



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



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

**Carbon Pricing**

**SPEECH**

**Tuesday, 11 October 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) (15:47): I listened very carefully to the shadow Treasurer's address but, as ever, I was disappointed. We have heard the proposition put forward by the opposition about the carbon tax, and they say it is the wrong time. In my submission today I am going to put forward five arguments to rebut what the shadow Treasurer was saying. In essence, I will say that, yes, this government has properly considered the changes; that, yes, this government is about protecting and creating jobs; that, yes, this government is about supporting pensioners; that, yes, in a time of economic uncertainty we are not acting alone but in fact consistent with where the world is heading; and, finally, if those first four arguments have failed to persuade you, I will just look at the record of the opposition—and when it comes to getting the big calls right the opposition have never missed an opportunity to miss an opportunity.

I will now turn to my first submission about why we do not accept the hypothesis of the opposition. We have properly considered this argument put forward in the shadow Treasurer's debate. He says that we have not had time to consider this debate. Where has he been for the last five years? Where has he been hiding? We have had more discussion on climate change than on many other issues that were ever discussed. I certainly do not recollect the opposition, when they were in government, discussing their hardline Work Choices reforms for five years before they introduced them. On the contrary, we have seen climate change and carbon pricing being debated for years. In fact, the former Prime Minister of the United Kingdom, Margaret Thatcher, raised the issue of climate change as far back as the late 1980s. Former Prime Minister John Howard, if he had been re-elected in 2007, was going to introduce an emissions trading scheme.

On this side of the fence, both former Prime Minister Rudd and now Prime Minister Gillard have been debating the need to act on climate change for many years. When former leader of the Liberal Party, Brendan Nelson, was opposition leader he was certainly committed to acting on climate change. Indeed, another former leader of the Liberal Party, the member for Wentworth, was an active proponent about climate change until, of course, today when the proverbial cat—or, dare I say it, the Liberal whips—got his tongue.

Indeed, when we look at debate on this, it should be noted that we have also had a cross-party committee negotiation process, which was very thorough and very detailed. There was lots of effort, led by the Minister for Climate Change and supported by the Parliamentary Secretary for Climate Change. There has been a very thorough process to discuss climate change. But, yet again, whenever you hold a party the coalition just will not turn up to participate.

Of course the late change in the game is not the government introducing a price on pollution; it is saying that the coalition do not even believe in a carbon price any more, as they did when they were last in office. So let us be clear: the first submission I am putting to dispute the opposition's contention is that there has been a great deal of debate on climate change and a great deal of argument, research and science has gone into the proposition.

The second submission I put forward to show that the opposition's attack on our efforts to tackle climate change are misplaced is to have a look at the jobs' record of this Labor government. Even though those ungracious people sitting opposite us in the parliament never say anything good about the government, let us not forget that during the global financial crisis, due to the excellent stimulus programs the Building the Education Revolution, we saw 750,000 jobs created in Australia. Indeed, between June 2009 and June 2010, in the teeth of the global financial crisis, we saw 190,000 jobs created in small business—the fastest sector to recover. This was in part due to the excellent policies of the Labor government.

**Mr Christensen interjecting—**

**Mr SHORTEN:** We also understand, unlike the member for Dawson, that the world does not stand still. We understand that we cannot rely on the sleepy hollow of National Party economics to try and move this country

forward. We understand that there is an international race on for clean technology jobs. We understand, unlike the Leader of the National Party, that in fact the world does not owe Australia a living and we cannot take our place in the world for granted. There is a race on for clean-tech, new manufacturing, low-pollution, economic service, green-collar jobs of the future. Unlike the opposition, we do not want to give up competing with the rest of the world. We do not believe that Australia is doomed to a second-class existence. We do not believe that Australian industry cannot compete with the rest of the world. The sooner we have a market mechanism to turbocharge our innovative efforts, the better off we are going to be in global race. These people want to tie our two legs together in the economic race to the future.

Let us also have a look at the facts. Since we announced in February—and I just warn the opposition: low incoming fact; do duck—that we would be introducing a price on carbon, employment in the coal mining industry has grown by 10 per cent. How can this be if the threats of the opposition have any truth? Whilst Mr Abbott and the Coal Association, the employers' union for the coal industry, have been busy trying to scare the pants of hardworking miners, 21,000 new mining jobs have come on stream across Australia. Furthermore, we are very lucky that the capitalists of the world do not take their economic and investment strategies from those opposite, because in 2011-12 mining capital expenditure is expected to be around \$82 billion. We would have to call that an inconvenient truth. Whilst those opposite would say that this price on carbon is the end of mining and we might as well fill in all the holes in the ground, that in fact is not the case. It has almost been doubled—

**Mr Truss:** That's what the Greens say. Ask the Greens!

**Mr SHORTEN:** Again, I am happy for the Leader of the National Party to take some notes here, if he does not read it in *Hansard*: \$82 billion is almost double what it was last year, which was \$47 billion. There is a lot going on in Australia. It is just that no-one has bothered to tell the opposition. Indeed—and here is a contemporaneous fact as opposed to the economics textbook written in 1920 read by the Nationals—in the last month alone—

**Mr Christensen interjecting—**

**Mr SHORTEN:** I did not mean to imply that the member for Dawson reads books! In the last month alone, Chevron, BHP and Rio—they are a bunch of milk bars; no they are not; they are some of the biggest mining companies in the world—have announced new projects or expansions in the resource sector worth more than \$30 billion in total. Hold the presses! Hasn't anyone told them that the carbon pollution tax, according to the opposition, is going to ruin their industry? Clearly not, because, of course, those opposite know so much more than the boards of these big companies that they will ignore the \$30 billion of these projects, they will ignore the \$82 billion in mining capital expenditure and they will ignore the 21,000 new jobs created. I know it is a bit like arm wrestling with a child here—I do not mean to intellectually arm-wrestle those opposite—but I would say that since we have announced the price on carbon 14 companies have announced new projects or expansions in the resource sectors. How can this be? How can those opposite say that setting a price on carbon pollution is such a bad idea? There is \$82 billion of investment, 21,000 new jobs, \$30 billion with Rio, BHP and Chevron, and we are seeing that 14 companies have announced new projects or expansions in the resources sector. That was just my second submission.

So the jobs are being created, we want to win the competition of the future and the mining industry is moving forward. But let us have a look at this debate where the opposition say that pensioners and people are going to be worse off under these schemes. If I have not convinced the intellectual amazons opposite of the first two points, let me then put to them this proposition about the pension income rise. What was written in the *Financial Standard*—the *Financial Standard* is a financial journal—was:

Superannuation investors aged between 55 and 59—

that would be the average age of those opposite—

are set to receive a tax-free income boost if Carbon Tax relief measures are implemented, according to MLC Technical Services.

You're right—MLC Technical Services: what would they know! The article goes on to say:

Pension investors of that age would be able to receive an extra \$1500 in taxable pension income, without paying any tax.

Nice one, I would say: \$1,500 is good money. The article continues:

From July 1 2015, they are likely to be entitled to an extra \$2000 in tax-free income, compared to now.

Taking into the account the 15% pension tax offset, this would result in tax savings of around \$280 and \$360 respectively.

A lady called Gemma Dale, who is the head of MLC Technical Services—you will probably be doing a Google search to check that she is not a secret member of the Labor Party, which she is not—was quoted in the article as saying:

This means they can draw more income, if required, from their pension investment without paying any tax

The article continues:

Currently those in the 55-59 age bracket can receive taxable pension income of up to \$48,158 before being taxed.

If and when we get the Clean Energy Bill through this parliament, it is implemented and the income tax rates are amended, that figure is going to rise to \$49,753 and \$50,189 in 2015. This is good news. So when we have a look at the debate, unlike former Prime Minister Howard, who once famously said, 'Working Australians have never been better off'—that was just before he introduced Work Choices—the Gillard government understands that we have a multispeed economy and many are doing it tough. That is why we have the good fortune of high employment, low inflation, good terms of trade and low Commonwealth public sector debt.

As my fourth submission, I and other Australians understand that, of course, in these tough times globally it is very volatile. But there is no doubt in the mind of the government and indeed no doubt in the minds of the serious journalists and the people who are aware of what is going on in the world that the rest of the world is acting on climate change. This is a very important point. The opposition has been at great pains to say, 'Australia is going out on its own; we are so far ahead of the pack that we are just crazy.' In fact, over 30 countries have carbon pricing in place and have already started the transformation to a low-pollution economy.

**Mr Christensen interjecting—**

**Mr SHORTEN:** Could the member for Dawson cease interjecting. He has one mouth and two ears and I suggest he should argue with two ears.

**The DEPUTY SPEAKER ( Hon. Peter Slipper ):** The honourable member for Dawson will cease interjecting. He has had a pretty good go. The Assistant Treasurer has the call.

**Mr SHORTEN:** A pretty good go? He is applying for a job on The Comedy Channel—there is no question about that—but I do not know how he will go getting the job. Countries comprising over 80 per cent of global emissions have pledged to take action on climate change. Europe has had a price on carbon since 2005. New Zealand has an emissions trading scheme. The President of the United States, President Obama—he is coming here next month; you will no doubt be queuing up to shake his hand—has a clean energy target of 80 per cent by 2035. Whilst those opposite probably think California is just the set for *Baywatch*, the reality is it is also the world's sixth-largest economy, with twice the population of Australia. They have legislated to introduce an ETS.

**Mr Christensen:** That's a state.

**The DEPUTY SPEAKER ( Hon. Peter Slipper ):** The member for Dawson is warned!

**Mr SHORTEN:** In less than 25 years, 80 per cent of US clean energy needs will be supplied by clean energy. The UK has updated its emission targets. India has a tax on coal and it is using the revenue from this tax to invest in clean energy.

**Mr O'Dowd interjecting—**

**The DEPUTY SPEAKER:** The honourable member for Flynn will now remain silent.

**Mr SHORTEN:** China has pledged to lower carbon emissions per unit of GDP by 40 to 45 per cent by 2020. The Productivity Commission—no doubt those opposite will rubbish them too, as they rubbish anyone who disagrees with them—have identified over 1,000 carbon reduction policies across seven of our major trading partners, nearly one-third of which are in the US.

**Mr Fletcher interjecting—**

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

**Mr SHORTEN:** Having established that plenty of parts of the rest of the world are acting, having established that this government has a good jobs record—and we are always focused on the new jobs and will not accept the lazy tyranny of low expectations with an opposition that does not believe that Australia can ever compete on climate change with the rest of the world—and having also demonstrated that pensioners are getting supported and nine in 10 households will receive some form of support, if all of those four submissions have somehow failed to climb the Mount Everest of scepticism of those opposite, here is the big one.

I said at the start of my proposition that the opposition never miss an opportunity to miss an opportunity. When we look at some of the big calls, let us have a look at some of the big calls they have got wrong. I think that this could only assist you in believing that the coalition are making another big call which is wrong. On Work Choices we said you were going too far, and you know what? You did. In terms of Indigenous Australians we said you should say sorry to the Stolen Generations, and it took a Labor government to do it, although I recognise it was eventually with the support of all those opposite bar one or two. On the global financial crisis, you would not support the stimulus. You did not intellectually turn up to work that day, and we stimulated the economy and avoided recession. On the National Broadband Network: in 10 years time watch the revisionism from those revisionists over there, who will say it was all their idea. And look at the floods in Queensland. You did not support the levy in a time of trouble for the nation; yet we are seeing the impact of the levy building badly needed infrastructure in flood affected Australia. And you are doing it again on climate change. We were onto this when we were still in opposition, and we are implementing a clean energy future. The big one is the mining tax. All you want to do is give money back to the richest companies in Australia. *(Time expired)*