



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Energy Efficiency
Opportunities (Repeal) Bill 2014**

Second Reading

SPEECH

Monday, 2 June 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker Zappia, Tony, MP

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Mr ZAPPIA (Makin) (20:00): Earlier this evening the member for Brand very clearly and thoroughly outlined the opposition's position with respect to this legislation. The Energy Efficiency Opportunities (Repeal) Bill will terminate the Energy Efficiency Opportunities Program on 29 June 2014 by repealing the Energy Efficiencies Opportunities Act of 2006.

I point out that this was an act of 2006 brought in by the previous coalition government under the leadership of Prime Minister John Howard. It was not a Labor initiative; in fact, whilst Labor, I understand, supported it at the time, it was indeed a coalition initiative. It seems quite strange that it is now a coalition government that is saying that it should be repealed—in other words, saying 'We don't need that legislation. We don't need that initiative and we are going to do away with it.'

I wonder if any of them have bothered to speak with the government members that were around in 2006—and I understand that Minister Macfarlane, who has been referred to in this legislation, was one of the people who supported it at the time. I would be interested to know what his view is on repealing this legislation.

Having said that, I will get back to the legislation before us. The program requires large energy-using businesses to assess their energy use and identify cost-effective energy savings opportunities. The program is mandatory for organisations that use over 0.5 petajoules of energy annually and may be undertaken voluntarily by medium energy users. For those organisations falling within the program, the act imposes mandatory compliance and reporting obligations. This legislation goes to the heart of energy use in this country which in turn, I believe, goes to the heart of climate change and what we as a nation can and should be doing with respect to climate change.

Labor clearly believes that the earth is warming and that the climate is changing. We accept the overwhelming body of scientific opinion that tells that man-made greenhouse gas emissions, of which CO₂ is the most abundant, is contributing to global warming. We believe the scientific advice that atmospheric greenhouse gas levels are reaching dangerous levels that could have catastrophic effects on life on earth.

We accept that all nations, including and particularly Australia—being one of, if not the highest polluting countries per capita, in the world—have a responsibility to take action to reduce greenhouse gas emissions into the atmosphere. We do not accept that global warming is a con or a worldwide conspiracy of governments and tens of thousands of scientists from around the world. Australia's Chief Scientist, Professor Ian Chubb, on 15 May delivered an excellent address on the topic of climate change in which he defends the science of climate change and soundly dismisses the absurd views of those who deny the science.

Indeed it is both concerning and irresponsible that any government would ignore the advice of its own chief scientist and the multitude of credible government and university scientific bodies, whose advice we rely upon without challenge on all other matters. Yet on the question of climate change the advice is dismissed.

The climate change deniers are clearly in control of the Abbott government. They are not climate change sceptics but climate change deniers, because even a sceptic would take a precautionary approach to a possible risk, particularly a risk that has been identified by so many people not only in this country but from around the world. I know of no other country that openly denies or dismisses the risk that is being brought upon us by global warming and changes in weather patterns.

Indeed the Abbott government has gone to extraordinary lengths to erase any reference to climate change from its policies, its literature and government messaging. We no longer have a minister for climate change, and the government does not want to talk about climate change at the G20 conference in Australia later this year.

I say to members opposite and particularly the responsible ministers: the climate change debate will not go away just because you don't want to talk about it; and you can't make the concerns of the community go away or silence the scientists by airbrushing any reference to climate change from the government's communications.

Most members opposite are likely to be around to witness many of the climate changes that they now turn away from. Indeed some of those changes are already before us. What is the excuse going to themselves and to the people around them as to why they failed to take any action when they were in government?

Of even greater concern, however, is that the Abbott government, with the support of government members, including the member for Wentworth—and I point him out because I thought he was not a climate change denier—through legislation such as this bill is dismantling every greenhouse gas reduction initiative that is already in place. And the Abbott government does this at a time when the evidence is mounting and is more conclusive that greenhouse gas emissions need to be contained and also at a time that the rest of the world, including the two major emitters, the USA and China, are taking serious measures in the opposite direction.

I understand President Obama has only this week announced that he will bring in regulations to control carbon emissions, signalling that the effect of these regulations will see the closure of several coal fired power stations. Although the US was not a signatory to the Kyoto protocol, it has already reduced greenhouse gas emissions by around 17 per cent. That is much more than Australia. In fact, per capita, CO₂ emissions in the US, I understand, are now at their lowest level in 50 years.

Likewise, China is also committing to worthwhile carbon reduction strategies. Seven Chinese cities and provinces accounting for about 250 million people are rolling out emissions trading schemes. China has also set itself both a renewable energy target and a carbon emissions target. I understand that each of its 30 provinces have been given individual targets to meet as well. China is also that world's leading investor in renewable energy, and I note that Japan is also now heavily investing in renewable energy.

Yet what is Australia doing? Rather than turning necessity into opportunity, we are doing the reverse. The Abbott government wants to axe the Clean Energy Finance Corporation, which has helped facilitate clean energy projects of around \$2.5 billion in value, reducing atmospheric CO₂ levels and delivering a net positive return to the taxpayer. Similar to this legislation, the Clean Energy Finance Corporation actually returns a profit to the community yet the government wants to repeal or axe this legislation—there is simply no logic in what this government does.

The government has also cut funding to Australia's science and research organisations, many of which do invaluable research related to climate change. We know that the government does not believe in putting a price on carbon but it now even wants to walk away from the Renewable Energy Target. The Renewable Energy Target has underpinned investments in renewable energy, creating some 24,000 jobs in the process and reducing energy prices. Yet members opposite and the fossil fuel energy companies are running a scare campaign claiming that renewable energy is driving up electricity prices. A close analysis of that claim will show that it is false and that renewable energy, both in the short-term and in the long-term, will help reduce power costs. The shadow minister for the environment, the member for Port Adelaide, clearly demonstrated and articulated that case in respect to the Renewable Energy Target only recently when he gave a speech on the question of how the Renewable Energy Target has affected power prices.

Scrapping the Australian Renewable Energy Agency, which I spoke about in this place only today, is also, I believe, a foolish move on the part of this government. The agency not only helps to create innovation in the renewable energy space but is creating employment and business opportunities at the same time. It also offers an alternative for those people employed in manufacturing to go into the renewable energy industry. As I pointed out when I spoke about this matter earlier today, in Germany currently there are more people employed in the renewable energy industry than there are in automotive manufacturing.

The carbon capture and storage flagship has also been heavily reduced by this government. I understand there is going to be an amalgamation of the National Environmental Research Program and the Australian Climate Change Science Program to form a new National Environment Science Program—note the deletion of the words 'climate change'. The National Low Emissions Coal Initiative is also going to be cut over the next two years. I note that there have been attempts to scrap the Clean Energy Finance Corporation as well as axe the Climate Commission. We have also seen that the government has appointed a climate change sceptic in Dick Warburton to review the Renewable Energy Target and there was also the attempt to scrap the Climate Change Authority.

This is a clear trend displayed by this government that simply wants to walk away from its responsibilities when it comes to climate change. How does this legislation affect the question of climate change? I would have thought that if you are going to have a system in place which is going to drive down energy prices as a result of the

processes that major industries have to go through then in turn that would reduce their consumption of energy. In fact the member for Brand quite rightly pointed out several times in his address that it has saved industry some \$323 million per year over the last few years in power costs. Compare that with the so-called \$17 million it is going to save industry by deleting this process altogether. It seems as though that \$17 million pales into insignificance in the savings to industry that arise.

The member for Brand also referred to the ACIL Tasman report that was done into this particular scheme. Page 2 of the report says:

While quantifying this additional impact is challenging, the weight of evidence suggests that the EEO Program has delivered a substantial additional benefit through improving the energy efficiency of the Australian industrial sector. Australian industry is also substantially more energy efficient now than it would have been had the EEO Program not been implemented. A conservative estimate is that, during the first cycle, the EEO Program was responsible for approximately 40 per cent of the energy efficiency improvements in the Australian industrial sector.

With those kinds of efficiencies it would be in the national interest, it would be in the environmental interest and it would also be in the interest of those industries to continue with their energy efficiency opportunities that this bill provides because if they reduce their power costs then clearly they also reduce their operating expenses. We know full well and we are reminded by members opposite time and time again that power costs are what are making Australian industries not competitive anymore. So if we are going to reduce their power costs then we will help them remain competitive. In fact, I have no doubt we will help them remain competitive; we will give them the opportunity to perhaps show some leadership and be able to compete with manufacturers across the world.

This legislation was introduced for that reason, for good reason, in 2006 by the Howard government. And, quite frankly, as the ACIL Tasman report says, it should continue into the future and certainly into a second phase. The report does not recommend that it is cut right now.

Energy efficiency does matter. It matters to industries; it matters to the country; it matters to business; it matters to productivity. And we have a system in place that is driving energy efficiency up in respect of the businesses of this country. I believe it is a foolish move on the part of this government to do away with—for simplistic, ideological reasons, such as: wanting to cut red tape or not believing in climate change—policy initiatives that are working for the benefit of the Australian community