



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

COMMITTEES

Climate Policy Committee

Report

SPEECH

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Questioner
Speaker Eggleston, Sen Alan

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Senator EGGLESTON (Western Australia) (8.13 pm)—The coalition senators on the Senate Economics Legislation Committee believe that a badly designed ETS is worse than no scheme at all. That is a point of view which Professor Garnaut agrees with. As a country producing only 1.4 per cent of the world's carbon dioxide emissions, there is no Australian solution to global climate change. We only represent one per cent of gross world product.

Mr Rudd promised before the election to introduce an ETS which would produce deep cuts in carbon dioxide emissions but which would not disadvantage Australia's export- and import-competing industries. However, coalition senators are of the opinion that the government's immensely complex ETS will damage our export- and import-competing industries, cost thousands of jobs, devastate regional areas and agriculture, stifle investment and yet not produce any meaningful carbon dioxide abatement. In the opinion of the coalition senators on the economics committee, to rush the introduction of this scheme without knowing the outcome of the December 2009 climate change conference in Copenhagen, without knowing what President Obama will do and without knowing the impact of the global financial meltdown on our real economy is reckless in the extreme.

Providing certainty to business is one of the Rudd government's most repeated reasons for passing this legislation. However, business have said they do not want the certainty of not being able to compete. They want a scheme which preserves their internationally competitive position. At the hearings into the CPRS amendments, the evidence given by the CEO of the Minerals Council of Australia, Mitch Hooke, suggested the adoption of the Rudd-Wong CPRS would inflict enormous damage on the Australian economy by reducing our international competitiveness and, secondarily, causing the loss of thousands of jobs in the minerals industry. The government's claim that job losses will be compensated for by the creation of so-called green jobs is one they have made frequently, but they have not told us what the price of that will be. Evidence given at the hearings by Dr Fisher on behalf of the Minerals Council of Australia suggested that green jobs would

be lower paid and mean a much lower standard of living for many Australians.

The changes to the scheme announced by the Rudd government on 4 May are nothing more than tinkering, largely arbitrarily, with a flawed ETS likely to damage the economy. In the coalition senators' view, the proposed changes make the government scheme even more complicated and fail to address several of the key objections levelled by business and community groups. That is, there is still no forecast for the near-term impact of the ETS on jobs and economic growth, Australia's trade-exposed industries remain at a disadvantage and there is no assurance that overall emissions will be reduced by investment in complementary abatement measures such as energy efficiency. Delaying the passage of the legislation through the parliament will provide an opportunity for the Rudd government to refer this to the Productivity Commission to assess whether it meets the nation's economic and environmental objectives.

The coalition senators believe the legislation should be deferred until we know what other countries will be doing. We believe our major regional trading partners, such as China, Japan, Korea, Indonesia and India, will not establish emissions trading schemes and that it is unwise for Australia to rush into establishing a scheme until the outcome of the Copenhagen conference is known.