



Transcript of interview with ABC South East SA, Limestone Coast

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Topics: Carbon farming, local opportunities

STAN THOMSON: Simon Crean the Minister for Regional Development joins us now. Good morning and welcome to you.

SIMON CREAN: Good morning Stan. How are you?

STAN THOMSON: I'm all right. Did you get home in time to fill out your form?

SIMON CREAN: Well it's fascinating, I did and it's filled in and it's the first time in the last three that I've been home to do it.

STAN THOMSON: And did you do it or did you delegate the member of the family to do it?

SIMON CREAN: No, we got us all together and went through it but I held the pen.

STAN THOMSON: [Laughs] As is your want Minister. Now you were here just a few hours ago actually visiting a carbon farm. Now many people didn't realise we had one in the south east. Where is it and what is it?

SIMON CREAN: It was down at Mil Lel - Clover Estate it was called but there are a group of farmers there and they came from as far as Geelong and Lismore in Victoria and they go across also, as I understand it, into the Eyre Peninsula. I was in Whyalla yesterday as well so there's a group of them, and they've been doing this for some time.

It's biological farming and what they argue is that what it does is to enrich which is light sandy soil and enable it to become carbon rich soil and by that process it holds more water so therefore it's more resilient in drought in particular, holds more nutrients and it's more productive.

Now the reason this is all important, Stan, is because as you know in our carbon package we've advocated the need for carbon farming and the ability for farmers to be able to trade the credits.

STAN THOMSON: Of just being a non-farmer Mr Crean, I just wanted to ask you again, what is it, okay you enrich the soil. Is this soil for grazing sheep on or is it - or animals?

SIMON CREAN: Well interestingly, Clover Estate used to be a dairy farm, it's now agisting dairy cattle and it's having great success in the productivity and the regulatory of the carving of the productivity and survival of the animals. And their fattening, they get paid by how much the animals fatten over a period of time. They fatten quicker because the nutrients that grow the pasture are more balanced, a better diet for growth and more rapid growth in the animals.

STAN THOMSON: And yet they're the animals that are belching out more carbon aren't they?

SIMON CREAN: Well you can't stop cows belching, Stan, and if anyone's got a solution to that, tell us about it but you can't legislate for that. What you can legislate for though is circumstances in which people who are undertaking these creative new practices can get credit for it.

Now the carbon farming and the trading of credits so that if they're trapping more carbon in the soil because of these techniques and you can measure the continuing entrapment of that carbon because that's after all what we're trying to do, we're trying to stop less carbon going into the atmosphere, if you can measure that they can trade those credits.

But apart from that these farmers have been doing it because it's lifted their productivity. So that's a good thing in its own right if you think of the challenge of food security, food sustainability because this is a solution not just for Australia but for the rest of the world and as Australia's always been a leading advancer in the innovation stakes in agriculture, here's another opportunity to advance that as well.

STAN THOMSON: Either in Whyalla or here did you meet opposition to the carbon tax?

SIMON CREAN: No it's interesting I've visited 14 regions since the carbon package was announced and I've held 11 forums all around the country, Stan. In all of those, communities themselves have identified the need to embrace a cleaner carbon future. They're determined...

STAN THOMSON: Yeah but by doing it your way though?

SIMON CREAN: Yeah, well - no, what they're interested in seeing is what our package enables them to do with it, with the assistance that enables them to do it. And with the carbon farming for example there's a billion dollar fund in there that enables biodiversity and carbon farming techniques on the farm quite apart from getting the credits for the farming.

In Whyalla it was interesting that there's a number of transition programs, obviously for OneSteel, the big employer in that town but also now the real prospect of a solar energy plant, a solar concentrator being built and also the ability now for - with more renewable energy in that area being developed, the ability for the rare earth to be brought down from the Northern Territory and these are important in developing lower energy components in a lot of the vehicles and things we use.

STAN THOMSON: Okay, well look, that's all the science, and that's all very well, but are you happy that Australians are not going to be disadvantaged financially by paying the tax that you are imposing on us?

SIMON CREAN: We are compensating nine out of 10 households, Stan, and many of those more than fully compensated. We're also enabling practices to be introduced through local government to lower energy usage in households, so people will in fact be better off. So the impact in terms of the consumer is going to be minimal because the impact, in terms of the inflation rate, is only 0.7 of a per cent.

When the GST came in the CPI went up close to three per cent. Now - and we are fully compensating at least nine out of 10 households. And if they change their practices they will be better off.

As for industry, there's also a big package of measures in there to enable industries to make the conversion to cleaner energy options. Because what we're trying to do here Stan is to change people's behaviour and reward good behaviour. You can reward good behaviour through a market mechanism that rates better behaviour than dirtier behaviour, if you like.

And you can also reward good behaviour and encourage better practices if you've got the programs in place to help businesses and households make the switch.

STAN THOMSON: Well how do you respond to Tony Abbott who says they can do much the same thing but it won't cost the Australians anything in forms of a carbon tax?

SIMON CREAN: Interestingly enough, Tony Abbott and the Labor Party agree on one thing, and that is that we both have to reduce emissions by five per cent by the year 2020.

STAN THOMSON: But they can do it without putting a tax on it.

SIMON CREAN: Yeah, but their proposal has been ridiculed by everyone that has analysed it. It in fact is more costly, whilst they don't say they're putting a tax on to undertake the direct payments to industries to get them out - will cost Australian households \$720 a year.

They've never told you that.

And interestingly enough when I was in one of the regions I was drawn to the attention of Whyalla by - was Tony Abbott had gone there three weeks ago and said when the carbon tax comes in Whyalla will be wiped off the map.

I went there to see what the basis of that claim was. And far from being wiped off the map they're going to be cemented on the map. Because they're diversifying their economic base into solar, into renewable energy, into clean aquaculture - a whole range of diversified economic activities which are going to increase job opportunities.

The rare earths facility will employ 1000 people in its construction. The solar will employ 200 in its construction. That's hardly wiping it off the map.

So you know, Tony Abbott runs a scare campaign - but also offers a solution that no-one believes will work.

Even his people in his own party don't believe it will work.

STAN THOMSON: All right, there'll be plenty of time for more words on that.

But just before you go on a quick one in your capacity as Minister for Regional Development. Recently we've had an application from the Adelaide City Council to dip into funds that we thought were ours, us being regional South Australia, to fix up Victoria Square. Did you envisage that possibility of a metropolitan-based council taking regional funds?

SIMON CREAN: Well everywhere is a region, Stan, let's understand that, and regions are connected to capital cities. And they have to be, when you think of ports and rail and distribution points. So I treat the whole of Australia as connected, one way or another, to a region.

The question of what gets the nod in the final analysis - bearing in mind this proposal, this program has been heavily oversubscribed and this is only the first round - an independent panel will make the judgment based on the merits of the proposals that come before us.

STAN THOMSON: But would you have expected a proposal to come out of a metropolitan-base council? Even though you say Adelaide's a region, is it real? It's not how we understood regional development, I've got to be honest. Because the sort of projects that we here in the country put in for are projects that will ensure that we've got a future - and we've got employment for people.

And what... doing up Victoria Square, how is that going to help the employment situation?

SIMON CREAN: Two things. This is not the only fund that is available to regions. And when you look at the health infrastructure fund, the higher education infrastructure fund, the roll out of the broadband network which is not just going to the capital cities, also significantly going to the region - there's a whole lot of options by which regions can diversify their economic base and make the communities more liveable.

As for the specifics of that fund, the final results will be determined by an independent panel.

STAN THOMSON: So it's not time to actually stand up and redefine what we mean by regions? Because look - I accept what you're saying. We're all regions of something, no matter where we are - and whatever our population is.

SIMON CREAN: Exactly.

STAN THOMSON: However I don't think this was ever envisaged, that it would involve metropolitan councils like Adelaide.

SIMON CREAN: Stan, we've sat in cabinet meetings over the years trying to define regions. The last thing you'd want is Canberra being specific about what defined regions. Regions define themselves - I've learnt that from years of experience.

What I'm interested in is the community of interest.

I'm interested in regions taking initiative to diversify their economic base - and to embrace the challenge of a cleaner carbon future. If they're going to diversify their economic base, capital cities are crucial to them.

As for the specifics of proposals, they will be determined by an independent panel against the criteria that we have said that seek to diversify the economic base - and make the communities more liveable.

STAN THOMSON: Thank you very much for you time this morning.

SIMON CREAN: My pleasure.

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