



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

**CARBON POLLUTION
REDUCTION SCHEME BILL 2010**

**CARBON POLLUTION REDUCTION
SCHEME (CONSEQUENTIAL
AMENDMENTS) BILL 2010**

**AUSTRALIAN CLIMATE CHANGE
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**CARBON POLLUTION REDUCTION
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**CARBON POLLUTION REDUCTION
SCHEME AMENDMENT (HOUSEHOLD
ASSISTANCE) BILL 2010**

Second Reading

SPEECH

Tuesday, 9 February 2010

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Date Tuesday, 9 February 2010
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Questioner
Speaker Sidebottom, Sid, MP

Source House
Proof Yes
Responder
Question No.

Mr SIDEBOTTOM (Braddon) (5.49 pm)—I too welcome the new member for Bradfield. I had a very good relationship with the former member for Bradfield and I hope I have an equally good relationship with the new member. I thank him very much for his lessons on the market economy and the importance of price signals. I will be using them extensively to justify support for the legislation before us today, the Carbon Pollution Reduction Scheme Bill 2010 and related bills. Everything he said endorsed it, so I congratulate him. Mr Speaker, you are leaving me! Madam Deputy Speaker Vale, you have a much better visage. Thank you.

I am very pleased to be able to speak again on this legislation. What puzzles me is that until quite recently this House agreed that there was a serious problem caused by climate change. Essentially there was agreement on how to deal with it. At the heart of that was a determination to implement an emissions trading scheme—until quite recently. Now that has turned around, as there is a collective memory loss on the part of those opposite. There is also a view, I believe, that the problem has somehow gone away, that we do not have a problem. It seems that, somehow, because the Copenhagen summit did not appear to produce 100 per cent acceptance globally for the implementation of an international ETS, the problem has gone away. The view seems to be that, because people have discovered that there are flaws in both the behaviour and ethics of some scientists involved in the climate change debate, somehow or other the problem has gone away.

There is almost an indecent obsession, amongst some opposite, with the idea that raising some of these unfortunate instances of ethical misbehaviour and scientific flaws somehow or other completely dilutes the scientific argument of thousands of other reputable scientists in the area of climate change. We have some commentators, particularly in News Ltd, frothing at the mouth in their attempts to regurgitate some of the instances of some of this unethical behaviour and some of the flaws in the scientific conclusions—regurgitating it, day after day, in the hope that the Australian people will believe that the problem of climate change has gone away, and in the hope that the general consensus worldwide that an ETS is the best, cheapest and fairest means of dealing with this problem has somehow gone away. And we have those opposite

now prepared, almost to a person—bar one—to vote down this legislation which had been agreed to through an onerous, grinding process of consensus that has led to this amended legislation.

That person is the member for Wentworth, who most eloquently presented the argument for an ETS and a carbon pollution reduction scheme for this nation yesterday on the other side. And I congratulate him for that and acknowledge his courage in doing so. He knows what is right and he did what is right. And, you know, the only difference was one vote. The member for Wentworth lost the leadership by one vote. So I suspect that 99.9 per cent of them—although my maths is not that good—essentially were going to accept the emissions trading scheme and the amended legislation. But all of a sudden, all of them—bar one—essentially rejected the science and rejected the mechanism of the ETS. And now they will oppose this amended legislation. So this legislation—agreed to through a consensual process, ground out under the auspices of the member for Wentworth, the member for Groom, Senator Wong and Greg Combet, the Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change—has now gone by the wayside.

I want to remind this House, and those people who are listening to this broadcast—I hope they are still awake!—that we do have a problem. Let me restate what that problem is. I return to some good old evidence that was put out in the public domain. I say this particularly to those opposite. It is called the green paper; it was followed by the white paper, by lots of other papers and by this legislation and the legislation before it. You can all read it. But those on the other side, essentially, have said: ‘We don’t know what you’ve been talking about. We don’t know what’s going on. You’d better get out there and flog it to the public because we don’t know what it means.’ What a load of nonsense!

Page III of the foreword states the problem. With your indulgence, Madam Deputy Speaker Vale, I will look at what that says:

Carbon pollution is causing climate change, resulting in higher temperatures, more droughts, rising sea levels and more extreme weather.

Well, we know that is true in Australia; we are one of the driest continents on earth, and getting drier.

The 12 hottest years in history have all been in the last 13 years and IPCC scenarios project temperature rises between 1 and 6.4 degrees over the next century relative to 1980–99.

Without action, scientists predict—

that is, the massive scientific consensus is that we will see—

up to 20 per cent more drought months over most of Australia by 2030, more intense and damaging cyclones and rising sea levels with serious impacts on:

- coastal property in Australia—

which is where the greatest majority of Australians live and where the greatest number of our houses and properties are. There will also be serious impacts on low lying Asian megacities and on the Pacific Islands. The cry of the Pacific Islands was well registered at Copenhagen—in fact, embarrassingly so, for those who listened and were not prepared to do much about it. The foreword goes on:

With one of the hottest and driest continents on earth, Australia's economy and environment will be one of the hardest and fastest hit by climate change if we don't act now.

Professor Garnaut, in both the draft and his final report, emphasised that point. The foreword goes on to say that climate change:

... threatens Australia's food production, agriculture, water supplies, as well as icons like the Great Barrier Reef, the Kakadu wetlands and the big tourism industries they support.

... we are already beginning to feel the economic and environmental costs of inaction on climate change. But if we delay action any longer, these costs will be felt even more by not only our generation, but also our children and grandchildren.

That is part and parcel of the problem.

Professor Garnaut, in his review, got far more specific about the impact and the costs of climate change for Australia. He believes they would be relatively greater than for any other developed countries. He gave a significant list of some of the impacts of unmitigated climate change in Australia, and it was very sobering reading indeed, and something, I hope, most members in this House would have read when they looked at the green paper.

There are some who would have us believe them when they say: 'All right—there's a problem. But we don't need to be acting too hastily on it now. We need to be waiting for others. We need to have absolutely

incontrovertible proof that climate change is in the state that many believe it is.'

However, Nicholas Stern—an economist, I admit, rather than a climatologist—in his report *The economics of climate change* in 2007 clearly demonstrated the high environmental, social and economic costs of delay and the likelihood of higher mitigation and adaptation costs and more climate change if action is undertaken at a later date. In other words, the costs now will be far less than the costs later. So there is an economic imperative to this, an obligation, a responsibility to act.

The Leader of the Opposition has flipped and flopped on this, along with a lot of his colleagues—indeed, it is just about all his colleagues if you believe what you are hearing them say on the other side—except for the member for Wentworth, who virtually positioned the environment in opposition to the economy. This is an absolutely false dichotomy. The Stern review clearly argues that stabilising greenhouse emissions at acceptable levels would cost on average one per cent of annual global GDP by 2050, whilst 'the business-as-usual approach'—the term used by the Leader of the Opposition in presenting his so-called alternative—'would cost between five to 20 per cent of global GDP'. So on economic imperatives alone there is argument to act now, to act comprehensively now, not in a piecemeal fashion.

There were those on the other side who were in some cases reluctantly drawn to this conclusion but drawn nevertheless when former Prime Minister John Howard established an emissions trading task group headed by Dr Shergold, then the secretary of his department. It contained a cross-section of people who would be most directly affected by the possible implementation of an emissions trading scheme. In 2007 the Howard government adopted the Shergold task group's recommendation to establish an emissions trading scheme. The interesting thing about that was that the recommendation was to act now ahead of and in advance of many other countries, that it was irresponsible to wait and that Australia would have far more efficient, effective and cost-effective results if we were to act earlier rather than later. I quote from the Shergold report of 2006:

An Australian emissions trading scheme—

said the secretary, and adopted by Mr Howard and his government and accepted by those in this House at this very moment—

with a carbon price set by the market, would improve business investment certainty—

one of the great weaknesses of the current Abbott scheme. The report continues:

This is particularly the case for projects with a high degree of carbon risk. There is growing evidence that investments are being deferred due to uncertainty about the future cost of addressing climate change. Without a clear signal on future carbon costs—

note the member for Bradfield's maiden speech extolling price indicators in a market economy and their central importance—

these investments will not be optimised. There is a risk that a higher carbon profile will be locked in for the life of the capital stock.

So we had the former government, the former Prime Minister, reluctantly drawn—like my son's wisdom teeth will soon be—to the conclusion that an ETS was the most sound scheme to deal with climate change, supported by Dr Shergold and his task force and reinforced by the member for Wentworth, by the Prime Minister, by this government and, I suspect, by the majority on the other side up until quite recently. Indeed, through a grinding process we arrived at the amended legislation which is before us today, which I am proud to support.

However, on the journey to this point, supported by so much of the evidence, lots of passengers on the other side fell off or never caught up because they never intended to anyway, and we were left with a shambles which is the con job which has been announced recently by the Leader of the Opposition. Immediately the Leader of the Opposition put forward his proposal, if I could call it that, which essentially says that the largest polluters may continue to pollute—and I think the term 'business as usual' is used. Where I come from they say: 'Go for it. Don't hang around; just go for it.'

So the polluters who pollute now can continue to pollute. But what we might do, says their scheme, is offer some incentives for you not to pollute. We will help you not to pollute but, in the meantime, you can continue to pollute at the level at which you are polluting. What we will do is grow a few more trees and hope to heavens that the science on the capture of carbon in soil can be much more scientifically proven—and, boy, I too wish that that could be the case but, let us not kid ourselves, that is far from conclusive, particularly with the soil types in Australia. So we will plant lots of trees in urban areas and hope to heavens that the soil can capture most of the carbon. In the meantime the polluters can keep polluting and we will drop a few solar panels on some rooftops. Amen, that will solve the problem. Ah, but what if there is an international trading scheme in carbon? 'Well, we may have to rethink it,' they say. I predict that if this sham of a scheme was ever to be realised you would see a fairly consistent drive from industry saying, 'Please introduce an ETS and do it quickly.'

The other thing I object to about the proposal on the other side—and I want to talk about our legislation, quite frankly—is their assessment that the CPRS is a great big tax when we know that the taxpayer, not the polluter, will be paying for the opposition's so-called climate change policy. In our scheme the polluters will pay, and every single cent paid for those permits will be returned to the community so that those who need financial support to offset any increase in costs, and generally speaking that is going to be in the energy sector, will be compensated, and in some cases to 110 or 120 per cent.

So what we have on the other side is a sham. It is a politically motivated solution opposed to legislation which is fair and economically and environmentally responsible. It will compensate and it will allow us to take part in an international carbon trading scheme. It is sham versus responsible action—action that those opposite were quite prepared to follow until quite recently. It is only the member for Wentworth now who will see through what he regards as his responsible policy. (*Time expired*)