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Minister Assisting the Minister for Climate Change

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HANSARD - RESPONSE TO OPPOSITION MOTION ON CLIMATE CHANGE

We are having this debate in the House because the climate change sceptics—the people on the other side in this place who do not believe and who do not accept the climate science—have gained control of the coalition. The Member for Warringah, supported by Senator Minchin and others in the camp of the climate sceptics, tore down the former leader, the Member for Wentworth, supported at that time by the Member for Flinders, who we know to believe in the climate science, over this issue. The Member for Warringah—as the Prime Minister pointed out a short while ago—is, of course, on the record, when he had his seminal moment in Beaufort, Victoria, and really laid bare his beliefs about this issue—or lack thereof. I repeat what the Member for Warringah said on that occasion, because it is an important insight into the policy position that has been announced today.

On 2 October 2009 he said:

The argument on climate change is absolute crap. However the politics of this are tough for us. Eighty per cent of people believe climate change is a real and present danger.

That is an insight into what the Leader of the Opposition thinks about the climate science. He opportunistically went about using that issue to gain the leadership of the Liberal Party and to tear down the former leader, the Member for Wentworth. Why was that the case? The Member for Wentworth, as Leader of the Coalition, did what was responsible as a senior political leader in this country: discussed it with the Government and negotiated an agreement to secure passage of legislation that would bring about reductions in Australia's greenhouse gas emissions.

Like Mr Howard, the former Prime Minister, the Member for Wentworth had a very clear view about the most efficient way of going about reducing greenhouse gas emissions, and this is what Mr Howard, a mentor to the member for Warringah, said on 27 May after considerable consideration by the then Coalition Government of the climate science and the best and most economically efficient way to go about securing reductions in greenhouse gas emissions:

It is fundamental to any response both here and elsewhere that a price is set for carbon emissions.

'Fundamental,' said Mr Howard. He went on to say:

This is best done through the market mechanism of an emissions trading system.

And, of course, it is an emissions trading scheme that the Rudd Labor government has proposed in the form of the Carbon Pollution Reduction Scheme, because it is the most economically efficient way of securing reductions in greenhouse gas emissions.

What we have from the other side here is political opportunism, a recognition on the basis of their lack of acceptance of the science—their lack of respect for internationally peer reviewed science in the IPCC Fourth Assessment Report. They recognise it is a political problem, so they have to pretend they have a policy response to it. What we have seen today is a pretence.

The policy response announced by the Leader of the Opposition this afternoon immediately before Question Time is a con job, and people will recognise that when they have a look at it.

What are the key elements of it? What are the key weaknesses in it? Let me run through them for the House. It is a lame con job and it will not work. It is about using a fund to pick winners. It is about government interfering in the marketplace to identify favourites.

I notice that in the material that was released today there is a guaranteed proportion of the fund that has been put aside for particular activities in the rural sector—and I bet the National Party were pleased with that. We will see a repeat of the regional rorts before you know it if these people get control of this policy issue with this particular policy. It is about picking winners. We have already heard the suggestion from the Leader of the Opposition at his press conference: we are going to have algae fired power stations. There is no business case for that one. They will be picking winners using this fund, and none of it can guarantee reduction in greenhouse gas emissions that allow us to meet what will be international obligations.

They have gone for the most economically inefficient way of going about a climate change policy. There are no market forces operating in this. It is a position completely contrary to what they espouse as their traditional philosophy of allowing the market to determine the most efficient allocation of resources. Here we will have the Leader of the Opposition, if he ever gets his hand on the treasury bench, picking winners with algae fired power stations.

It will be a more costly scheme, it offers no compensation to households, it involves no cap on emissions, we cannot achieve targeted reductions in carbon pollution, it will not link with international efforts and it shifts the cost burden from the organisations which are emitting carbon pollution in our economy to households and small businesses.

The underpinning element of any public policy response in this area of climate change is respect for and acceptance of the science. There is no point having a policy such as has been enunciated by the Opposition today, of course, if there is no acceptance of the science—and there is no acceptance of the science by those who now control the Opposition.

Let us not forget some of the things stated by members on their own side. Senator Minchin, on the ABC Four Corners show on 9 November, said on the issue of the science:

If the question is, do people believe or not believe that human beings are causing, are the main cause of the planet warming, then I'd say a majority—of the Liberal Party—... don't accept that position.

That is, those who now are in the leadership positions in the Coalition do not accept the science, and yet the scientific case for action on climate change is absolutely clear.

Human induced emissions are increasing concentrations of greenhouse gases in the atmosphere. Global carbon dioxide emissions from fossil fuels in 2007 were nearly 40 per cent higher than those in 1990. The Intergovernmental Panel on Climate Change said in its 2007 report that the world has already warmed as a result of human emissions of carbon pollution. Some of the key findings are important to bear in mind because they are absolutely pertinent to any public policy debate about this issue.

Average surface temperatures have risen by 0.74 degrees Celsius in the last 100 years. Globally, contrary to the assertion of the Leader of the Opposition some months ago that we have experienced cooling, the fact is that 14 of the 15 warmest years on record occurred between 1995 and 2009. The projected global average surface warming is around 1.1 to 6.4 degrees Celsius. Those are the projections in 2010.

No government, no major political party and no political leader of any responsibility or credibility can afford to ignore these warnings, and yet we know—and you will hear it time and time again—that in that seminal moment in Beaufort, Victoria the Member for Warringah said what he really thought: ‘Climate change is absolute crap.’ No-one of responsibility and political leadership in this country or anywhere else can afford to ignore the science that is compelling. We need to respect it and we need to act with appropriate public policy responses.

Australia is extremely vulnerable to the impacts of climate change. This is the driest inhabited continent on Earth. We face huge environmental and economic costs from climate change impacts, including on our water security, our agriculture, our energy supply, our health, our coastal communities and our infrastructure.

Water availability is already being affected: a 15 per cent decline in rainfall has been experienced in southwest Western Australia, for example. If there is no action taken—if we cannot adequately address climate change and its impact on this country—irrigated agriculture and jobs in the Murray-Darling Basin may well disappear by the end of this century.

Again I emphasise that these are the facts. These are the peer reviewed scientific findings. How can any person of responsibility and public leadership not respect it and take responsible action as a consequence? However, the Leader of the Opposition in a speech only days ago, on 30 January, said:

... even if dire predictions are right and average temperatures around the globe rise by four degrees over the century, it's still not the "great moral challenge" of our time ...

So it is all okay. It is going to be okay. They are not serious about it. It is ‘absolute crap’. They do not need to do anything. It is only a political problem, so you only have to put forward an ineffective policy response.

The four degrees Celsius temperature rise that the Leader of the Opposition referred to in that quote would be both an environmental and an economic disaster for this country. Under that four degrees Celsius temperature rise—and this is not any moral challenge, according to the Member for Warringah—Australia would face very serious threats.

The Murray-Darling Basin would be beyond salvation. Eastern Australia would have 40 per cent more droughts and there would be a fall in irrigated agriculture of 90 per cent in the nation’s food bowl. This is not any problem, according to the Leader of the Opposition. The number of very hot days—that is, those over 35 degrees Celsius—would increase dramatically. In Adelaide, they would double. The Great Barrier Reef—and the billions of dollars of tourism, of course, and all the jobs and the welfare of families that rely on tourism—would be devastated. A rise in global mean temperature would cause irreversible change in the average state of the Earth’s climate.

The Government accepts the science and the importance of acting and taking responsibility. An emissions trading scheme, as I pointed out earlier, is well recognised internationally—and

there has been enough debate about it—as the most economically efficient mechanism of achieving targeted reductions in greenhouse gas emissions.

It works quite simply. An emissions trading scheme such as the Carbon Pollution Reduction Scheme requires emitters to buy a permit for each tonne of carbon pollution they produce. It is a pretty simple concept: a permit will be required for each tonne of carbon pollution. The Government will determine the number of permits that will be available each year and, by setting that level, will set a cap on pollution levels. The cap each year allows a targeted reduction in emissions to be achieved over time. That is how the Government can with confidence put forward the targeted reductions in emissions we have articulated in association with the Carbon Pollution Reduction Scheme, which, of course, we have now submitted to the international community in accordance with the Copenhagen Accord. A carbon price is established by the auctioning and trading of permits, and the carbon price creates an incentive for polluters to reduce their emissions in the cheapest, most efficient way.

What an emissions trading scheme will achieve is to price the cost of pollution into the cost of production. It establishes a carbon price.

Importantly, as the Prime Minister alluded to earlier, under the Government's Carbon Pollution Reduction Scheme the revenue raised from the auctioning of permits will support households and jobs. The overall cost of living for households has been indicated by the Prime Minister in this House repeatedly today, and the Government has well taken account of it. Emissions trading scheme arrangements are clearly the most economically efficient method to reduce greenhouse gas emissions to achieve targeted levels. It is a market based concept.

What has been put forward today by the Opposition is about the most inefficient, ineffective option that could have been considered. I was sitting in my office watching the press conference that the Leader of the Opposition held, and I have to admit that I could not believe it when he got to the word 'finally', because there was nothing of substance put forward—nothing to achieve the sorts of reductions in greenhouse gas emissions that we need to commit to if we are to play our part internationally to address climate change.

The policy announced today by the Leader of the Opposition is a con job—nothing more, nothing less.

It will not achieve the changes that we need in our economy.

It will not establish a carbon price.

It is not a market-efficient mechanism for achieving reductions in greenhouse gas emissions.

It will not link internationally to efforts by other nations to reduce greenhouse gas emissions. It is economically inefficient.

It is more costly.

It will involve picking winners.

It is just about the worst way to go.

We could have no confidence about setting caps on emissions and achieving targeted reductions. That policy, only two or three hours old, is already a complete failure. Already it is seen as a con job.

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