



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
REGULATORY AUTHORITY BILL 2010**

**CARBON POLLUTION REDUCTION
SCHEME (CHARGES—CUSTOMS) BILL 2010**

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**EXCISE TARIFF AMENDMENT
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**CUSTOMS TARIFF AMENDMENT
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**CARBON POLLUTION REDUCTION
SCHEME AMENDMENT (HOUSEHOLD
ASSISTANCE) BILL 2010**

Second Reading

SPEECH

Monday, 8 February 2010

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Monday, 8 February 2010
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Questioner
Speaker Rishworth, Amanda, MP

Source House
Proof Yes
Responder
Question No.

Ms RISHWORTH (Kingston) (5.16 pm)—I am very pleased to rise to support the Carbon Pollution Reduction Scheme Bill 2010 and the associated bills that are before the House today. This scheme is a comprehensive and effective response to climate change. It has been developed against a backdrop of overwhelming scientific evidence, international political consensus and, until a few weeks ago, with national political consensus and, importantly, in negotiation with the previous leadership of the coalition. It is a balanced, costed and market based response to one of the greatest challenges of our times. Put simply, the CPRS caps and reduces Australia's carbon pollution for the first time ever. It makes polluters pay for their carbon pollution and takes the money raised from the polluters and provides cash assistance to working families. The government's approach is measured and presents a wide-ranging scheme which is designed to redirect the Australian economy towards a low-carbon future.

In the last few weeks we have seen the Leader of the Opposition bring out his alternative policy. Really, when we drill down and look at this policy I think the Australian people will see that he is more interested in cheap political gain than in any real action on climate change. The Leader of the Opposition's so-called direct action climate change proposal is nothing more than a climate change con job which will impose a tax on the Australian people and, in his own words, allow big polluters to continue with 'business as usual'. Last week we saw the Leader of the Opposition describe the coalition's newest policy as a carefully costed and capped policy, when in actual fact it is uncapped, uncapped and unfair on the Australian people. In the words of the Minister for the Environment, Heritage and the Arts, the coalition's latest response to climate change is an attempt to 'concoct a window display without putting a price on carbon pollution'. In the same article, he appropriately described it as the 'policy equivalent of dessert without a main course'.

What we have seen with the coalition's policy is an absolute smokescreen when it comes to any real action on climate change. Instead of putting a cap on carbon, the Leader of the Opposition's plan is actually designed around big polluters being encouraged to continue to emit carbon, whereas the government's Carbon Pollution Reduction Scheme makes polluters pay for their emissions. The Leader of the Opposition's

policy is based on the idea that the government and the Australian people, not the big polluters, should foot the bill in abating emissions.

We have just heard the member for Boothby talk about being upfront. One thing we can say about the opposition's policy is that they have not been upfront with the Australian people about where the money for their \$10 billion scheme is going to come from. All we know is that the burden will fall on taxpayers. Will the money be cut from the budget, perhaps from services, as we heard in question time? The Leader of the Opposition is well renowned for the cuts he made to public hospitals. He cut close to \$1 billion out of the public hospital budget. Or will the money come from new taxes? We are not sure, because the opposition have not been upfront with the Australian people about where their cost is going to come. When we talk about being upfront and clear about what our policy is—the government's policy compared with the opposition's—we know that whereas we have been very clear about the compensation scheme and where the money is going to come from the opposition have not.

The Leader of the Opposition's policy was clearly developed in a cocoon, in which he is in denial about the reality of climate change. Outside this cocoon, the real world is literally heating up. The world has just come out of the hottest decade in history. While last week the government reintroduced the CPRS into the House, the Leader of the Opposition was busy holding a private audience with Lord Monckton, a person whom even conservative journalists and the likes of Senator Barnaby Joyce have publicly been trying to distance themselves from. To put him in perspective, Lord Monckton is a person who believes that climate change is the trojan horse for a centralisation of communist power after the fall of the Berlin Wall. That sounds quite extreme, but if we turn our thoughts back to late last year, the shadow Treasurer was accusing the G20 of being part of a socialist conspiracy. So I guess Lord Monckton's views do sit quite comfortably with the Liberal Party.

While the government has based its response to climate change on the global scientific consensus, including the work done by Australian scientists from the CSIRO and the Bureau of Meteorology, the Leader of the Opposition seems to be taking his scientific

advice from an eccentric English mathematician who finds himself clearly on the fringe.

Mr Champion—He is not even a mathematician.

Ms RISHWORTH—I know that the member for Wakefield will provide more information about Lord Monckton and his expertise. We have seen that Lord Monckton is on the fringe. It seems that the Leader of the Opposition is taking advice from this person and not the scientific consensus. It is unsurprising that someone who takes advice from the likes of Lord Monckton asserted some months ago that the world has actually been cooling. If he had bothered to look at the hard facts, the Leader of the Opposition would realise that 14 out of the 15 warmest years on record occurred between 1995 and 2009. With scientists telling us to expect average surface temperatures to rise between 1.1 and 6.4 degrees Celsius, it appears that the Leader of the Opposition is completely out of touch with reality. That is why he is advocating a business-as-usual approach as an answer to climate change.

It is understandable that people might be finding it difficult to keep pace with the Leader of the Opposition's position on climate change. In fact, I have not been able to keep up with all six publicly recommended positions. First was blocking the CPRS, then passing the CPRS, then amending the CPRS and now proposing his own new taxpayer funded slush fund so that the big polluters can keep on going with business as usual. If people are feeling a little confused about where he or the coalition stands on the issue of climate change, I am certainly not surprised.

In my opinion, his real views on the issue are those expressed to the group of supporters at the function centre at the Beaufort football ground in Victoria on 30 September 2009 when he quite clearly stated that he felt that the argument for climate change was 'absolute crap'. However, he did acknowledge that the politics of this are tough 'for us', as he put it, and that 80 per cent of people believe that climate change is a real and present danger.

Earlier, we heard comments about being tricky and about doing what is important for short-term political gain. I would assert that the Leader of the Opposition is being particularly tricky when it comes to the politics of climate change, looking for short-term solutions and smokescreens to try and trick the Australian people. But I believe that the Australian people will see through this. These comments really give us insight into the opposition leader's policy response. He clearly sits in the camp of climate change fringe dwellers and sceptics, led by his mentors Senator Nick Minchin and Lord Monckton, who do not believe that the world is warming and who in fact believe it is one great big left-wing conspiracy to try and de-industrialise the world.

But, instead of standing up for what he really believes, the Leader of the Opposition has sought to pull the wool over the eyes of the Australian people, announcing his deceptive and simple direct action policy. It is deceptive because it is designed for political purposes and not for addressing the real issue of dangerous climate change. It is simple, because he knows that it will not work and he does not care. This was clearly indicated by his comment that he thinks climate change is 'absolute crap'.

In contrast to this real con job—the direct action policy presented by the opposition—the Carbon Pollution Reduction Scheme advocated by this government is not designed for political purposes. It is designed for the national interest. It is premised on the reality that there will be a price imposed on carbon emissions and that there will be a price imposed on polluters. Because the government recognises that there will be a modest increase in the cost of living of around 1.1 per cent, this government has provided direct compensation to householders. In fact, 90 per cent of all households will receive direct cash assistance under this scheme. To put these things in perspective, 90 per cent of low-income households will receive assistance equal to around 120 per cent of the overall increase in costs that they face under the CPRS.

The coalition will impose penalties on businesses which pollute above business-as-usual levels and nobody in the opposition has been able to explain what these penalties will be and how these penalties will impact consumers. One thing that we do know is that the opposition's plan has no option to compensate consumers for these. This highlights the great irony in the Leader of the Opposition's proposal. The coalition direct action policy, which is designed only for political purposes, with no intention to seriously address climate change, will actually be more harmful to Australian consumers and taxpayers.

To spell this out, experts in the Department of Climate Change estimate that, rather than reducing emissions by five per cent, the policy of the Leader of the Opposition and the coalition will actually increase Australia's emissions by 13 per cent from 2000 levels. This 13 per cent increase in our emissions will come at a cost of a \$10 billion tax bill for the Australian people in a four-year period. This figure does not include the price rises that penalised businesses will be forced to pass on to their consumers. The money for the Leader of the Opposition's slush fund has to come from somewhere, and he has refused to rule out cutting funds to schools and defence. His shadow minister for finance has also failed to rule out increased taxes.

It is ironic that the Liberal Party is running away from the market. Considering that they are accusing us of creating a state-interventionist and communist

system, it is ironic that they are running for the hills to get away from a market based system such as the Carbon Pollution Reduction Scheme. But what it does is create a level playing field that encourages businesses to do what they can and to look at their options about how they might reduce carbon emissions. This is in quite stark quite contrast to the Leader of the Opposition, who has decided that if his scheme gets up then he will pick the winners—who will get the investment and who will not. Companies that will thrive under this system will not necessarily be the ones that are capable of producing low-carbon-intensive goods and services, because it will not be a market based system and it will not create incentives for companies to do their best to reduce their carbon emissions. This is a real flaw in the system.

You do not need to go back very far when thinking about governments picking winners and losers. Your mind goes back to our minister for infrastructure who regularly raised the issue of the cloud-seeding technology against departmental advice. Not only was \$2 million suggested but \$10 million was also suggested. And I think we can see there some of the issues that come with governments picking winners and losers. All around the world, we see that governments are not in the best position to pick winners and are bad at the command and control of whole sections of the economy. We on this side of the House realise that it is inherently problematic and that Australia's response to climate change should not be designed around a massive slush fund which seeks to directly pay companies to run abatement schemes so that our big polluters can continue to emit carbon pollution as business as usual.

In the medium term, the outcome of the Leader of the Opposition's scheme is that Australian goods and services will become undesirable and expensive in the global economy. We see that more and more countries, including all of Europe, Japan and New Zealand, have either introduced or are in the process of introducing an emissions trading scheme. Most governments in the developed world are in the process of realigning their economies in preparation for a low-carbon future. If we do not do that, if we do not start preparing for our economy to be realigned for a low-carbon future, we will be left behind.

If Australian industry is encouraged to conduct their businesses and pollute under the illusion that business as usual continues, there is the real danger that we will become economically disadvantaged and incapable of taking a leadership role in new technologies and businesses and, in fact, new clean, green technologies that have the opportunity to be developed and manufactured here in Australia will move offshore. The Australian economy will fail to

keep pace with the rest of the world in terms of new technology. At its worst, we will face the prospect of becoming economically backwards. It is really critical for a restructure of our economy to ensure that we can take advantage of being part of the world's low-carbon future.

The government has designed and is introducing into the House a carbon pollution reduction scheme which is capable of responding to one of the greatest challenges of our time. It will serve to both restructure the Australian economy and compensate for the effects that a low-carbon future will have on low- and middle-income households. The Carbon Pollution Reduction Scheme is a thorough, complex and wide-ranging scheme which will affect all facets of the Australian economy. It is designed around a market based and merit based system, where the government's role is reduced to setting emission reduction targets for the national economy in line with internationally agreed targets.

The opposition leader's scheme might be simple to explain, but that is because it is designed for political purposes. It has very little to do with avoiding dangerous climate change. The shallowness of his policy is not surprising when you consider the sad truth that it has been commissioned by a leader who is out of touch with reality and is of the opinion that climate change is 'absolute crap'. The Australian people need to be aware that the coalition is currently being led by a person who is prepared to stake the future of the world on sceptical fringe theories and who takes advice from an eccentric English aristocrat.

The whole world wishes that responding to climate change was as simple as Mr Abbott's 'direct action' plan, but the reason that nothing even vaguely similar to Mr Abbott's plan has been taken up by the government of any advanced economy is because it will not work. It is not designed to reduce emissions and it will not allow the Australian economy to enter into a low-carbon future on the front foot. Mr Abbott's 'direct action' policy, is a climate change con job which will impose a big slug on taxpayers instead of polluters.

More than ever, Australia needs a responsible and truly national scheme to tackle climate change, and a scheme which is capable of addressing the environmental imperatives of reducing our carbon emissions. We need a scheme which can accurately forecast the modest increases in the cost of living and compensates those most affected. Fundamentally, we need a market based mechanism capable of guiding Australian industry into a low-carbon future. As a result of that, I commend the Carbon Pollution Reduction Scheme legislation to the House.