



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**

SPEECH

Tuesday, 20 September 2011

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

<p>Date Tuesday, 20 September 2011 Page 19 Questioner Speaker Ms RISHWORTH</p>	<p>Source House Proof Yes Responder Question No.</p>
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(Kingston) (NaN.NaN pm)

Ms RISHWORTH (Kingston) (10:48): I do rise to support the Clean Energy Bill 2011 and related bills. It is interesting to hear the contribution from the member for Hughes, because I was waiting to hear the commitment to the bipartisan target of minus-five per cent of 2000 levels which was supposedly opposition policy. I was waiting for him to confirm that indeed he agreed with that and wanted to commit himself to that. I did not hear that. Also, I was waiting for the member for Hughes to talk about the coalition's policy of how they are going to drive down carbon emissions and, of course, we did not hear any of that. In fact, what we heard from the member for Hughes was just climate denial and information which does not support the coalition's policy of a minus-five per cent bipartisan target, and which did not actually support any action on climate change. I think he will have to go back to his party room, stand up and really criticise the coalition's policy on climate change because in fact they have a much more expensive one than the government's policy on climate change. But I will get to that.

I am proud that it is this Labor government that is bringing forward a credible plan to tackle climate change; a plan that will ensure that we reduce our carbon emissions, encourage clean energy generation and drive investment in clean energy jobs. And we will do that in the most efficient and cost effective way. Climate change is transforming our world. It threatens our way of life, as well as the prosperity of generations to come. We have known for some time that human activity is affecting our climate and that, as a result, our climate is getting warmer. In fact, globally, 2010 was the warmest year on record, tied with 2005. In Australia, 2001 to 2010 was the warmest decade on record, and each decade since the 1940s has been warmer than the preceding decade. I have known this for some time because I first learnt about the effects of climate change in my year-10 social studies class. That was over 18 years ago, and the information and the science presented to us showed that climate change was a real risk and that something was happening.

We have now talked about this for years. We have talked about the negative impact it will have on our economy and way of life. For decades we have been discussing how best to reduce our carbon emissions; how best to tackle climate change; how we in Australia

can play our part for the next generation. The longer we delay, the more costly and severe the impacts of climate change will become. There have been countless reports and inquiries, with 35 parliamentary inquiries relating to climate change since 1994. The time for discussion is over. It is now time to act.

The bills before the House today represent action—action that is in our nation's best interests; action for today and action for tomorrow. The bills provide for a mechanism that puts a price on carbon, which is the most environmentally and economically effective means of combating our nation's rising carbon emissions. It will mean that 500 of Australia's biggest polluters will pay for every tonne of carbon pollution they emit into our atmosphere. Putting a price on the companies that emit the greatest amount of carbon provides a meaningful incentive for businesses to reduce their pollution by investing in clean energy technologies and improving efficiency.

Unlike the opposition, who magically have started to take a more communist-style command and control from government approach, this side of the House believes that businesses are the right people and will be able to work out what is most cost effective for their companies in reducing their carbon pollution, but we need an incentive, a price point, for them to do so. The legislation before the House provides for a fixed price for three years for every tonne of pollution that the 500 biggest polluters emit. Then from 2015 the scheme will shift to a cap-and-trade mechanism, which will allow for the carbon price to be set by the market. Under the cap-and-trade scheme the government will set an annual cap on the total emissions of carbon pollution and will provide a number of emissions permits equal to that cap. The cost of these permits will then be set by demand or by the market. I know this seems like a foreign concept to those opposite, who have abandoned their market principles and gone for a government intervention approach. I understand the National Party being keen for that; what I do not understand is the Liberal Party being keen for that.

In shaping our policy, the government have been guided not only by the scientists but by the economists. We have been guided by the facts, what is in our nation's best interests and what is right for our future. This is in sharp contrast to the opposition, who have provided hysteria, information known to be inaccurate

and political spin, and have delivered an alternative so-called direct action policy that is supported by neither the scientists nor the economists. Indeed, Tony Abbott's plan is so incoherent, expensive and inefficient that it will cost householders on average \$1,300 in additional taxes per year. That is a pretty big carbon tax to be imposed by the opposition on householders to subsidise the big polluters. The opposition's policy allows the big polluters to shirk their environmental responsibilities and instead punishes and taxes hardworking Australians to ensure that they bear the brunt and the cost of its policy.

Given the opposition's incoherent and expensive policy, it is no wonder that there has been so much speculation that the Leader of the Opposition, if he were ever to be elected as Prime Minister, would just throw his policy out the window. It is not surprising that, in the contributions we have heard in this House, very few opposition members have mentioned direct action. They have not mentioned their policy. They have not mentioned their commitment to a minus-five per cent target. That is because most of them do not really believe it. But the Leader of the Opposition continues to walk both sides of the fence: at some forums he will announce that he does not see the point of the minus-five per cent target; at others he says he is committed to it and the best way to get there is direct action. The opposition leader cannot walk both sides of the fence on this issue. And instead of just walking both sides of the fence, what we have also seen is him peddling hysteria and mistruths to the Australian people about the government's plan to price carbon.

Let us look at some of these myths. First of all, there is the myth that this carbon price or the pricing of carbon will have a huge cost impact on the Australian people. Let us look at the facts. Firstly, we have made it clear that companies may wish to pass on the cost, and they may indeed pass on the cost, but we expect that cost to be modest. In fact, we expect the cost impact to be a less than one per cent increase in the cost of living. On average, that is a little less than \$10 a week. Let us compare this with the average cost of the coalition's policy, which would be \$25 a week—a significantly higher number—for Australian families to tackle climate change. Unlike the coalition, we are offering significant assistance for householders to adjust. In fact, our policy provides for nine out of 10 people to receive either tax cuts or increases in their payments. We have ensured in the design of this policy —

Opposition members interjecting—

Ms RISHWORTH: Twenty-five dollars a week is a big impost for the coalition to be putting on families. It is no wonder that no-one on that side of the House will

talk about it. No-one has talked about direct action. Do you have direct action in your speech? No. No-one talks about direct action because everyone knows the truth about it: it costs more, it is inefficient and it will not actually have the outcomes that it says.

We do have assistance, unlike the opposition, who do not have assistance and will lumber the cost on ordinary householders. We are providing assistance for householders. In fact, six million Australian householders will get tax cuts or payment increases that will cover the entire average impact; four million householders will get an extra buffer of assistance that will cover 120 per cent of the average price impact; and over one million householders will not need to lodge a tax return as we will have increased the tax-free threshold. This is significant assistance, which the opposition will tear away and then impose its \$25 a week tax on the average householder. So, again, the opposition is peddling a myth. On this side of the House there will be modest cost impacts that we have recognised, and that is why we have assistance. On that side of the House the cost for average householders will be more than double that of the government scheme, but with no assistance.

The other myth that is being peddled constantly by the opposition is that no-one else around the world is acting. Well, if no-one else around the world is acting, it is interesting that there is a bipartisan commitment to the minus-five per cent—but, as I said, no-one on that side of the House seems to be talking about that. The fact is that 89 countries have committed to taking action on climate change. There are 32 countries with an emissions trading scheme, and 10 US states. California, a large economy and the eighth largest in the world, will introduce an emissions trading scheme in 2012. Our top trading partners—China, Japan, the US, Korea and India—have all implemented or are piloting carbon trading or taxation schemes. We know that the EU has had a carbon trading scheme since 2005. New Zealand also has a scheme in place. Even developing countries such as South Africa and Mexico are considering economy-wide emissions targets. So it is a myth the opposition continues to peddle that no-one else around the world is acting. In fact, the evidence is in that there is action on climate change.

Another myth that has been peddled by the Leader of the Opposition is that jobs will be destroyed by the government's policy. This myth has been busted by numerous different economic modelling, including Treasury modelling that shows continued strong jobs growth in this country. New technologies mean new opportunities and new jobs.

Let us be clear: the world is moving forward on this issue. Other countries are investing in clean energy

and in innovative industries. This is creating jobs in those countries. If we do not encourage this innovation, we here in Australia will be left behind in the global race for clean-tech jobs. Without change, it will be difficult for our products and services to compete internationally. We are a trading nation and we have continued to benefit from structural economic reforms which have allowed us to look towards the future. I look forward to these new clean-tech industries flourishing in the southern suburbs of Adelaide, in particular at the Mitsubishi site, which is designed to become a clean-tech park supporting investment in jobs for the future. The opposition continues to peddle its myths, but we will be judged on the basis of the strong growth we achieve—strong growth for jobs today and strong growth for jobs in the future.

Australia must use its current strength to ensure that we remain strong in the future. Australia is now in a position to move to a clean energy future. Employment is projected to grow strongly, with 1.6 million jobs to be created by 2020. The carbon price will support \$100 billion worth of investment in renewable energy over the next 40 years.

As a Labor government we have always done our best in the past—and will always do our best in the future—to ensure that Australians are fully supported throughout the move to clean energy. The government has said that we want action on climate change and therefore we intend to lead the way. We will do this in the most economically responsible way, the most economically efficient way and the most environmentally efficient and effective way. This is unlike the opposition, who continue to dillydally on both sides of the road—half committed to their policy, half not; half committed to their target, half not; sometimes siding with the climate change deniers and sometimes saying, 'Oh yes, we would like to tackle climate change, just in a different way.' They need to get their policy right. Their current policy is expensive—double, as I said, the impact on households and with no compensation.

I am proud to be part of a government that is not afraid to confront the challenges that face Australia. This government is prepared to protect Australia's environmental and economic future. I certainly hope that the coalition will start listening to sense and do the same. We know the member for Wentworth, if he gets the chance, will be on our side—he knows that this is the right thing for Australia. He knows that the opposition is just playing games when it comes to climate change. This issue is too important to play games with. This issue is something that we need to tackle for tomorrow, for 10 years, for 20 years, for 30 years, for 100 years. I believe, as the Prime Minister said, that history will judge the votes we have in this

House over the next few weeks and I am pleased that this government and I will be on the right side of history. I ask the coalition to think seriously about what side of history they will be on. (*Time expired*)

(Kingston) (NaN.NaN pm)