



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**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**

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**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**

**Thursday, 15 September 2011**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Thursday, 15 September 2011  
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**Questioner**  
**Speaker** Mr ROBERT

**Source** House  
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**Responder**  
**Question No.**

(Fadden) (NaN.NaN pm)

Mr ROBERT (Fadden) (12:29): The Labor-Green government has no mandate to introduce the carbon tax legislation—I make that point very clearly. A number of days before the last election the Prime Minister said, 'There will be no carbon tax under the government I lead.' She made a statement that was unequivocal, definite and deliberate. She should be held to account and held to that statement.

The coalition's position on the Clean Energy Bill 2011 and associated bills is abundantly clear: we will vote against it. The next election will be a referendum on the carbon tax legislation. It will be a referendum for people to decide whether they want a carbon tax or not. If elected, we will rescind the legislation and scrap the carbon tax.

The carbon tax needs to be seen in context. We are talking about a \$9 billion a year new tax that, prior to the last election, the Prime Minister said she would not have. We are talking about a 10 per cent increase in electricity prices alone, a nine per cent increase in gas prices in the first year, higher marginal tax rates for middle-income earners and, ironically, a hit to the budget bottom line of over \$4 billion.

All this is on top of the current track record of the Labor government. As a statement of fact, since 2007, when Prime Minister Rudd's government, and subsequently the Gillard-Greens government, came to power, electricity prices have increased by 51 per cent, gas prices have increased by 30 per cent, water and sewerage prices have increased by an average of 46 per cent, health costs have increased by 20 per cent, education costs have increased by 24 per cent and rent has increased by 20 per cent. These are simple statements of fact about increased costs under this government.

What is even more disturbing is the fact that the Productivity Commission has clearly stated that no other country on the face of the globe is bringing in either an economy-wide carbon tax or an emissions trading scheme. The United States has completely and utterly abandoned the idea of a carbon tax. The European ETS is raising something like \$500 million over about nine years; yet this carbon tax is looking to raise \$9 billion in the first year alone. China's emissions

growth of seven billion tonnes from 2005 to 2020 will be 100 times Australia's decrease of 70 million tonnes as predicated on the government's own numbers.

If indeed climate change is a global phenomenon and a global problem, it will need a global solution to deal with the 1.3 per cent of emissions which are apparently causing the change in climate. Unless there is a global agreement, our reducing emissions by 70 million tonnes while at the same time China increases its emissions by 100 times that amount will not make the slightest difference—no difference at all.

The EU have a population of over 500 million. Their scheme is raising about \$1 per person per year. Australia's population is a little over 22 million, and the government's proposed scheme will raise \$400 per person per year. In short, Australia's carbon tax is 400 times more imposing, more onerous and more taxing on a per capita basis than the European scheme.

India now accounts for 4.9 per cent of global emissions, and this figure is rising commensurate with their phenomenal economic growth. Projecting forward, the ANU has stated that Indian emissions from fuel combustion alone will rise between 75 per cent to 94 per cent from 2005 to 2020. The Prime Minister continued her campaign of distortion when she said that in India they are taking national action on pricing carbon through a clean energy tax on coal. Their coal tax is \$1 a tonne, while, in my home state of Queensland, the state royalty on coal is \$20 per tonne.

The bottom line is that the world is not acting. Yet Australia is now looking to act unilaterally—alone—apparently holding itself up as an example but in reality looking to destroy its own economy one step at a time. Be in no doubt: the government's scheme is all pain and there will be no gain. If climate change is a global problem, it requires global action. Our acting unilaterally will not achieve anything. The government's own modelling shows that emissions will not decrease in Australia. Indeed, from 2012 to 2020, emissions will increase from 578 million tonnes to 621 million tonnes. Our economy will go through massive pain for no environmental gain while by 2020 China increases its output by 100 times what it was in 2005. This begs the question: why is this government so fanatically walking down the path of wealth redistribution? It is interesting that \$3.5 billion

in carbon tax revenue will be spent on buying carbon credits from overseas. It is almost as if it is a get-rich-quick scheme for overseas carbon traders.

The coalition believes there is a better way. We believe that our direct action plan will protect the environment now and into the future and have direct, tangible, measurable environmental benefits. We are committed to addressing the risk of climate change and we are committed to reducing emissions by five per cent by 2020. The difference between us and the government is that the government believes that a massive tax and a massive spate of wealth distribution will achieve this objective while we believe that simple, tangible, direct environmental actions—incentives, rather than hurting families and the economy—is the answer.

We believe we can clean up a range of power stations that are considered some of the dirtiest in the world. We believe that we can replenish soil carbon as well as increase the yield of crops. We believe that we can establish a green army to make tangible differences to our environment and land. We believe in simple things: we can plant 20 million more trees and invest in technology that leads to the greatest abatement at the lowest cost. Most importantly, we will fully fund all this out of savings—which, considering this government's waste and reckless spending, will frankly not be all that difficult. This will provide a great opportunity for our nation. Under Labor's scheme, \$9 billion will be taxed and there is nothing companies can do in many areas to escape from it. A company in my own electorate, Digga, the largest exporter of commercial gearboxes in Australia and one of the largest producers in the world of drill bits, especially high-torque drill bits, a company which has done everything to reduce emissions and runs state-of-the-art manufacturing plants, uses a lot of power for heat treatment and uses heat treatment firms to provide support—there is nothing more this company can do to drive efficiencies and productivity. It has some of the finest electronic, digital and robotic cutting, welding and connecting gear of any manufacturing plant in the country. This company, Digga, will be hit by greater costs of electricity to the tens of thousands of dollars and there is nothing it can do because it has already invested substantial amounts of money in becoming the most efficient manufacturing company it can be. In this global export market, the high Australian dollar is hurting it. It is driven towards efficiency and productivity by virtue of competing in that space and by virtue of being a great Australian manufacturing firm.

All this carbon tax will do is to hurt manufacturing companies like Digga which are already doing it tough in a competitive market place where wages are exponentially higher, where the Australian dollar

makes exporting exponentially more difficult and this carbon tax will make business exponentially harder. Companies like Digga may, perhaps, be faced with the only other way of dealing with productivity, which is laying off staff to deal with the extra cost impositions from this government.

Be under no doubt: this tax is designed to change the way our economy works and to make life difficult for families. The average starting cost per household under Labor's carbon tax is \$515 in the first year alone, rapidly increasing over time to \$37 a tonne in 2020—that will be a 60 per cent increase in the taxation rate. No wonder the Treasurer was forced to admit that they cannot guarantee that no-one will be worse off.

Beyond the cost to families, and using Digga as a further example, this tax will cost jobs, businesses and the economy. You cannot raise \$27 million over three years without the economy taking a substantial hit. An Access Economics report highlighted the potential loss of 126,000 regional jobs under an earlier version of Labor's scheme. Australia's 750,000 small businesses will receive no direct compensation for the massive jump in electricity prices from the carbon tax. What do I say to my local drycleaner at Helensvale when their power bill goes up by \$1,500? How does a local drycleaner use less electricity? How does a local drycleaner become more efficient under this punitive tax? Can someone please explain that to me? And how do they explain to their staff the changes they are required to make because of what the government is bringing in?

What is particularly vexing about this tax is not just that it is punitive and based on an egregious lie made before the last election, with categorical statements such as, 'There will be no carbon tax under the government I lead'—as if they were not vexing enough; what is particularly galling is that it will not make a difference to the climate. Our emissions will continue to rise. Tim Flannery, the Australian government's Chief Commissioner of the Climate Commission, on MTR Radio on 25 March said it all:

I just need to clarify in terms of the climate context for you. If we cut emissions today, global temperatures are not likely to drop for about a thousand years.

All the pain today—and Professor Tim Flannery, who this government holds up as its guru on climate change, says it will not make a difference for a thousand years.

Ms Plibersek interjecting—

Mr ROBERT: But it will send emissions overseas, Member for Sydney. It will export emissions from industries like the cement industry, which cannot cut

emissions and cannot become more efficient. As the steel industry closes down in Australia, companies will start up overseas to meet demand. Do you think they will have the same degree of environmental regulation overseas as companies do here? The perversity is that it will export emissions and actually make the situation worse.

Look at Labor's great mantra in terms of compensation. Labor claims families will be compensated for the price impact of a carbon tax. They said initially that the entire proceeds of the carbon tax would be returned to individuals and households. This of course was changed by the government to 50 per cent of carbon tax revenues would go to households as compensation for families. If you have a family, you are a manufacturing worker in one of our factories and married to someone who works for the local drycleaner, you will be worse off. The Leader of the Opposition has used the example of a policeman married to a part-time nurse—they will be worse off. Those working in the small-business sector of the Gold Coast—the small-business heart of Australia with more small businesses per capita than any other commensurate city—will all be worse off.

Small business accounts for 47 per cent of our economy and they will be worse off. Fifty per cent of businesses employ no-one—they are aspirational mums and dads, having a go, and they will be worse off. Before the last election our erstwhile Treasurer, the member for Lilley said:

... certainly what we rejected is this hysterical allegation that somehow we are moving towards a carbon tax ... We certainly reject that.

Let me say to the Treasurer that the only thing hysterical currently within the parliament is a series of 18 to 19 bills that will seek to impose upon the economy, upon families, massive hikes and massive increases that will destroy jobs and will have no impact on the climate nor change temperatures for 1,000 years. That, Treasurer, is the only thing hysterical today.

(Fadden) (NaN.NaN pm)