue Board, CQ Rescue, *Committee Hansard*, 5 August 2011, p. 52.

43 Dr Peter Bastable, Chairman, CQ Rescue Board, CQ Rescue, *Committee Hansard*, 5 August 2011, p. 52.

9.38 The committee thanks the large number of small businesses in rural and regional Australia who participated in its inquiry either through making submissions or appearing before the committee. The input of these often forgotten stakeholders further highlighted the inadequacy of government modelling of the impacts of the proposed carbon tax on regional Australia.