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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Australian Renewable Energy
Agency (Repeal) Bill 2014**

Second Reading

SPEECH

Monday, 1 September 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Page 9207
Questioner
Speaker Zappia, Tony, MP

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Mr ZAPPIA (Makin) (18:08): Since coming to office the Abbott government has done all it can to erase any reference of climate change from its policies and publications. Climate change is rarely mentioned by government members and the words have been effectively deleted from government publications and any other printed material that the government issues. Where the government has been able to do so, it has also disbanded, abolished or defunded every climate change initiative that was set up by the previous Labor government.

We are told that the government does not even want to mention the topic at the G20 meeting, which is to be held later this year here in Australia. It is such an important issue and the government does not want to talk about it.

I commend the member for Perth on her contribution to this debate on the Australian Renewable Energy Agency (Repeal) Bill 2014. I heard her mention only a moment ago that China has now committed to a full national emissions trading scheme by 2016. Over 30 per cent of the global emissions that come from that country—one of the biggest emitters—are now going to be part of an emissions trading scheme. That is the kind of commitment that I would have thought countries such as Australia should be making rather than back-peddalling and walking away from any action on climate change. We heard earlier this year that the US is also making strong commitments, as are so many other countries. Again, I am not going to go through all of them, but they have been mentioned by so many other speakers in this debate.

The issue will not go away just because the government does not want to talk about it or because the government wants to defund or dismantle anything to do with climate change that was previously established. Might I say that not everything was established by the previous Labor government. Some initiatives date back to a previous coalition government, yet the government now wants to walk away from anything to do with climate change and global warming.

The concerning thing about that is that this is happening at a time when the scientific advice relating to climate change is becoming much clearer and much more certain. As I said a moment ago, we are now clearly out of step with what other countries are doing and, quite frankly, I can understand why we are now being criticised by other governments of back-peddalling.

Consistent with the Abbott government's theme of denying climate change—and I note the comments from the member for Perth who said that perhaps it is not that they are simply in denial but that they simply want to undo everything that Labor does because that is the nature of their political thinking—doing away with the Australian Renewable Energy Agency is simply another part of that process.

It is clearly an ideologically driven decision that makes no economic sense and no environmental sense. It is also another broken promise of the Abbott government. Last August, before the election, environment minister Greg Hunt said:

We are keeping ARENA and ARENA is the body looking at specific support for development projects in the solar space.

That was one year ago. Contrary to the environment minister's assurances just prior to the election that they would keep ARENA, the Abbott government now wants to scrap it. It is even more illogical, given that only in June this year the industry minister was singing ARENA'S praises in the Federation Chamber, when he said, 'ARENA has allocated in excess of \$1 billion for renewable energy projects in Australia, with a further \$1.8 billion being leveraged from the private sector.' He went on to say:

But we certainly expect some great results from those programs that have already been funded under ARENA.

So why would the Abbott government want to wind up a program that was, to use the minister's words, 'getting great results, creating jobs, attracting co-investment of nearly two to one and producing world-leading renewable

energy technology'? I believe the government wants to because, firstly, it wants to wash its hands of climate change. Secondly, it wants to because the Abbott government wants to prop up the energy companies and the fossil fuel sector, which will undoubtedly be the beneficiaries of a reduction in renewable energy investments in this country. The minister effectively acknowledged that in his second reading speech, when he said:

This government supports the energy and resources sector. We recognise it as one of our economy's most significant drivers of jobs, private sector investment and national revenue.

So the minister acknowledges that it is really the energy sector and the resources sector that the government is interested in and nothing else. The fact is that, since it was established in 2012, ARENA has supported more than 190 renewable energy projects. I understand that there are about another 190 in the pipeline. If they were to get the support and funding that they need and get off the ground, that would also bring in an additional co-investment of around \$5 billion. We are talking about significant amounts of capital that will be going into these projects in addition to the money that ARENA itself would put into them.

ARENA has done its job and, in conjunction with the Clean Energy Finance Corporation, which members in this place would recall the government also wanted to abolish—and I suspect the government will now want to also abolish the renewable energy target, given the report that was handed down last week—we have actually seen a transformation in this country with respect to our energy sources.

Wind power has tripled, renewable energy jobs have tripled to around 24,000 across the country and the latest figures show that we have about 1.3 million homes with solar panels on them and some 840,000 homes with a solar hot water system on them. Those figures speak for themselves. The programs and the investments made in them have undoubtedly worked and have been successful, and the figures clearly show that. But that is not in the interest of the energy companies and that is why I suspect there is pressure on the government to wind back ARENA and close down the Clean Energy Finance Corporation, and the next step will be to do away with the renewable energy target.

I want to talk for a moment about the jobs that were created as a result of the investments in clean energy technology—the 24,000 jobs that span the country. Most of those jobs are in manufacturing and, again, most of those jobs in the manufacturing sector of this particular category are in regional and rural Australia. They are jobs that support and sustain country towns and country regions more than anything else—two to one, 70 per cent. It will be those communities that will be hit hard when we defund ARENA and those jobs are lost, or the new investment is simply not there. It also goes to the issue of manufacturing jobs. My understanding is that, in Germany, clean energy technology now accounts for more jobs in the manufacturing sector than the automotive sector. That highlights the opportunities that are there if governments are prepared to look forward rather than back and invest in what the future holds rather than what the past holds. It is very concerning that we are losing jobs in manufacturing—and this will be a severe blow to manufacturing—at a time when manufacturing in this country is already under immense pressure as a result of this government's decision to cut hundreds of millions of dollars of industry assistance to the manufacturing sector and turn its back on the automotive sector by not supporting the car makers, and now it will create so much uncertainty with respect to Defence contracts and who is going to get those jobs. Manufacturing is already doing it tough and this is going to be a real blow.

I quote from a manufacturer in my electorate of Makin. They opened up the business only two or three years ago. I refer to the business Tindo Solar. They made a submission to the renewable energy target review and said:

The long-term stable framework of the RET policy has provided the confidence for Tindo to establish the solar PV manufacturing plant in 2011.

They went on to say:

The weakening of the SRES—

the Small-scale Renewable Energy Scheme—

will impact significantly on the solar industry. Tindo Solar as a manufacturer and installer of solar systems nationally would be impacted significantly—which would certainly lead to job losses. This would happen right at a time when the future looks bright for Tindo with imminent expansion of our workforce ...

That is straight from the horse's mouth. That is from a manufacturer set up in 2011—I have been through the brand-new plant—that manufactures solar panels and competes with the rest of the world at a competitive price, with a new type of panel that was previously not available, and yet their business is being put at risk because of the policies of this government. There would be many similar stories, I have no doubt, but I can speak about that one with a degree of personal understanding because I have been through the plant.

It is my view that this government is making decisions for the wrong reasons. It does not make economic sense, it does not make budgetary sense, it does not make business sense and it does not make environmental sense to walk away from ARENA and, for that matter, all the other initiatives that were committed to by previous governments with respect to climate change. The reality is that our climate is changing. Human activity is significantly contributing to that change, and the changes are raising the risks and costs that will be faced by mankind across this planet in the years ahead. We have a program in place that is getting results and yet we are going to—if this government has its way—walk away from it.

The last point I want to make about the foolishness of the policies of this government relates to the costs associated with many of the decisions of government. Many members opposite quite often come into this place, including those who spoke in support of this legislation, and talk about the \$1.3 billion that is going to be saved by the government by abolishing this measure and how we need that money. They never talk about the impact of these kinds of decisions in dollar terms. I will quote from an article put out by Dr George Crisp, a Perth GP and a member of Doctors for the Environment. He talks about the real health costs associated with climate change and the way we are polluting the air through the burning of fossil fuels. He refers to four or five different studies that have already been done. I quote from his press release. He said:

... the Australian Academy of Technological Sciences and Engineering estimated the annual externalised costs of fossil-fuel generated electricity in Australia to be \$2.6 billion.

The next example he uses is from Harvard University. He said:

Paul Epstein at Harvard Medical School found the health and environmental consequences of coal cost the US economy between one third and one half a trillion dollars each year.

He alluded to a third example and said:

The 2011 US EPA review of their Clean Air Act concluded that every dollar spent on cleaner air produced \$30 in health benefits.

He went on to say:

European studies findings are similar, estimating that health savings more than outweigh costs of emissions reduction, and that those benefits continue to accrue over time.

The case is quite clear: there is very good reason to continue with the policies that are already in place. There is a requirement for us to do so because the rest of the world is acting and because we have the scientific advice that says that we should be doing something about it. We have programs, projects and policies in place that are delivering the results—and that is admitted to by the minister—and yet we want to walk away from them, all because of political ideology. This side of parliament does not support this measure and I certainly do not, because I believe it is wrong and I believe we will pay dearly for it in the years to come.