



Carbon Pollution Reduction Scheme 2010 and Cognate Bills

House of Representatives

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Sharon Grierson MP

Ms Grierson: (Newcastle) (1:15 PM) — I am pleased to again have the opportunity to debate the CPRS legislation with the opposition. It is the third time that I do so. This is not a debate, though, that can go on forever. Action does need to be taken. Yet still from the opposition we see chopping and changing. Since we took our policy to the 2007 election, we have had four different coalition leaders, each with a different climate change position. Two of these, though, to be fair, were similar to the CPRS the government puts before the House today in the Carbon Pollution Reduction Scheme 2010 and cognate bills. As the member for Wentworth detailed in the House on Monday, the Howard government, in its lead-up to the 2007 election, had a very similar ETS model to the one we debate here. The Australian people spoke very clearly about which model they preferred at that election, however, and they gave the Rudd government a mandate to tackle head on the issue of climate change.

The first opposition leader post Howard, Dr Nelson, was captured by the sceptics, the deniers and the dinosaurs in his party, and he blindly opposed our government's ETS. But then along came Mr Turnbull. I never thought I would hear myself describe Malcolm Turnbull in this way, but he was a voice for reason in the Liberal Party. Along with his colleague Ian Macfarlane, he negotiated a workable piece of legislation with the Rudd government that could have seen Australia be one of the leading nations on the implementation of an ETS. I congratulate Malcolm Turnbull and Ian Macfarlane, along with our Minister Penny Wong and Minister Combet, for the bipartisan and genuine spirit of cooperation they displayed in those negotiations. I must also congratulate the member for Wentworth for the admirable stand he now takes in holding to his conscience and his rational understandings and for committing to crossing the floor to support the government on this legislation. Similarly, I put on record my congratulations to Senator Boyce and Senator Troeth in the upper house, who took a principled stance when this legislation last went to the Senate.

But history shows again and again that we can never trust the Liberal Party to bargain in good faith. They just do not understand it. We are now left with another leader and his great big con job—a climate change con, totally contradictory to the position they have negotiated in good faith through Malcolm Turnbull and Ian

Macfarlane. The opposition's new direct action plan does less, costs more and is not funded. It is a great big con job that will mean either higher taxes or cuts to services to the Australian people.

There are three problems with that policy: it does not work, it does not require anything of polluters and there is no cap on pollution. To quote Andrew Probyn of the *West Australian*:

... the dirtiest polluters, including coal-fired power stations, would be able to continue to increase their emissions, provided it was within a "business as usual" trajectory.

But I remind the House that the Stern report specifically rejected a 'business as usual' approach to emissions reduction.

The opposition's big con slugs taxpayers instead of big polluters. In fact, it is not only going to increase tax; it is going to rob taxpayers blind. Tony Abbott, the Leader of the Opposition, has refused to rule out cutting funding to hospitals, schools or defence to pay for that unfunded \$10 billion climate change con job, so just where is the money coming from? Who knows?

To top it all off, we have a tricky five per cent target to reduce greenhouse gas emissions by 2020. Do not believe it. The opposition's five per cent 2020 target reduces greenhouse gases less than the government's target because it is based on a cut from 1990 emission levels rather than the government's 2000 level—a whole decade of emissions. The difference in the reduction by 2020 will be 310,000 fewer tonnes of carbon. To make up for the difference, of course, I guess we could always plant a few more trees.

The opposition proposes an emission reduction fund to support industry and business to act, but how much is it? What is it for? Who pays? We just do not know. The challenge, though, for the Leader of the Opposition and his finance spokesman, Barnaby Joyce—I have to say: Virginia Trioli, you were spot on—is to explain how they will pay for this climate change con job. Will they increase taxes? What services will they cut? How will they slug the Australian people to pay for this?

I must also, though, comment on the member for Paterson's contribution to this debate—firstly, the one he made in the House last week. When speaking in the debate, he committed to a \$20 million Hunter region hub for clean energy. He is about 10 years too late and, in particular, ignored the benefits that the Rudd government has brought about in my region. We have already established a centre of clean energy, and he knows that, but his attempt to jump on the bandwagon after 12 years of his government's inaction is as big a con job as the direct action plan we now discuss.

But the member for Paterson was not satisfied with just one speech; he delivered another speech yesterday to throw his weight behind a 2005 report that claimed there would be a loss of 17,000 jobs in the Hunter if an ETS were introduced. This

report, in particular, was a narrow report that assumed no other measures or programs to support employment and made no link between an ETS and job creation in a clean energy economy, the jobs that would be created as new technologies are employed to reduce emissions and the jobs that will result from investment in clean energy.

I would describe it as the 'Chicken Little speech'—you know the one: the sky is falling—and also as, 'Off with their heads!' Whose heads? Apparently mine and those of my colleagues the member for Hunter, Joel Fitzgibbon, and the member for Charlton, Greg Combet. Our crimes? Apparently we are part of a conspiracy to cause massive job losses in our region. Well, Bob Baldwin, I am very willing to stand on my record regarding employment and keeping Newcastle working, even during a global financial crisis, and I am very willing to stand on the record of the Rudd government in using responsible economic management to keep Newcastle and the nation working too.

So where have you been, Member for Paterson? It is 2010, and current figures show that Hunter employment is at 5.3 per cent, when the national average is 5.8 per cent. The Hunter Valley Research Foundation says that good policy, good business decisions and good fortune have helped the region to a sustained economic recovery. The Hunter's economic performance has indeed, it says, 'been extraordinary'. Peter Shinnick, chair of the Hunter Business Chamber, has said that thanks to the federal government's tax cuts, social welfare cuts and stimulatory spending, combined with the decreasing inflationary pressures—in particular, petrol prices—consumer confidence in the Hunter has stayed strong. This has been the result, though, of more than \$1.37 billion invested in Newcastle by the Rudd Labor government in just two years. As I said when it was revealed that my electorate of Newcastle had received the most out of any electorate in the country from the Jobs Fund program, I make no apology for that.

The member for Paterson then proceeded in his speech to call me an icon of hypocrisy, alleging that on one hand I call for and praise investment in rail and port infrastructure. Bob, not only do I call for it, I get it—\$1 billion investment into the coal chain by the ARTC—and I will continue to meet regularly with our coal loader operators—Port Waratah Coal Services and the NCIG—and assist their engagement with the Rudd government to make sure their activities and issues are understood by this government and that genuine working relationships are established so that optimum benefits flow to Newcastle and to the Hunter region. The member for Paterson went on to say that, on the other hand, I condemn everything to do with coal powered energy. That is not true. It is just another con job, and that will not work—because, Mr Baldwin, I remind you that I am the granddaughter of a miner, a union man who took part in the Great Lockout at Rothbury. Coal is in my blood, and I have never, and will never, condemn its contribution to our economy and to the energy it produces.

In fact, as member for Newcastle, I have worked closely with the University of Newcastle to support their return to the clean coal CRC. And I have worked closely with the CSIRO energy flagship in my electorate to support their work in carbon

capture and storage and their work with our energy generators to reduce carbon emissions from coal fired power stations. Mr Baldwin, I even went to America and met with the head of FutureGen, the great carbon capture and storage consortium, to learn more about clean coal technologies, as well as the US energy department and the US commercial and government equivalents of our CSIRO energy flagship. Bob, I also meet regularly with the Miners Federation to support our miners, and I meet with our mining company managers as well, so as to be able to represent their issues with my government. I am also a regular with HunterNet, our manufacturing cluster organisation, which has many members who rely upon the coal and power generation industries. Why would I do those things? It is because coal fired energy remains the cheapest base load power available to the world at this time.

The member for Paterson also alleges that I am prepared to just export our emissions overseas. No, that is not true either but I am prepared to export our coal, our research and our technologies, because I have visited some of those developing nations and resource-poor nations that benefit from our coal, and I have seen the benefits that lift people out of poverty through access to cheap power generated by coal.

But perhaps the member for Paterson mistakes for hypocrisy my ability to build a clean energy agenda in Newcastle and the Hunter whilst at the same time supporting our coal economy. He just does not get it, does he? They are not mutually exclusive, and I am very proud of my record in doing just that. I remind him that we have seen \$130 million invested by the Rudd government in just two years in Newcastle alone—\$20 million for the Clean Energy Innovation Centre, \$100 million for the Australian Solar Institute based in Newcastle, \$5 million for CSIRO's solarthermal research at Steel River and \$2.3 million for renewable energy integration research with India, also at Steel River. Initiatives such as Newcastle City Council's Together Today and the Energy Australia led bid for the federal government's smart grid city program distinguish us as leaders in the clean energy agenda. I am very proud that the stakeholders work so well with me and my government to deliver these wonderful achievements and initiatives. I take this opportunity to point out that the national Clean Energy Innovation Centre has its website up and running at www.cleanenergyinnovation.net.au, and it is a wonderful resource for businesses trying to reduce their emissions and enter the clean energy economy.

Bob, supporting coal and clean energy are not mutually exclusive. Together they represent the path to energy security, employment growth and economic prosperity in Newcastle and the Hunter. But perhaps that is just too complex for the member for Paterson. After all, he has never shown any signs of building any future agendas with the good people of Paterson, just his usual vote buying with his big spend campaigns. That is why the member for Paterson will always be a marginal seat MP.

In his speech, the member for Paterson also mentioned Tomago Aluminium, a smelter in my electorate, and implied some sort of betrayal of them by my support for our ETS. I quote:

With ... Tomago Aluminium in her electorate, her hypocrisy knows no bounds.

Rubbish! Even your own colleague Senator Boyce, who crossed the floor last time to support our ETS, said that as a manufacturer she knew that early adopters of new technologies and new approaches were always the winners in business, and that applies to Tomago Aluminium as well.

But I thank the member for Paterson, because it gives me the opportunity to praise the work of the CEO of Tomago Aluminium, Mr Andre Martel, who recently announced that he will be returning to Canada, with a new CEO to be appointed. I would like to put on the record what a pleasure it has been working with Andrew Martel and his organisation and assisting their access to our ministers so that their needs and their issues are well understood. I recall, too, a business dinner some years ago at which someone questioned the reality of climate change. It was Andre Martel who cautioned his colleagues then that they ignored climate change at their peril—that it was significant for their businesses and that they should include it as an important factor in their strategic plans, just as Tomago Aluminium has done for some time. I wish Andre Martel continuing success and thank him for the professional relationship we established.

I say to the member for Paterson: the coalition of old is clearly back. Do not let facts get in the way of your great big scaremongering and sledging campaign. Member for Paterson, Tony Abbott's great big con job on climate change and your great big rant and attack on me and my hardworking colleagues just does not cut it—with me or with the people of Newcastle and the Hunter, who understand the importance of responding to climate change, who know that an emissions trading scheme is the most effective way to assist polluters to cut emissions, to compensate working families for any cost transfers and to give certainty to business to invest in the clean energy economy for the future. So, Member for Paterson, apparently your leader believes climate change is just crap—and from your speech yesterday it seems that you are up to your eyeballs in peddling exactly that.

In contrast to the opposition, the government's Carbon Pollution Reduction Scheme makes polluters pay for their pollution and thereby encourages them to invest in cleaner technologies. In fact, almost every other developed nation envisages some form of carbon price as a key plank of its policy. None currently relies, as does the opposition, solely on direct action. In particular, the European Union has an ETS that will cover about 45 per cent of emissions but uses regulation to drive emissions down in the transport and agriculture sectors. Japan has also proposed a cap-and-trade scheme or a carbon levy to meet a promised 25 per cent emissions reduction by 2020. Over 30 countries, including the United Kingdom, Japan, the United States and New Zealand, either have introduced or are preparing a CPRS.

The Rudd government's market based scheme is the most cost-effective way of reducing emissions. I must say that when we are talking about hypocrisy there is some in the coalition not supporting a market based approach, one that gives incentives to business to set that market itself within a limited cap. I find that remarkable. Market based schemes are widely recognised as the best way to reduce

carbon pollution. John Howard, Malcolm Turnbull, Joe Hockey—most of the mainstream members of the Liberal Party have all supported that approach.

The government's responsible approach is based on the global scientific consensus, including the work of our own scientists from the CSIRO and the Bureau of Meteorology. Climate change action is in the nation's interest. As one of the hottest and driest countries on earth, our environment and our economy potentially will be hardest and fastest hit.

We have heard lots about the impact on household costs. The modelling shows about a one per cent increase, but our compensation plan—one which has been fully costed and modelled—means that 92 per cent of all households will receive assistance. The difference between the Rudd government and the opposition on climate change is simple. Our plan caps and reduces Australia's carbon pollution for the first time ever. Abbott's plan does not reduce pollution; in fact, taxpayers will be slugged with a \$10 billion bill to see emissions grow, apparently, by 13 per cent by 2020. Our plan makes polluters pay for their carbon pollution while offering them assistance to manage that. Abbott's plan lets polluters off scot-free while households pick up the bill. Our plan takes the money raised from the polluters and reallocates it as cash assistance to working families. Abbott's plan does not deliver a single dollar in assistance to working families.

If coalition history is anything to go by, I can see that direct action plan rolled out only to the electorates that they need to win in an election. We remember their history with the Natural Heritage Trust and the Regional Partnerships. Those were rorted; they were only about direct action where they needed to buy votes.

We have taken direct action. We have taken early action. We are providing up to \$200 million in 2009-10 through the Climate Change Action Fund to help industries, small business, community groups, workers and communities prepare for the introduction of the CPRS. This includes up to \$20 million for business information packages, up to \$100 million on energy efficiency strategies and up to \$80 million on capital investment grants for businesses and community organisations.

Mr Abbott's climate con job contains no such plan to assist community groups or households. Mr Abbott's climate con job costs more, does less and is unfunded. Our policy is a policy that works. It makes polluters pay but still provides them support, and it helps working families. It provides businesses certainty so that they will invest in clean energy alternatives. It caps and reduces Australia's carbon pollution for the first time ever. Abbott's plan does not reduce pollution and it slugs taxpayers. Our plan makes those polluters pay; his plan lets them off scot-free. Our plan takes the money raised from the polluters and transfers it into cash assistance for working families; Abbott's plan does not deliver a single dollar in assistance to working families. Those are the differences. It is time to embrace change and be part of the climate change solution. Climate change is not 'crap', Tony Abbott, and effective management of climate change could never happen under the coalition's great big con job. I commend these bills to the House.

