

# Chapter 1

## Introduction

1.1 On 14 November 2013, on the recommendation of the Senate Selection of Bills Committee, the Senate referred the provisions of the following bills to the Senate Environment and Communications Legislation Committee (the committee) for inquiry:

- Clean Energy Legislation (Carbon Tax Repeal) Bill 2013;
- Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment (Carbon Tax Repeal) Bill 2013;
- Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment (Carbon Tax Repeal) Bill 2013;
- True-up Shortfall Levy (General) (Carbon Tax Repeal) Bill 2013;
- True-up Shortfall Levy (Excise) (Carbon Tax Repeal) Bill 2013;
- Ozone Protection and Synthetic Greenhouse Gas (Import Levy) (Transitional Provisions) Bill 2013;
- Climate Change Authority (Abolition) Bill 2013;
- Customs Tariff Amendment (Carbon Tax Repeal) Bill 2013;
- Excise Tariff Amendment (Carbon Tax Repeal) Bill 2013;
- Clean Energy (Income Tax Rates and Other Amendments) Bill 2013; and
- Clean Energy Finance Corporation (Abolition) Bill 2013.<sup>1</sup>

1.2 The Selection of Bills Committee report was amended in the Senate to set a reporting date of 2 December 2013.<sup>2</sup>

1.3 The reasons for referral were for the committee to review the bills and report to the Senate on:

- costs to households and businesses from Labor's carbon tax;
- the impact of the carbon tax on business costs including mining, manufacturing and small business; and
- their impact on Australia's efforts to tackle climate change and carbon pollution.<sup>3</sup>

---

1 *Journals of the Senate*, No. 3, 14 November 2013, pp 126–127.

2 *Journals of the Senate*, No. 3, 14 November 2013, pp 126–127.

3 Senate Selection of Bills Committee, *Report No. 9 of 2013*, Appendices 3 and 4, 14 November 2013.

## Conduct of the inquiry

1.4 In accordance with usual practice, the committee advertised the inquiry on its website and wrote to relevant organisations inviting submissions by 22 November 2013.<sup>4</sup>

1.5 The committee received 37 submissions relating to the bills and these are listed at Appendix 1. The submissions may be accessed through the committee's website at:

[http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Environment\\_and\\_Communications/Clean\\_Energy\\_Legislation](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Clean_Energy_Legislation).

1.6 The committee held a public hearing in Canberra on 26 November 2013. A list of witnesses who appeared at the hearing may be found at Appendix 2.

1.7 The committee would like to thank all the organisations and individuals that contributed to the inquiry and the witnesses who attended the public hearing at short notice.

## Purpose of the bills

1.8 The purpose of the bills is to implement an election commitment made by the Coalition Government to repeal the previous Labor Government's legislation that implemented a carbon pricing mechanism (also referred to as a carbon tax).<sup>5</sup>

1.9 The carbon tax repeal package repeals the *Clean Energy Act 2011* (Cth) and related Clean Energy Charges Acts (Cth) to abolish the carbon pricing mechanism.<sup>6</sup> The package provides for the collection of all carbon tax liabilities for 2012–13 and 2013–14 and makes arrangements for the finalisation and cessation of industry assistance.<sup>7</sup> The personal income tax cuts that were legislated to commence on 1 July 2015 will be repealed as will associated amendments to the low-income tax offset.<sup>8</sup>

1.10 The bills will amend provisions to remove the equivalent carbon price imposed through duties on aviation fuel and removes provisions imposing an

---

4 Senate Standing Committees on Environment and Communications website, 'Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [Provisions] and related bills', [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Environment\\_and\\_Communications/Clean\\_Energy\\_Legislation](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Clean_Energy_Legislation) (accessed 18 November 2013).

5 The Hon Greg Hunt, MP, 'A Coalition government will repeal the carbon tax', *Media release*, 12 October 2011, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F1152090%22> (accessed 20 November 2013).

6 Clean Energy Legislation (Carbon Tax Repeal) Bill 2013, Schedule 1, items 1–6.

7 Clean Energy Legislation (Carbon Tax Repeal) Bill 2013, Schedule 1.

8 Clean Energy (Income Tax Rates and Other Amendments) Bill 2013, Schedule 1.

---

equivalent carbon price through levies imposed on the import and manufacture of Synthetic Greenhouse Gases (SGGs).<sup>9</sup>

1.11 The Clean Energy Finance Corporation (CEFC), Climate Change Authority and the Land Sector Carbon and Biodiversity Board will be abolished by the repeal package.<sup>10</sup>

1.12 The proposed legislation will also introduce new powers for the Australian Competition and Consumer Commission (ACCC) to take action to ensure price reductions relating to the carbon tax repeal are passed on to consumers.<sup>11</sup>

---

9 Customs Tariff Amendment (Carbon Tax Repeal) Bill 2013 and Excise Tariff Amendment (Carbon Tax Repeal) Bill 2013.

10 Climate Change Authority (Abolition) Bill 2013 and Clean Energy Finance Corporation (Abolition) Bill 2013.

11 Clean Energy Legislation (Carbon Tax Repeal) Bill 2013, Schedule 2.

