



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

**CARBON POLLUTION
REDUCTION SCHEME BILL 2009**

**CARBON POLLUTION REDUCTION
SCHEME (CONSEQUENTIAL
AMENDMENTS) BILL 2009**

**AUSTRALIAN CLIMATE CHANGE
REGULATORY AUTHORITY BILL 2009**

**CARBON POLLUTION REDUCTION
SCHEME (CHARGES-CUSTOMS) BILL 2009**

**CARBON POLLUTION REDUCTION
SCHEME (CHARGES-EXCISE) BILL 2009**

**CARBON POLLUTION REDUCTION
SCHEME (CHARGES-GENERAL) BILL 2009**

**CARBON POLLUTION REDUCTION
SCHEME (CPRS FUEL CREDITS) BILL 2009**

**CARBON POLLUTION
REDUCTION SCHEME (CPRS FUEL**

**CREDITS) (CONSEQUENTIAL
AMENDMENTS) BILL 2009**

**EXCISE TARIFF AMENDMENT
(CARBON POLLUTION
REDUCTION SCHEME) BILL 2009**

**CUSTOMS TARIFF AMENDMENT
(CARBON POLLUTION
REDUCTION SCHEME) BILL 2009**

**CARBON POLLUTION REDUCTION
SCHEME AMENDMENT (HOUSEHOLD
ASSISTANCE) BILL 2009**

Second Reading

SPEECH

Wednesday, 3 June 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Wednesday, 3 June 2009
Page 36
Questioner
Speaker Sidebottom, Sid, MP

Source House
Proof Yes
Responder
Question No.

Mr SIDEBOTTOM (Braddon) (12.33 pm)—I am really pleased to make a contribution on this very important legislation. For the record, scientific concern, so often demeaned and criticised by many opposite, about the build-up of carbon dioxide in the atmosphere started way back in 1861. Improvements in technology allowed for more precise measurements of the level of greenhouse gases in the atmosphere in the latter part of the 20th century and this accelerated this earlier concern. At the beginning of this century the effects of such a build-up, as predicted by the scientific modelling, were being increasingly observed—such as increasing average global temperatures, sea level rise, accelerated glacial melting, intense and prolonged droughts, and increased storm severity. The projected environmental and consequent economic and social impacts of continued adverse changes in these areas are severe to catastrophic. They form the premise for this legislation and the need for significant and coordinated global action to mitigate and reverse these trends. The fourth IPCC report of 2007 further reinforced this case.

The Rudd government is proposing a three-pronged approach, which I believe will set us on the course required. Firstly, we must reduce Australia's emissions to turn around the impact that we, each and every one of us, is having on the environment. Secondly, we must adapt to the changes we are already seeing in our environment and limit the impact here for the future. Thirdly, and finally, we must play our part in the international community. Indeed Australia is currently responsible for only about 1.5 per cent of global GHG emissions. But, as Professor Ross Garnaut points out, we suffer the full effects of global warming arising from emissions of other countries. Hence we have a strong interest in seeing effective global policy action to address climate change issues. We are one of the largest per capita emitters in the world and therefore have a global responsibility to mitigate our emissions.

The Carbon Pollution Reduction Scheme is a central pillar of reducing Australia's emissions, and the main part of this is the cap and trade emissions trading scheme. The scheme will create a market price for emissions and an incentive to reduce and control these emissions. It will take us into the 21st century economy that values low-pollution outcomes rather than just low cost and high production. The CPRS will give us a target to aim for and something tangible to work with and measure our progress. The scheme will give us a

cost on carbon and provide an incentive for our major polluters to progressively step up to the mark. It will also provide the Rudd government with a means to help reduce the impact on everyday Australians, who cannot be made to carry an uneven amount of the burden. Tackling climate change will cost everyone somewhere, but the Rudd government is determined to make sure that this cost is shared equitably. The Carbon Pollution Reduction Scheme will also serve to inspire and support those innovators who will further lead us into a new renewable energy future. This can create a raft of low-pollution jobs in new and emerging technologies, from solar and wind through to geothermal energy.

In my backyard we have already seen the economic stimulus that wind energy can create, with the benefits of the major Woolnorth wind farm still being felt in some parts of my electorate. Unfortunately, the huge potential of the wind industry was cruelly cut short by the former government when it failed to support further development of renewables, allowing its renewable energy targets to grind to a halt. This is something that will soon be addressed by this government, but one can only wonder what difference a vibrant and innovative renewable sector may have made to my electorate in these current, difficult times had it not been starved back in 2004.

Fortunately, interest in this sector has not been totally devastated, and I await with keen interest some anticipated developments. One significant operator raising funds to support renewable energy in my electorate tells me that the main influence of the CPRS on the renewable energy sector is on the stand-alone, long-term viability of the sector. I quote:

Without the CPRS, a large majority of renewable energy projects will fail to attract equity and debt, as the expanded RET will only take the projects through to 2030. The carbon price in the CPRS is designed to eventually drive the price of electricity to a point where renewable energy projects can stand on their own without any subsidy. Without the CPRS, the renewable sector will have another instance where there is uncertainty in investment in the sector thus making it more difficult to attract debt and equity.

Because most wind resources are in remote locations and wind energy technology will be the dominant technology to be deployed in meeting the expanded RET, this means

that regional areas that could have benefited from such an investment will lose out on such investment and jobs.

This is a great example of the benefits to regional Australia that will flow from this legislation. Taking action on climate change will see the renewable energy sector grow by 30 times its current size by 2050. This can only serve as a reminder of the value that is contained within this legislation. As a result of this, more than 48 per cent of the electricity generated in Australia will be from a renewable energy source by 2050. But the government will not just be hoping that the market picks up on the renewable energy future. Through initiatives such as the Climate Change Action Fund it will be stimulating industry to invest in overcoming climate change.

For those in the street, the hyperbole from the deniers opposite has questioned the need for a scheme. They have made it sound to the uninitiated as though a trading scheme would be a world-first move into the unknown, but let me remind them that schemes are already operating in 27 European countries and that 28 states and provinces in the US and Canada are introducing emissions trading to reduce carbon pollution, as is New Zealand. This is vital in helping us take on climate change now rather than leaving a mess that our kids and grandkids will have to clean up or, possibly, be unable to clean up.

I have already mentioned that taking on the climate change battle will be something that touches everyone's lives. Prices will change in a number of ways, but the overall increase in the cost of living is expected to be modest. The Rudd government is determined to do everything it can to help people and manage any impact. Pensioners, seniors, carers and people with a disability will receive additional support to help cover increases in the cost of living. Extra support will also be provided to low- and middle-income households as they make their way into the climate ready world. These measures include helping to protect these groups from higher fuel costs and other increases in the cost of living. Our white paper indicated that about 90 per cent of low-income households will receive assistance to 120 per cent or more of the cost of living increases. Along with that, 97 per cent of middle-income households will receive some direct cash assistance and about two-thirds will receive further assistance. Fuel taxes will be reduced on a cent-for-cent basis to offset the price impact of introducing the scheme, with a cut made across the board on currently taxed fuels.

Those in rural and regional areas like my own, along with feeling the direct result of global warming, are expected to feel the impact of the move to tackle climate change more than their urban counterparts. The government has recognised this and will look to

provide greater support to regional and rural Australia as we work together towards the challenge. It will also delay the impact on agriculture and fisheries, which are the lifeblood of many regional economies, including mine. Agriculture will enter the scheme no earlier than 2015, giving the sector time to prepare and establish a planned response. Key measures to assist these sectors include measures to help offset fuel costs to heavy vehicle users and transport, recognising their need to use significant amounts of fuel from day to day. I can think of many examples in my electorate where this will be vital to keeping industry vibrant and active while recognising that every one of us has a responsibility to mitigate climate change. The Rudd government is in no way rushing into this, as evidenced by the recent move to delay its introduction by one year to help Australian companies manage the impacts of the global recession.

Delivering crucial reform will help tackle the long-term threat. Protecting our economy and jobs during the global recession is part of getting the balance right. We care about jobs today, and this has been reflected in many parts of the proposed legislation. These include the allocation of free permits to firms involved in emissions-intensive trade-exposed activities. Energy providers are also recognised in the \$3.9 billion Electricity Sector Adjustment Scheme. The \$2.75 billion Climate Change Action Fund will provide further targeted assistance to businesses, as well as community sector organisations, workers, regions and communities. The government will also establish the \$75.8 million Australian Carbon Trust to help all Australians do their bit to reduce Australia's carbon pollution and to drive energy efficiency in commercial buildings.

For 12 years those opposite have neglected the issue and failed to act. Action during their more than a decade in government would have made for a much easier transition to the new low-pollution economy today. Only the Rudd Labor government has had the courage to step forward and act on climate change. The time for talk is over; it is in the national interest to pass the legislation this year. We make no apology for starting the Carbon Pollution Reduction Scheme with reasonable and responsible targets. Given the global recession, this is the most responsible course of action. Our five to 15 per cent targets amount to every Australian making the same emissions reductions as Europe is asking people to make. This government is determined to meet the climate change challenge, to do everything it can to protect the Australian way of life and to see us prosper into the future. We have a responsibility in this parliament to the Australian people and to future generations.