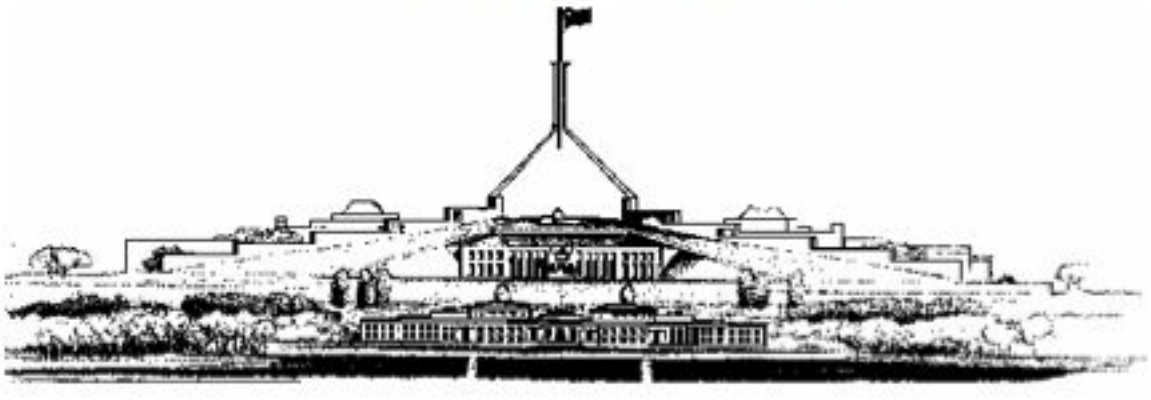
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

BILLS

Clean Energy Bill 2011, Clean Energy (Consequential Amendments) Bill 2011, Clean Energy (Income Tax Rates Amendments) Bill 2011, Clean Energy (Household Assistance Amendments) Bill 2011, Clean Energy (Tax Laws Amendments) Bill 2011, Clean Energy (Fuel Tax Legislation Amendment) Bill 2011, Clean Energy (Customs Tariff Amendment) Bill 2011, Clean Energy (Excise Tariff Legislation Amendment) Bill 2011, Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment Bill 2011, Ozone Protection and

Synthetic Greenhouse Gas (Manufacture Levy) Amendment Bill 2011, Clean Energy (Unit Shortfall Charge—General) Bill 2011, Clean Energy (Unit Issue Charge—Auctions) Bill 2011, Clean Energy (Unit Issue Charge—Fixed Charge) Bill 2011, Clean Energy (International Unit Surrender Charge) Bill 2011, Clean Energy (Charges—Customs) Bill 2011, Clean Energy (Charges—Excise) Bill 2011, Clean Energy Regulator Bill 2011, Climate Change Authority Bill 2011, Steel Transformation Plan Bill 2011

Second Reading

SPEECH

Monday, 19 September 2011

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date	Monday, 19 September 2011	**Source**	House
Page	91	**Proof**	Yes
Questioner		**Responder**	
Speaker	Mr SIDEBOTTOM	**Question No.**	

(Braddon) (NaN.NaN pm)

Mr SIDEBOTTOM (Braddon) (19 :00): I am pleased to rise to support these bills. Since the industrial revolution in the 1800s humans have been putting more and more carbon dioxide into the atmosphere through burning fossil fuels like oil and coal. We know that this is having a negative impact on the world's climate and we have known this for a long time. Eighty-six years ago Alfred Lotka calculated the rate humans were burning the earth's energy reserves and talked of how the world's atmosphere would fundamentally change. Since then the science has strengthened and now climate models tell us that CO2 in the atmosphere traps the sun's heat and is warming our planet. So after a long debate, a multitude of inquiries and reports, it is time to do something. We know that waiting longer will only make the change to a clean energy future harder.

There is often some confusion in the media, sometimes deliberately so I suspect, about climate science because science deals with what is most likely rather than simple 'yes' or 'no' answers. There is always debate in science because science is based on scepticism. 'Prove it to me!' is what scientists always demand. Scientists want data; accepting someone's word is not good enough. This is also exploited by the opposition and vested interests as they wheel out so-called experts to argue that little to nothing needs to be done. The fact that there is debate in science is often used as a basis for arguing that the opinion of very few is the real position that government should take rather than listen to the vast majority of scientists, who have very different conclusions. This tactic has been used in the past to delay changes that will impact interest groups and big business but benefit the vast majority of the public. Science denying that smoking causes cancer is but one example.

For those lacking a science background, it is always prudent and responsible to take advice from those with appropriate scientific qualifications as you would in the area of health. This is what the Labor government is doing, and the vast majority of scientists agree that climate change is indeed real and needs to be tackled. There are also no credible scientific associations, universities or scientific bodies that disagree that climate change is real or caused by human influences. I ask you: are NASA, the UK Royal Society, CSIRO and the Australian Academy of Science all wrong? Anti-climate change websites, blogs, emails and conspiracy books are unreliable sources of scientific information because they are not based on data or peer reviewed scientific studies. They are opinion only. Furthermore, what we quite often see from the opposition and a handful of so-called experts is not scepticism based on science but climate denial. The opposition, with a wink and a nudge, also have the same target of a five per cent reduction by 2020. We all know they are really in denial about the urgency of the issue and the rigor of the science—no more than two years ago they agreed with it! Only one vote separated whether they would have been prepared to put an ETS to this parliament and this country. But now they are all converted, except one or two, to denial.

We know the Leader of the Opposition has used a variety of descriptions when talking about climate change, including describing it as 'absolute crap'. Later he talked about 'a draconian new police force chasing an invisible, odourless, weightless, tasteless substance'. Recently we had the New South Wales Premier, Mr O'Farrell, claiming publicly in July that the carbon price would increase public transport fares in Sydney by 3.6 per cent and warned that some commuters faced extra costs of $150 a year. And, boy, didn't some newspapers and TV networks rush to get that onto their front pages and onto our screens! But documents released in the New South Wales parliament show that the New South Wales Treasury advised the state government in August that the federal government's carbon price would increase public transport fares not by 3.6 per cent but by just 0.49 per cent.

The opposition's alternative policy, if that is what you could call it, is not supported by science; it is simplistic and not supported by economists or pretty much anyone of any note. With any degree of scrutiny the public would dump it as ineffective and too expensive. Why would any polluter bother to change if it was business as usual? No price on carbon means there is no incentive to change. 'No thanks, we like what we are doing,' would be the response, unless, of course, the subsidy is huge. This would lead to corporate rent seeking in the extreme. The more carbon dioxide you pump into the atmosphere and the more technologically backward an industry is the greater the handout you can receive under the Liberals' policy. That is the logic of it. It is a direct handout, a direct subsidy and a direct windfall to the very industries

that create the problem in the first place. There will not be a dollar for those companies who have already reduced their carbon footprint. These companies will not get a cracker from the Liberals because they have already acted to become a zero-emissions company. The Liberal's direct action has no capacity to recognise positive action the way a market mechanism does. In fact, companies who have lowered their emissions off their own bat would see their competition get paid to do nothing to lower their emissions. Again, if this is the case, why bother doing it in the first place? You would be much better waiting to get your hands on a huge subsidy. In a perverse fashion, under the opposition's policy the only way to get a subsidy is to be a polluter waiting for cash in a handout and not be an innovator. The other centrepiece of so-called direct action policy is locking up carbon, specifically planting trees and locking up soil carbon. Firstly, you cannot plant enough trees to take enough carbon from the atmosphere. On top of this, they have ruled out planting trees on great swathes of Australia. There is also no evidence that soil carbon can lock up anywhere near enough carbon to counteract emissions.

On the other hand, Labor has designed a fantastic scheme that, after a fixed price period, creates a market for emissions. Only the big polluters will pay.

Scientists tell us we need to reduce our reliance on carbon emissions, and economists tell us that a market mechanism is the cheapest and most effective way to do this. Indeed, until recently those opposite accepted the logic of that argument. Now they reject it. They stand by themselves with one or two newspapers in holding that view. To ignore this advice trashes the credibility of scientists and economists. We know those on the other side have sought to do that and continue to do that. But in designing this package we have not forgotten about households, no matter how much those opposite try to whip up a scare campaign to the contrary.

We have designed a comprehensive support package for Australian households. Nine in 10 households will receive some assistance through tax cuts and/or payment increases. Almost six million households, or two out of three, will get tax cuts or increased payments that cover their entire average price impact. Over four million Australian households will get an extra buffer with assistance that is at least 20 per cent more than their expected average price impact. Over one million Australians will no longer need to lodge a tax return. On average, it will cost households $9.90 per week, but they will get $10.10 per week in assistance.

This assistance is permanent and, contrary to what those opposite say, will increase. The government will review the adequacy of assistance each year and will increase it further if necessary. The assistance will mean, for example, that pensioners and self-funded retirees will get up to $338 extra per year if they are single and up to $510 per year for couples. Families receiving family tax benefit part A will get up to an extra $110 per child. Eligible families will get up to an extra $69 in family tax benefit part B. Allowance recipients will get up to $218 extra per year for singles, $234 per year for single parents and $390 per year for couples. On top of this, taxpayers with annual income of under $80,000 will all get a tax cut, with most receiving at least $300 per year. Almost all eligible households will get financial assistance automatically, without having to apply. On top of this there is a significant support package for industry. This package, when combined with the carbon farming imitative, shows clearly there are real opportunities for rural and regional Australia.

Avoiding the worst impacts of climate change relies entirely on top emitters taking action. Contrary to what is claimed by those opposite and denialists, Australia is a top emitter, and acting alongside mid-sized countries like the United Kingdom, Germany, France, Italy, Spain, and the Netherlands—all of which have a carbon price already in place—we can cut global carbon pollution. We cannot just stick our heads in the sand and expect that we will not be adversely affected by sea-level rises, and the increasing incidence of extreme drought, floods and bushfires. We all have a role to play if the world is to reduce carbon emissions to a level capable of keeping temperature rise to less than two degrees Celsius. We owe that to the globe now and we owe it for our future.

It is often said that Australia is acting ahead of the world and that other countries are not acting. Again, contrary to newspaper articles generally from the same stable, News Limited and particularly the *Australian*, many countries are acting positively, either with schemes somewhat similar to an ETS or through other actions. Eighty-nine countries, accounting for over 80 per cent of global emissions and over 90 per cent of the global economy, have pledged to reduce or limit their carbon pollution by 2020. Australia's top five trading partners—China, Japan, the United States, the Republic of Korea and India—and another six of our top-twenty trading partners—New Zealand, the UK, Germany, Italy, France and the Netherlands—have implemented or are piloting carbon trading or taxation schemes.

Ten US east coast states have an emissions trading scheme. One of those states alone, New York state, has the same size economy as Australia. California, the eighth largest economy in the world and more than 50 per cent bigger than the Australian economy, has committed to introducing an emissions trading scheme from 2012. South Korea has committed to introducing

an ETS from 1 July 2015 and an emissions reduction target of 30 per cent below business as usual from 2020. New Zealand introduced a trading scheme in 2008, initially covering only forestry but in 2010 expanded significantly to cover liquid fossil fuels, stationary energy and industrial processes. I recall the Prime Minister of New Zealand claiming that the impact of that scheme has been minimal.

China has indicated it will introduce emissions trading pilot schemes in a number of provinces, including the industrial centres of Beijing, Shanghai and Guangdong. And the World Bank recently indicated that these regional schemes may be expanded to a national scheme by 2015. China has the world's largest installed renewable energy electricity generation capacity. In 2009, China added 37 gigawatts of renewable power capacity, more than any other country in the world. India has a tax on coal which is expected to generate over half a billion dollars annually to fund research into clean energy technologies. In the US, President Obama has set an ambitious target to transform the energy sector, which will see 80 per cent of electricity coming from clean resources by 2035. He has also committed the US to being the first country to have one million electric cars on the road by 2015. Countries around the world are already taking action on climate change. Eighty-nine countries, representing 80 per cent of the global emissions and 90 per cent of the world's economy, have already pledged to take action on climate change. Globally more money is now invested in new, renewable power than in conventional, high-pollution energy generation. Indeed, China is now the largest manufacturer of both solar panels and wind turbines. I am very pleased to support our clean energy future.