



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

**CARBON POLLUTION
REDUCTION SCHEME BILL 2009**

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

**AUSTRALIAN CLIMATE CHANGE
REGULATORY AUTHORITY BILL 2009**

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

Second Reading

SPEECH

Wednesday, 3 June 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Robert, Stuart, MP

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Mr ROBERT (Fadden) (12.22 pm)—I rise to speak on the Carbon Pollution Reduction Scheme Bill 2009 and related bills and to reiterate the call by the Leader of the Opposition for caution and delay before moving to the vote. The issue of climate change is no doubt a significant issue, wherever you sit on the spectrum. It is, though, a scientific and an economic issue. It is not about zealotry and it is not about religious fervour. I remind the member for Forde that terms such as ‘deniers’ and ‘sceptics’ add little to the debate.

Mr Rudd wants this to be a political issue. Mr Garrett wants this to be an issue of fervour and hype. I would rather—and I know the coalition would rather—that we focused on the science. I would rather that we identify what we do know and, importantly, what we do not—that we identify our knowledge gaps, that we seek new information where we have a paucity and, importantly, that we manage risk where we do not know. Whether Australians believe that mankind is causing climate change or not, the role of this parliament is to do everything it can, in the best interests of our nation, to contribute in a most positive way to managing our planet and to ensuring we do not leave future generations burdened down with either enormous government debt in cash terms or a damaged land in environmental terms.

In considering the information we have today—what we have now—notwithstanding the growing body of dissent, what we know now is that the planet must be given the benefit of the doubt and we must respond to the science we have in front of us. I say to our nation: regardless of whether you believe climate change is caused by mankind or not, surely, the goals of any coordinated strategy—such as less or zero reliance on Middle Eastern oil, cleaner air, higher organic content of soil to achieve higher crop yields and a greater reliance on renewable energy to ensure our own domestic energy—are worthy goals, regardless of where you as an Australian sit on the spectrum in respect to climate change.

The coalition’s record on climate change is strong. We established one of the first greenhouse offices in the world. Over the last 12 years, Australia has reduced its greenhouse gases by over 85 million tonnes of CO₂, allowing Australia to be one of only a few countries out of 178 states to meet its Kyoto targets. Former Prime Minister Howard may not have signed

up to Kyoto, yet he was one of only a few world leaders whose country actually met its targets. What is best—to vainly sign a document with no intention of meeting it, or to stand by your principles and do what is right? In the last 12 years the coalition led and funded a global initiative on forests and climate. We introduced a renewable energy development fund to support emerging technologies and we provided support for individuals and community groups taking action through programs such as the solar rebate, Solar Cities, solar hot water rebates, community water grants and green vouchers for schools initiatives. The coalition has much to be proud of with respect to its record on climate change.

Yet Mr Rudd seems intent on rushing in where not even fools have dared to tread. He now wants this parliament to vote on an ETS, even though, of his own admission, it will be not be implemented for at least 18 months as a minimum and more likely for two years. He wants this parliament to vote on an emissions trading scheme even before the United States of America, which contribute 30 per cent of greenhouse gases, have their bill finally worked out and we know what they are going to do. The Waxman-Markey bill is currently being negotiated in the US House of Representatives, in the congress, as we speak. And, whether we like it or not, the US legislation will set the benchmark across the globe, as you would expect it to, cognisant that its GDP is of the same size as the GDP of the next four largest nations.

The US will set the standard, yet Mr Rudd seems to have the arrogance to think that we should go ahead first, regardless of what the US are doing—even though they will set the standard. I am sure that may be good for Mr Rudd’s aspirations to be Secretary-General of the United Nations, but it makes no sense whatsoever in the debate on climate change. Mr Rudd wants to go forward with an ETS, notwithstanding that it is to be not only before the US do but before even the Copenhagen meeting to thrash out what the environment looks like post Kyoto. Copenhagen should spell out the direction for the global community as to how global agreements will move forward. Mr Rudd wants an ETS before those global agreements are even decided upon.

We have suggested that the ETS must go to the Productivity Commission for a full, frank disclosure

of exactly what the impacts will be. Mr Rudd does not want this. He is hiding from the Productivity Commission. If you have to hide something, may I suggest, there is something to hide. If you look at the ETS bill of over 400 pages, there are eight pages on the mechanics of the ETS—only eight pages; that is it. How the ETS will work out across industry and what the impact will be upon hundreds of thousands of jobs is apparently to be worked out by regulation, with the bill before the parliament simply giving a framework. Mr Rudd is telling us to take him on faith.

The DEPUTY SPEAKER (Hon. Peter Slipper)—Order! I would remind the honourable member for Fadden that, under standing order 64, he ought to refer to the Prime Minister by his title.

Mr ROBERT—The Prime Minister is simply asking us to take him on faith. Well, the nation took him, and his health minister, on faith when he said three times in unequivocal statements that a Labor government would not change the 30 per cent rebate for private health insurance; but that is exactly what they have done. This nation is sick and tired of taking the Prime Minister on faith. We have provided the government with bipartisan support to take to Copenhagen the most important thing required: support on reducing targets by five per cent, increasing to 25 per cent if there is indeed a worldwide agreement. The opposition support an emissions trading scheme as one of the tools in a climate change toolbox. Other issues that should be considered include carbon sequestration, a voluntary carbon market and the use of biochar—and, of course, the Leader of the Opposition has spoken about a green cities initiative with advanced depreciation to achieve efficiencies in energy use. All of these together are strategies needed to manage the risk of climate change. Everything should not be sacrificed on the altar of ETS expediency so that the Prime Minister can look good at Copenhagen.

It is also important that as a parliament we learn from the mixed results coming out of the European Union's experience with their ETS and acknowledge the dire consequences of not getting it right. The European Union's emissions trading scheme is the largest multinational emissions trading scheme in the world. It is a major pillar of the EU climate policy. Their ETS currently covers more than 10,000 installations in the energy and industrial sectors, which are collectively responsible for close to half of the EU's emissions of CO₂ and 40 per cent of their total greenhouse gas emissions. Yet the British think tank Open Europe has this to say about the EU's implementation of an ETS. It says:

The first phase of the EU's Emissions Trading Scheme (ETS), which runs from 2005 to 2007 was a failure. Huge over-allocation of permits to pollute led to a collapse in the

price of carbon from €33 to just €0.20 per tonne, meaning that the system did not reduce emissions at all.

Worse still, since some countries (such as the UK) had set tough quotas on emissions, and others set lax targets, the system acted as a wealth transfer mechanism, effectively subsidising polluters in states which were making little effort by taxing states with more stringent allocations. Overall there are about 6% more permits than pollution. However the UK has to buy about 22 million tonnes worth of permits a year, while firms in France and Germany could sell off a surplus of around 28 and 23 million tonnes respectively.

Finally, the ETS in phase one was not a real market—instead of auctioning off permits to pollute, member states allocated them free of charge to companies based on how many the government believed they needed.

This created severe distortions—to the point where emissions covered by the ETS rose 3.6 per cent in the UK and by 0.8 per cent across the EU as a whole. What an amazingly effective ETS that was! The world's first great implementation should teach us lessons. The Prime Minister should learn them. The Leader of the Opposition has moved amendments to defer the vote on the bill until after Copenhagen, until after the Productivity Commission has done a full and frank a review, and, importantly, until after the US legislation which will set the global benchmark is known. I urge the Prime Minister to heed some sound and simple common sense.