



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**  
**MATTERS OF PUBLIC IMPORTANCE**

**Carbon Pricing**

**SPEECH**

**Thursday, 7 July 2011**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Mr SHORTEN** (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (15:39): The biggest threat to confidence in the Australian economy is a federal opposition who have no confidence in the Australian people and are always trash-talking the future and the capacity of Australians to change. The government understands that what generates confidence are decisions and positive plans. The government understands that the constant talking-down of the ability of Australians to cope with change undermines confidence. The government understands that to keep writing some sort of Stephen King horror novel, trying to scare the Australian population, will damage confidence.

I would submit to this House that this nation and this economy, and indeed the government, pass what I would call 'the airport test'. There are not a lot of Australians who, when they come back to Australia from overseas, get off at an airport and say, 'Oh, my goodness! I want to go back overseas.' This is a good country. This is a great country. This country has never shirked change. We have never hidden from change.

This government has a plan—it will provide details on Sunday. The Gillard government also understands what business knows and what the Australian people know—that you cannot put up a proposition that Australia can just be frozen in the moment. The opposition would have you believe that now is not a good time to change, tomorrow will not be a good time to change and that it will never be a good time to change.

This nation cannot progress on a policy prescription that we do not ever have to change. This nation needs leadership. This nation needs to confront issues. Change is never easy. The government understands that. Also, this government understands what business knows. Business knows that the Australian economy is in transition and that we cannot stand still. This government knows that business appreciates the value of certainty. This government understands that Australian business knows that the world is moving to improved energy efficiency and to lower carbon pollution.

This government understands that we need to lower carbon pollution in this country and that big polluters should pay. You would not be allowed to tip your garbage in the street and expect someone else to clean up your mess. This government understands intuitively that we need to act to do something to lower carbon pollution. The government also gets that families and consumers should get a fair go and that climate change is real. Depending on who is in power in the opposition, they believe it is happening—like Malcolm Turnbull. If they do not believe it is happening, like Tony Abbott—

**The DEPUTY SPEAKER ( Hon. Peter Slipper ):** The member for Wentworth!

**Mr SHORTEN:** I beg your pardon—the Leader of the Opposition.

**The DEPUTY SPEAKER:** No, the member for Wentworth!

**Mr SHORTEN:** The member for Wentworth—former Leader of the Opposition, until torn down. The member for North Sydney said that a vote on climate change is just a 'matter of conscience'. This government knows that, whoever is in charge, they will have to put a price on carbon. The opposition would have you believe that, if they were to come to power, nothing will change, that we can be frozen in the moment, like true conservatives. The government understands that whoever is in charge of this nation they have an obligation not to betray the leadership entrusted in them by the people. Real leadership does not always involve telling people what they want to hear. Real leadership means dealing with issues.

Business know and the Australian people know that, if you tell people you can pretend but you never have to change, that is a deception which betrays the trust Australians have in their political leaders. Let us be clear. The Economic Intelligence Unit, a private organisation, has done a survey of Australian business and found that 50 per cent of Australian businesses have already anticipated moving to a low-carbon future and that 70 per cent of Australian businesses are already putting in place measures to reduce their carbon footprint.

The good news is that Australian business and the government are not waiting for the opposition to get on board and join the 21st century. The Australian Industry Group and the Business Council of Australia support a price on carbon. I suppose those opposite would rubbish the CEO of the National Australia Bank as some sort of mad, left-winger. He is not. He said that the Labor plan 'will drive certainty and investment'. 'What would the CEO of one of Australia's largest banks know about investment?' those opposite would cry. My money is on backing their judgment about what drives investment rather than that of those economic witchdoctors of the opposition economics team. Then you have to look at other companies.

**Opposition members interjecting—**

**Mr SHORTEN:** As much as the opposition wish to interject and wish it were not so, the truth of the matter is that Shell, BP, AGL, Alstom, Rio Tinto, Origin, Grocon—all massive Australian companies involved in heavy industry—say—

**Mr McCormack interjecting—**

**The DEPUTY SPEAKER:** Order! The member for Riverina has been given a fairly good go. He will restrain himself.

**Mr SHORTEN:** The member for Riverina is always welcome to stand up and speak rather than relying on sitting down and interjecting. What would all those companies—Shell, BP, AGL, Alstom, Rio Tinto, Origin and Grocon—know about the economy? What would they know about energy? What would that they know about mining? Anyway, let us not just rely on a whole lot of heavy hitters of Australian industry, people who are part of the carbon pollution business, who accept the need to put on a price.

Let us be clear. There was an important story on the front page of today's *Australian Financial Review*. It was reporting what the compliance people at the Australian Stock Exchange have said. They put forward some important facts contained on the front page of the *Australian Financial Review*. They reminded people of listing rule 3.1. For those opposite, who probably are not aware of what listing rule 3.1 is, it is the requirement that company directors must disclose to the market matters which are material to operations; they must report them.

This is a timely intervention by the ASX, so let me be clear. The ASX are agnostic about government policy or opposition policy but they are absolutely determined to enforce the listing rules of the Australian Stock Exchange. They have put an emphasis—and again this is timely—on the need to be responsible. They are saying that there should be facts, not exaggeration. They are reminding Australian companies that they must inform the market of material developments, which are very likely, and that they would also have to take account of the assistance provided by the government.

I regret to report to the parliament that it is a shame there is no listing rule 3.1 for the opposition. Instead of economic hard work, those opposite are relying on a strategy to shout their way into government. Let us go through some of their fear and negativity. They have predicted the death of the coal industry, yet economic modelling for the CPRS has shown that it would increase by 66 per cent by 2050. They have predicted the death of the steel and aluminium industries.

**Mr Billson:** So you know more than the steel industry!

**Mr SHORTEN:** I organised those in the steel industry and I won them wage rises when you had Work Choices.

**Mr Billson interjecting—**

**Mr SHORTEN:** I have met more steelworkers than you have had hot meals, my friend. Given what we know about the steel and aluminium industries and heavy industry, let those opposite not feign crocodile tears on behalf of the workers of those industries.

**Mr Billson interjecting—**

**Mr SHORTEN:** You think manual labour is a Mexican tennis star.

**Mr Billson interjecting—**

**The DEPUTY SPEAKER:** The member for Dunkley will withdraw that.

**Mr Billson:** What? The charlatan, the spiv or the climbing on the back of workers bit?

**The DEPUTY SPEAKER:** The member for Dunkley will withdraw unreservedly. I call the member for Dunkley to withdraw unreservedly otherwise I will deal with him.

**Mr Billson:** Unreservedly, Sir.

**Mr SHORTEN:** They have said that all these industries are doomed and ruined. What they do not say when they are scaring people is that, under the recently modelled CPRS, these industries are going to be shielded from 95 per cent of the carbon price. Anyway all the myths and the negativity are the Stephen King-like bogeymen with which they would scare the Australian people. They have said it is a lie that the rest of the world is acting. For goodness sake, let's not tell the United Kingdom, Denmark, Finland, Ireland, Canada, Switzerland, the Netherlands or Sweden, which are all acting. Let us look at the Europeans and let us look at the ETSs that are going on elsewhere. But then those opposite would also say, 'If we have a carbon price, that's the end of jobs in regional Australia. That's the end of jobs in the energy intensive industries.'

**Mr Fletcher interjecting—**

**Mr SHORTEN:** With all our economic modelling we rely on facts.

**Mr Fletcher interjecting—**

**The DEPUTY SPEAKER:** The member for Bradfield will remain silent.

**Mr SHORTEN:** We do not rely on scaring people into power. The economic modelling showed that we will grow. We will talk about pensioners. Those opposite have been saying that pensioners are vulnerable.

**Mr Fletcher interjecting—**

**The DEPUTY SPEAKER:** I have just asked the member for Bradfield to assist me by remaining silent.

**Mr SHORTEN:** I predict there will be generous permanent assistance for those. They even tried to scare us about housing prices going up \$6,000. What a gross exaggeration! But we come to the biggies. Talking about big numbers, let us talk about the \$10 billion that those opposite would give the large polluting companies as their fig leaf to acting on climate change. What a clever plan: take money from the taxpayer and give it to the big polluters. Why didn't we think of that? Because it is a bad idea. But what the opposition would do goes further, so they can undermine the Australian economy. Those opposite are Inquisition monks and burners of books.

**Opposition members interjecting—**

**Mr SHORTEN:** Well, your leader has rubbished the economists and the scientists. Those opposite have rubbished Australian economists. Indeed, if you look at their \$10 billion plan to spend taxes rewarding big polluters—why didn't we think of that idea?—no serious business leader or economist has come out and backed it. When the Leader of the Opposition jumped up over the trench with that ill-thought-out fig leaf of an economic idea, he looked around and saw no-one was behind him. But I think the fundamental issue, going back to the shadow Treasurer's proposition about economic confidence, is that those opposite would rely on threat to give them purpose.

**Mr Fletcher interjecting—**

**The DEPUTY SPEAKER:** I warn the honourable member for Bradfield!

**Mr SHORTEN:** Let me repeat that: they rely on threat to give them political purpose whereas we rely on hope to give political purpose. They rely on conservatism to give them purpose whereas we rely on innovation. We do not accept the proposition that industries in Australian agriculture, mining and manufacturing, the service industries and this nation lack innovation and lack the capacity to change. You opposite rely on fear; we rely on optimism. You opposite rely on hostility; we rely on hope. We understand that the future is not something to be frightened of. Those opposite think that the future is something to be frightened of. Instead of talking down the

Australian economy, instead of talking down small business, instead of talking down the capacity of Australian business, perhaps you should engage in a process of change.

We on this side of the House understand that the world will not stand still for Australia. We understand that Asia has re-emerged as an economic powerhouse. We understand that we are living longer than ever before. We understand the importance of digital information. We understand the need to have a sustainable climate and a sustainable economy for not just our generation but our children and our grandchildren. We also understand that we need to develop new jobs in Australia and not just rely upon existing jobs. We understand that the world will change. Whoever is in power, the forces I have just enumerated will apply even if those opposite were members of the government, which will be a long time coming, thank goodness.

We understand these forces are at work and we are not going to shirk the task of change. How easy would it be to hop into the hammock of economic and political conservatism and say, 'No change'. How easy would it be to turn back the clock and say that Australia does not need to change. What a lazy economic prescription that provides no hope for the future.

To return to where I started, if we are going to have a debate on confidence, let us look at what is really happening in the Australian economy; let us look at what is happening in the world. Our prescription for the future we have already seen working out. Since Labor was elected in 2007, 740,000 new jobs have been created. In the last 12 months Labor has been in government and we have seen the enablement of 258,000 new jobs. At the end of the day, it is the scoreboard that counts.

We are the party of hope. We accept that the future is happening. There is just one choice: do you let the future run over the top of you, or do you say that the future is not something to be frightened of, that we are a country and a nation capable enough to move and anticipate change? Those who would say to you, 'Stay as we are,' are dangerous because they have no capacity to anticipate and manage the future. It is happening, whether or not they like it. (*Time expired*)