



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
MATTERS OF PUBLIC IMPORTANCE

Climate Change

SPEECH

Thursday, 31 May 2007

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Bowen, Chris, MP

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Mr BOWEN (Prospect) (4.16 pm)—The government says Australia has a choice between the environment and the economy. The Prime Minister says he will not sacrifice Australian jobs on the altar of the environment. We say Australia does have a choice but it is not between the economy and the environment; it is between acting and not acting. We say it is between choosing to act now or being forced to act later at much greater cost. We will not sacrifice Australian jobs or the environment on the altar of an ideology which refuses to accept that climate change has an impact on the Australian economy.

The Prime Minister says we should not listen to Sir Nicholas Stern because he is from Europe. We say we must listen to Sir Nicholas Stern because he has a world view and the cost of not acting is just too high. Of course, it is politically convenient for the Prime Minister to paint this as a contest between Sir Nicholas Stern and the rest of the world, but it is not only Sir Nicholas Stern who says Australia must act and act soon, and act now, to deal with the economic impact of climate change on this country. It is not just Europeans who say we must act; it is Australians who say this too, and the government are just not listening. It is not just environmentalists who say we must act; it is business people and economists who say this—but the government just refuse to listen. They refuse to listen to the Australian Business Roundtable on Climate Change, which consists of companies like Westpac, Origin Energy, Visy and BP.

Over a year ago, the business roundtable released a report called *The business case for early action*. They said:

As business leaders representing a cross-section of the Australian economy, we believe that climate change is a major business risk and we need to act now.

... ..

This research confirms that Australia is particularly vulnerable to climate change. The economic impacts are significant and widespread, affecting in particular Australia's leading export earners, agriculture and tourism. This will have flow-on effects for the whole economy.

Those are not our words or Sir Nicholas Stern's words but the words of the Australian Business Roundtable on Climate Change: Westpac and VP. They called for a carbon price signal, but the government were just not listening. The report compared two scenarios—acting now or waiting to act later—and they said the impact of acting later would be a 'major disruptive shock to the Australian economy', but the government were just not listening. They said waiting would destroy jobs and wreck the Australian tourism industry, but the government were not listening.

The government were not listening to the *Economist* magazine. I have to confess that the *Economist* is my favourite magazine. I am sure the member for Rankin looks forward to getting his weekly edition as well, and I suspect some members opposite like the *Economist* magazine—maybe even the member for Boothby—because it takes a free-market approach to most issues. I enjoy reading the *Economist* magazine. This is what their climate change special said:

... although the science remains uncertain, the chances of serious consequences are high enough to make it worth spending the (not exorbitant) sums needed to try to mitigate climate change.

That is the *Economist*, the bible of free market thinking around the world, and the government were not listening to the *Economist*.

Not only are they not listening to the *Economist*; they are not listening to economists generally. Just a couple of days ago, 271 professional economics academics, including 75 professors of economics, signed an open letter and said:

Global climate change carries with it serious environmental, economic and social risks and preventive steps are urgently needed.

... ..

The refusal by Australia and the United States to ratify the Kyoto Protocol is undermining global efforts to tackle climate change.

That is what 75 economics professors said, but the government are just not listening. Even though they were quick to leap on one US economist yesterday, they will not listen to 75 Australian economics professors today.

Let's look at what business is saying in the United States. There is a similar group to the business roundtable set up in the United States, called USCAP, which was formed in January to lobby to cut greenhouse gas emissions by 60 to 80 per cent, to create business incentives and to act swiftly and thoughtfully—not a coalition of environmentalists; a coalition consisting of companies like General Motors, BP, Duke Energy and General Electric. The Bush administration are not listening and their ideological soul mates here, the Howard administration, are not listening either.

People have been warning about this for a long time. The Kyoto protocol was written back in 1997—10 years ago. For 10 years the world has been looking at this question, and unfortunately Australia has had the Howard government all that time. In 2002, Environment Business Australia wrote a submission to the government saying:

... Australia should ratify the Kyoto Protocol for environmental, trade, health, and economic reasons.

But the government were not listening. We know now that, back then, the government were considering introducing an emissions trading scheme. Back in 2003 they had a cabinet submission to do so. They had the chance to act, they had the knowledge in front of them and they ignored it. They just were not listening. When four government departments supported a cabinet submission on an emissions trading scheme they did not even listen to them. I cannot put it better than Lenore Taylor, who says:

Turns out cabinet was being asked for in-principle endorsement of a domestic emissions trading scheme, to take effect after the first Kyoto Protocol commitment period ends in 2012, where the initial cost was to be kept low and the impact on big trade-exposed emitters was to be mitigated.

She goes on to say:

That's right. After almost four years of indignation and inaction, we're likely to end up right back where we were in 2003.

But they rejected it because they did not believe in climate change then, and they do not believe in climate change now—a government which comprises the ultimate climate change sceptic, the Prime Minister. And let us not forget the industry minister. Do you remember him—tall bloke, raspy voice? You might recall him. We do not hear much from him these days because his views are not very fashionable in an election year. Ian Macfarlane is a climate change sceptic who said that climate change was not really happening. Those views are not very fashionable when there is an election coming on, so he is in hiding. He is probably locked up in a room somewhere. We have not heard from him for months. But, when you have got a government with an industry minister who has those sorts of views, they are not going to act, because they do not believe it. They say it is because the economic costs are too high but it is because they just do not believe in climate change.

Do you remember when we were told as a nation that the economic costs of equal pay for women were too high?

Ms George—The sky was going to fall in.

Mr BOWEN—The sky was going to fall in. The Australian economy would grind to a halt. Do you remember when we were told that the cost to business of the superannuation guarantee was too high? Do you remember that? It is the same argument from the same people; they just do not get it. Their response to everything is that the Australian economy will not be able to cope, but they just do not get that the world moves on. They hate change, they hate improvements, they hate progress and they hate people who argue that climate change is going to affect this economy, because it will. But they just do not get it.

At five minutes to midnight, after 11 years in office, when the Prime Minister has poured scorn on emissions trading—he poured scorn on the states when the states put up an emissions trading scheme; he said it would wreck the Australian economy, ruin the Australian way of life, wreck the Australian coal industry—it is all okay. Yesterday we heard for the first time that targets were okay after 11 years. Ten years after Kyoto, four years

after a cabinet submission on an emissions trading scheme, three or four months before an election, targets are now acceptable.

When it comes to climate change, you are either part of the solution or you are part of the problem. The government are part of the problem because they do not believe it. If you are part of the problem, you cannot be part of solution. By their inaction, they have made themselves part of the problem because they just do not believe that climate change is real. They just do not believe that it is happening.

As was pointed out during question time, taxpayer funded polls have told them climate change is happening and we have had a road to Damascus conversion: emissions trading and targets are okay. The government have been ignoring the *Economist*, ignoring the Business Roundtable on Climate Change, ignoring 71 economics professors around this country who wrote an open letter saying that urgent action is required. They ignored their own government departments, including the Treasury, four years ago and failed to act. The Australian people are paying the price, and the Australian economy will pay the price because it will be affected by climate change, more than many others. Plenty of people have been telling the government, but they have not been listening because they just do not get it.