



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

BILLS

**Appropriation Bill (No. 1) 2012-2013,
Appropriation Bill (No. 2) 2012-2013,
Appropriation (Parliamentary Departments)
Bill (No. 1) 2012-2013, Appropriation Bill (No. 5)
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Second Reading

SPEECH

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SPEECH

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Questioner
Speaker Leigh, Andrew, MP

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Dr LEIGH (Fraser) (21:36): Tipping points are crucial in the climate debate. They can be the difference between success and failure and, if misjudged, can prove costly. While, thankfully, the global environment has not yet reached any tipping points, we have had a few political tipping points in the Australian climate debate. A lone voice that switched the opposition leadership from the member for Wentworth to the member for Warringah condemned the party of Menzies to be antimarket and to turn its back on economists and scientists.

Another tipping point, less well known, was just as costly. On 7 December 2009, five Greens party senators had the opportunity to act on climate change and ensure Australia had a price on carbon. They had the choice to join two brave Liberal senators and act in the interest of the future. Instead, the five Greens party senators chose political self-interest over the national interest. They chose to side with the sceptics and the antimarket forces. What was the result of their action? The clean energy future package enacted by this parliament has the same 2020 emissions reduction target as that of the Carbon Pollution Reduction Scheme back in 2009. Both schemes aim to reduce our carbon emissions by five per cent compared with a year 2000 baseline. Both schemes are market mechanisms designed to find the least-cost method of reducing carbon pollution.

The economics of climate change is clear. A market based scheme is the cheapest, most efficient method of abating carbon in the economy. It is based on basic public economics; putting a price on the negative externality. The earlier you act the cheaper the cost of abatement to the economy and the greater the potential economic gain. So if you are aiming for a particular goal by 2020 then your total emissions will be higher if you start in 2012 than if you started in 2010. These principles underpin the work of Sir Nicholas Stern, Professor Ross Garnaut and numerous other economists both in Australia and overseas.

The CPRS was to have come into effect in July 2010. The clean energy future package will come into effect in July 2012—two years later. That delay—that inaction—has meant a lost opportunity, both social and economic. The failure of the Greens party to put the national interest ahead of their narrow political interest has cost Australia. A report from ClimateWorks in April 2011 showed that delaying action by one year increased the cost of abatement by \$1 billion. Since the Greens party delayed a carbon price by two years, they have increased the cost of abatement by \$2 billion. Over this two-year period, ClimateWorks also estimates, the delay has caused at least 10 million tonnes of abatement to be lost. We will still get to the same emissions reduction goal as the CPRS would have, but total emissions over the decade 2010-2020 will be higher than they would have been if we had put a price on carbon pollution back in July 2010. That extra 10 million tonnes of carbon pollution equates to the annual emissions of two million cars. The increased carbon emissions due to the actions of the Greens party is equivalent to two million more cars on the road for a year. Two million cars—remember that next time you hear a Greens party representative talking about their commitment to environmentally-sound transport.

Delaying a price on carbon by two years also cost Australian households and businesses \$5 million a week from unrealised energy efficiency opportunities. We have lost investment opportunities and there has been an increased cost to business caused by lack of certainty regarding climate policy. For all their claims to be green, the Greens party has a brown tinge. Pricing carbon is not a Greens party reform; it is a Labor reform. It sits proudly amongst Labor's achievements economic, environmental and social. Like the market deregulations of Keating and Hawke, pricing carbon will keep our economy and industry competitive in the low-carbon-pollution world of tomorrow. On the way through we are reforming the tax system by trebling the tax free threshold, saving one million Australians from filing a return. It was Labor that fought for the age pension and, as we price carbon, it is Labor that is ensuring that pensioners and families are assisted.

Long before environmentalism became a fad it was Labor that not only talked green but also acted green. It acted to protect the environment. It was a Labor Premier of New South Wales who founded the Kosciuszko National Park in 1944. It took a Labor government—the Hawke government—to protect the Franklin River, and it was Labor leadership on the world stage that preserved Antarctica. Labor heritage listed the wet tropics of Queensland: the Daintree. Labor created the Great Barrier Reef Marine Park. It was Labor in 2007 that ratified

the Kyoto protocol, following proudly in the footsteps of the previous Labor government, which had signed and ratified the United Nations Framework Convention on Climate Change in 1992.

Labor has been protecting the environment for over a century. While the actions of others have cost the environment and the economy, Labor has had the courage to act to secure the environment and the economy for generations to come.