



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
MATTERS OF PUBLIC IMPORTANCE

Carbon Pricing

SPEECH

Tuesday, 9 October 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Zappia, Tony, MP

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Mr ZAPPIA (Makin) (16:58): Last month at the University of Western Australia the member for Wentworth, giving the George Winterton Lecture, said:

For the last two years the questions from the Opposition have been almost entirely focussed on people smuggling and the carbon tax.

Are they really the only important issues facing Australia?

When it comes to debates on matters of public interest, the very same point could be made. It is clear that members opposite have simply ignored the comments of the member for Wentworth, who was quite right when he said, 'Are they really the only important issues facing Australia?' The reality is that the matter of the MPI today is starting to wear thin out there in the community, and members opposite have brought forward this MPI in order to try and keep it alive.

The fact is that when I go out into my community—and I do that on a very regular basis—people out there want to talk to me about a whole range of things, not only about a carbon tax and about people smuggling. What they want to talk to me about is the issues that really affect their lives, such as aged care, disability support, education, health care, dental care, mental health, national infrastructure and the like. It is those day-to-day issues, which truly and directly affect their lives, that they are most interested in. When I speak to people in the community it is clear that the coalition's claim that the carbon tax is going to bring gloom and doom to the lives of Australians is simply not correct. The price on carbon has now been in since 1 July, and the examples given just a moment ago by the member for Macarthur of the doom and gloom that is occurring in his electorate as a result of the carbon tax are simply not in tune with reality. I do not for one minute deny that there are people throughout Australia who are struggling to make ends meet and who are doing it tough, and I do not deny for a moment that the cost of living is part of the problem. But I do deny that the problem is all due to the 'carbon tax', as members opposite would have you believe. The reality is that the carbon price introduced by this government has had a relatively minor effect on the total increase in people's cost of living. In fact, I have looked carefully at the contribution of the carbon price in examining claims that electricity costs in my own state have skyrocketed as a result of the 'carbon tax'. The reality is, according to information provided by the energy industry association of South Australia, that the contribution of the price on carbon towards the increase in the cost of power in my home state has been 4.6 per cent—that is all—and this figure is consistent with the Treasury figures of this government and with other figures which have been put together in order to try to quantify what impact the price of carbon will have on the cost of living in Australia.

The facts remain—and these facts continue to be reinforced by the latest science—that climate change is real and that rising greenhouse gas emissions are a factor in climate change. The price of ignoring these facts will ultimately be measured in dollars and in environmental and social costs. This matter of public importance discussion is about the cost to people of what this government is doing; I put it to members opposite that, if we do nothing about climate change, the cost to Australian families will be much, much higher than if we act in the way we have acted so far. This government accepts the science and has acted on several fronts to reduce greenhouse gas emissions, to invest in alternative energy technology and to assist Australians with the transition away from high carbon and other greenhouse gas emissions. In doing so, the government acknowledges that climate change is a global problem which requires global commitments and global cooperation. The member for Wentworth knew that, and that is why he supported global action on climate change. Unfortunately, not all members of his party agreed with him and he lost his leadership over taking the principled stand that climate change is real and that we need to act to prevent it.

The government's strategy on climate change is quite simple. Placing a price on carbon puts a value on it. When something has a value, it can be traded. The Australian economy cannot compete in a global environment while we restrict the trading of carbon emitted in Australia to the Australian market. The government also acknowledges

the changing global response to climate change. The response to climate change is not standing still; we learn more each day and each country reacts differently each day, and therefore we need to be flexible in our response to the issues we are confronted with. Regrettably, the economic crisis across the world over the past three years has distracted countries—particularly Western countries—from the importance and urgency of dealing with climate change. The positive thing about this is that the slowdown in the growth of Western economies over recent years has served to slow down greenhouse gas emissions. Those countries across the world which acknowledge that they may have slowed down their commitment to doing something about climate change nevertheless understand and have embraced their responsibility to the global cooperation which is required to address climate change, which is indeed a global problem.

Governments across the world, as the parliamentary secretary has quite rightly pointed out, are now acting. He has talked about Europe, the UK, China, the USA, Korea, South Africa, Turkey, Chile, Indonesia and Vietnam, which are all coming on board and acting in a manner which suits their respective economies. Whether they are acting at a national level or at a state level within their own countries makes little difference; what is important is that they are acting. According to reports to this parliament 89 countries, representing 80 per cent of the global emissions of the world and 90 per cent of the world's economy, are acting to reduce greenhouse gas emissions across the world. Clearly each country is responding in a way which best suits its individual ability. Some countries are responding by investing in renewable energy or more efficient energy systems; others are putting a price on carbon; some are doing both. The fact is that they are acting.

The suggestion of members opposite that we should stand alone, restrict the trade in carbon permits to this country and not be part of the international response to climate change makes absolutely no sense. I thought that they were advocates of the free market both in Australia and across the world, so I am totally bewildered by their argument that we should not link in with other world markets. It is simply inconsistent with the positions they take on other issues and the positions they constantly put to this government on how we should operate in managing the Australian economy. I do not know whether, with the transition in 2015 from a price on carbon to an emissions trading system, the price of carbon will go up or down. That is not the important thing here; the important thing is that, wherever the carbon price lands, Australia be part of an international system and so remain competitive.

Members opposite talk about the way that this whole scheme is going to impact on families, on the people of Australia. The member for Macarthur talked about some specific examples in his own electorate. Members opposite have claimed that, if they are elected to government, they will rescind the carbon-pricing legislation. But what are they going to do in 2015? Are they going to move to an emissions trading scheme or are they not? They have not answered that question. In fact, they have never addressed that question. My question to them is this: if they do not do that then what will they do? Are they going to proceed with their so-called direct action policy, which has been discredited by a number of economic analysts and which will cost each Australian family in the order of \$1,200 to \$1,300 a year? Is that what they are going to do to try to help the families of Australia? Or are they going to embrace the logical and sensible policies of this government? Those policies link our efforts to reduce greenhouse gas emissions in this country with those across the world, which creates one market and enables industry and business in this country to trade with overseas industry and business and therefore remain competitive. The policies of this government are the sensible policies— *(Time expired)*