



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



## **HOUSE OF REPRESENTATIVES**

### **BILLS**

**Clean Energy Legislation (Carbon Tax Repeal)  
Bill 2013, Ozone Protection and Synthetic  
Greenhouse Gas (Import Levy) Amendment  
(Carbon Tax Repeal) Bill 2013, Ozone Protection  
and Synthetic Greenhouse Gas (Import Levy)  
(Transitional Provisions) Bill 2013, Ozone  
Protection and Synthetic Greenhouse Gas  
(Manufacture Levy) Amendment (Carbon  
Tax Repeal) Bill 2013, True-up Shortfall Levy  
(General) (Carbon Tax Repeal) Bill 2013,  
True-up Shortfall Levy (Excise) (Carbon  
Tax Repeal) Bill 2013, Climate Change  
Authority (Abolition) Bill 2013, Customs Tariff  
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**Excise Tariff Amendment (Carbon Tax Repeal)  
Bill 2013, Clean Energy (Income Tax Rates and  
Other Amendments) Bill 2013, Clean Energy  
Finance Corporation (Abolition) Bill 2013**

**Second Reading**

**SPEECH**

**Monday, 18 November 2013**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

## SPEECH

**Date** Monday, 18 November 2013  
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**Questioner**  
**Speaker** Leigh, Andrew, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Dr LEIGH** (Fraser) (16:58): May I at the outset acknowledge a great first speech by the member for Bendigo and recognise the presence of her mother, Jenny Chesters, in the gallery: a terrific inequality scholar with whom I have had the privilege to work.

My earlier speech on this topic was interrupted at the point when I had quoted the words of the then Leader of the Opposition in support of an emissions trading scheme, followed by jeers from the other side of the House. How things have changed since 2009! It was not just the then Leader of the Opposition who was then in favour of an emissions trading scheme. That is just starting with A.

The member for Dunkley, Bruce Billson, said in this place on 29 October 2009:

It was actually the coalition that instigated work on the emissions trading scheme ... in a report that I helped author back in 1998 which talks about regulatory arrangements for trading in greenhouse gas emissions in 1998 ... The coalition's commitment to an ETS is demonstrable.

The member for Curtin, Julie Bishop, said:

The Liberal Party has a policy of both protecting the planet and protecting Australia. We support, in principle, an Emissions Trading Scheme.

That was in her electorate newsletter in September 2008.

The member for Mayo, Jamie Briggs, said in this place:

I believe an emissions trading scheme is one of the policy levers that can be used to change the energy mix in Australia.

The member for Moncrieff, Steven Ciobo, said:

We want to work constructively because we recognise that in the future around the world in most developed economies if not all there will be an ETS of some sort.

That was on Sky on 21 July 2009.

The member for Bradfield, Paul Fletcher, said:

When it comes to economic issues, my instinct is for open markets, free competition.

He said that in this place on 9 February 2010. On ABC News on 1 December 2009 he said:

I am supportive of the position that the parliamentary party has taken on the ETS and that remains my position.

The member for Brisbane, Teresa Gambaro, said on 20 September 2007:

We are also developing a world-class national emissions trading system to further drive investment in low emission technologies.

The member for Cowper, Luke Hartsuyker, said:

As members would be aware, the coalition has a strong record in relation to an ETS. Indeed, the National Greenhouse and Energy Reporting Act, which was put in place last year—

that being 2007—

provided the platform for the introduction of an ETS.

That was said in this place on 27 August 2008.

The member for North Sydney, Joe Hockey, told *Q&A* on 19 February 2009:

Our very strong view is, we were the initiators of an emissions trading scheme, and we believe in a market-based approach.

One can only imagine whether perhaps that view would have prevailed in the opposition party room if only Twitter had spoken to the member for North Sydney with a stronger voice.

The member for Flinders, Greg Hunt, claimed very strongly an emissions trading scheme for the coalition, saying:

Perhaps the most important domestic policy was the decision of the Howard government that Australia will implement a national carbon trading system. ... We hope that the new government will take up this proposal.

That was the member for Flinders on 28 April 2008. Of course, the member for Flinders had a long record of arguing this case. His own University of Melbourne law thesis, 'A tax to make the polluter pay', argued:

The market is the preferable regime as it better ensures that the polluter bears full responsibility for the costs of his or her conduct.

The member for Flinders has also referred to his lifelong commitment. He said his lifelong commitment was 'to use economic instruments to do that'.

The member for Swan, Steve Irons, said:

I understand the need for action to cut the world's carbon pollution ... That is why the coalition supports, in principle, an ETS as part of a three pillars approach to climate change.

That was in this place on 4 September 2009.

The member for Bowman, Andrew Laming, said in this place on 29 October 2010:

I will be working as hard as I can to have it—

the CPRS Bill No. 2—

passed. I will be working with colleagues of mine in both chambers to see that it is passed.

The member for Farrer, Susan Ley, said in this place on 29 October 2009:

We went to the last election with an ETS policy—many have forgotten that fact.

I have not she also said:

The coalition had a well-designed policy in 2007.

I agree with that.

The member for Groom, Ian Macfarlane, said on ABC on 29 September 2009:

We did take that policy to the last election and it was clearly enunciated as an emissions trading scheme that would be introduced perhaps in 2011 but most likely 2012.

The member for Cook, Scott Morrison, speaking in this place on 3 June 2009—back in the days when he spoke on days other than Friday—said:

There are a suite of tools we need to embrace to reduce emissions. I believe an emissions trading scheme, in one form or another, is one of those tools. Placing a price on carbon, as the Leader of the Opposition has said, is inevitable.

The member for Higgins, Kelly O'Dwyer, was quoted in the *Stonnington Leader* on 1 December 2009:

Ms O'Dwyer said she supported an emissions trading scheme and would 'support the party's policy' and that 'Malcolm Turnbull as leader has got my full support'.

The member for Sturt, Christopher Pyne, told Sky *Sunday Agenda* on 27 June 2009:

Let's not forget it was the opposition that first proposed an emissions trading scheme when we were in government. The idea that somehow the Liberal Party is opposed to an emissions trading scheme is quite frankly ludicrous.

I do not know how anyone could have gotten that idea. I do agree, though, with the member for Sturt that it is a ludicrous notion to oppose an emissions trading scheme.

The member for Canning, Don Randall, said in his electorate newsletter in September 2007:

In moving towards the world's most comprehensive domestic emissions trading scheme by 2012 ... the Howard Government is committed to setting sensible long-term targets that will not impact on Australia's economy, jobs and families.

The CPI would agree with him.

The member for Goldstein, Andrew Robb, said:

We are very supportive of a price on carbon. We introduced the scheme to do that. ... We are serious about good policy in this area. We are serious about a price on carbon.

That was ABC News on 27 July 2009.

The member for Fadden, Stuart Robert, said on *Doors* on 26 May 2009:

We went to the last election with an Emissions Trading Scheme.

The member for Casey, Tony Smith, said:

... I take my cue from the science and that is to give the planet the benefit of the doubt, and that's why we've always said that an emissions trading scheme is useful ...

That was an interview with Helen McCabe on 16 November 2009.

The member for Boothby, Andrew Southcott, said on *Doors* on 19 October 2009:

I think that an emissions trading scheme is an important contribution.

The member for Murray, Sharman Stone, said in a media release on 20 June 2007:

Sharman Stone welcomed initiatives announced by the Prime Minister including ... a 'cap and trade' emissions trading scheme that would help Australia substantially lower domestic greenhouse gas emissions at the lowest cost.

And how right that is.

The member for Aston, Alan Tudge, writing an op-ed in the *Australian* on 13 February 2007, said:

Government's role should be to create the market environment that will lead to the outcomes sought either through putting a price on CO<sub>2</sub> or placing a cap on how much CO<sub>2</sub> will be emitted and then allowing companies to trade CO<sub>2</sub> entitlements ... The decisions should be left to the market.

No recitation of past coalition statements on ETSs would be complete without the member for Wentworth, Malcolm Turnbull, who says succinctly:

You won't find an economist anywhere that will tell you anything other than that the most efficient and effective way to cut emissions is by putting a price on carbon.

That is from *Q&A* on 5 July 2010. Experts agree with the member for Wentworth. A survey of 35 leading economists conducted by Matt Wade and Gareth Hutchens of the Fairfax papers and published on 28 October 2013 found that 86 per cent favoured carbon pricing. Justin Wolfers, a professor at the University of Michigan, said that direct action would involve more economic disruption but would have a lesser environmental pay-off. BT Financial's Chris Caton said any economist who did not opt for an emissions trading scheme 'should hand his degree back'.

The respected former Treasury secretary Ken Henry has described the government's Direct Action con as 'bizarre'. A report by RepuTex on the government's direct action scheme has forecast that its costs could be triple the cost of an emissions trading scheme. The OECD's recent report found that carbon taxes and emissions trading schemes are the cheapest way of reducing carbon pollution. Indeed, things have gotten so bad between the minister and his department that the environment department has refused a freedom of information request, according to reports in yesterday's papers, for the incoming government brief on the grounds that it would have 'a substantial adverse effect on the department's working relationship with the incoming minister'. That is what happens when departments deliver frank and fearless advice.

What troubles me most about the coalition's position on this issue is that it is so at odds with the experts. Scientists are telling us that the world is warming and that humans are causing it. We have seen that very impact here, in Canberra. A report by Clem Davis and Janette Lindesay titled *Weather and climate of the ACT 2007-11 and decadal trends* points to an increase in extreme weather events, an overall decline in annual rainfall since the early 1990s, below average rainfall in the ACT for seven of the last 10 years and increased temperatures at Canberra Airport.

Putting a price on carbon pollution is favoured by all serious economists, me included, because it taps the ingenuity of businesses. I am surprised when those opposite in their speeches speak about their pride in free enterprise. I too am impressed by the ingenuity and innovation that we see in businesses around Australia. It is that very innovation which is tapped by a carbon-pricing mechanism. It is such a dour view of Australian business ingenuity to think that Australian businesses are not able to find low-carbon ways of producing their outputs, that they are unable to look at the—

The DEPUTY SPEAKER ( Mr Broadbent ): Member for Fraser, I recognise the member for Kooyong.

**Mr Frydenberg:** Thank you, Mr Acting Deputy Speaker.

The DEPUTY SPEAKER: Is the honourable member seeking to ask a question or make a response?

**Mr Frydenberg:** I seek to make an intervention under 66A of the standing orders.

The DEPUTY SPEAKER: Does the member accept the intervention?

**Dr LEIGH:** Not with a minute to go on my time, Mr Deputy Speaker.

**Mr Frydenberg:** You are running away from answering the question.

**Dr LEIGH:** I would be delighted to debate you on these issues at some point, Josh, but the key point here is that the Liberal Party is running away from markets. We now see in China city-based emissions trading schemes being extended across cities, covering millions of people. China will probably have its nationwide emissions trading system up and running by 2020, joining over 30 countries worldwide that are using emissions trading schemes as the best way of reducing carbon pollution. But while a nominally communist Chinese government is running towards a market approach, the nominally free market Liberal-National parties are running towards command and control—a system so interventionist that it would make Lenin blush.

The number of bureaucrats that will be required to administer Direct Action is far higher than the pricing scheme and the confidence in business expressed by such a scheme far lower than the scheme the nation has in place.  
*(Time expired)*