

# Australian Greens' Dissenting Report

The Australian Greens do not support the repeal of the price on pollution or the abolition of the critically important institutions, the Clean Energy Finance Corporation (CEFC) and the Climate Change Authority (CCA).

The carbon tax repeal package repeals the *Clean Energy Act 2011* and related Clean Energy Charges Acts to abolish the carbon pricing mechanism. This is in spite of the fact that the most effective, and the most affordable, way to reduce our emissions is to impose a price on pollution, a market mechanism, like the one contained in this Act.

When Tony Abbott and Greg Hunt say they have a mandate to remove the price on pollution, what they are actually saying is they have a mandate to do nothing about global warming as they have no alternative mechanisms beyond concepts. They are wrong.

Without a price on pollution Australia has no effective action to reduce emissions, transform the economy to low carbon, and build jobs in clean energy. By attempting to dismantle the price on pollution Tony Abbott is attempting to destroy the only effective policy to reduce the emissions which are driving extreme weather and droughts that loom over the next half century.

Australia is lagging behind our global counterparts who are implementing emission reduction schemes that are in keeping with what the scientists and economists recommend as the most effective way to tackle dangerous global warming.

The truth is that the Clean Energy Package is working. Australia's emissions are being reduced in the covered sectors.

Under the Clean Energy Package, electricity sector emissions have reduced by 6.1% in the year to March. That is 12 million tonnes of CO<sub>2</sub> less than the previous year. The Australian Energy Market Operator has again downgraded expected demand for next year.

In the first six months of the scheme, emissions from electricity generation came down by 7% and the dirtiest brown coal generation in Victoria fell by 14%. The scheme only covers around 60% of our total emissions, and yet total emissions (including transport, agriculture and waste that are not covered by the scheme) have remained flat while our economy has grown. The decoupling of economic growth from emissions growth has now begun.

The scheme has been so much more successful than first envisioned that the default caps under the legislation for the first flexible pricing year in 2015 (which are based on this year's emissions levels) would mean a 15% reduction below 2000 levels instead of 5% as planned. Success is so much closer and easier than we first thought possible because of the effectiveness of the Clean Energy Package. The CEFC, the CCA, and the Land Sector Carbon and Biodiversity Board will be abolished by the repeal package. The Australian Greens oppose the abolition of these entities.

The CCA was established to provide independent information on the carbon target Australia should adopt to do its fair share in reducing emissions globally consistent with constraining global warming to <2 degrees. It is recognised as providing key information to the investment and carbon pricing communities. It depoliticises the setting of greenhouse gas reduction targets and caps in the Australian emissions trading scheme.

Within its first year of operation, the CEFC has generated investments responsible for 3.9 million tonnes of CO<sub>2</sub>-equivalent abatement annually, which has been generated at a negative cost (net benefit) of approximately \$2.40 per tonne. 179 proposals for projects are in the pipeline to an estimated value of \$14.9 billion of investment in clean technologies. This investment will help drive the transition in Australia to a clean, low carbon economy. The role of the CEFC as a convenor, facilitator, and co-financier in the financial sector has been welcomed by the Investor Group on Climate Change. No evidence was provided to support the abolition of the CEFC.

In repealing the price on pollution, the Coalition intends to implement a policy called 'Direct Action'. This policy is estimated to cost \$3.2 billion, whereas the existing legislation creates \$7.3 billion. That means the abolition of the Clean Energy Package and the implementation of 'Direct Action' would lead to a \$10 billion deterioration in the budget position.

The cost under Direct Action will be higher, the risks greater, and this makeshift gap of a policy provides no investment certainty for either existing businesses or potential investors. With absolutely no detail on the policy developed, and a green and white paper process still to go, with a depleting and demoralising of departmental staff, the emissions reduction fund is highly unlikely to be ready to start auctions by June next year. Direct Action is simply designed to hide the government's climate denialism.

The price on pollution is not destroying the economy, in fact, it is providing certainty to business about the legislative framework in which it needs to operate in a world reducing greenhouse gas emissions. The price on pollution is reducing carbon emissions effectively. It is a crime against future generations for Tony Abbott to dismantle our best defence against the devastating impacts of global warming. The Australian Greens will do everything we can to defend the price on pollution and funding for clean renewable energy.

Australia is at a crossroads. The nation can either continue on a responsible path to do our fair share in constraining global warming to <2 degrees, or we can abandon that responsibility. We can condemn the nation to a 'rust bucket' economy or we can embrace the opportunities to transform to the new industries and services the world needs in a low carbon future. We can put a safe climate and a secure future for our children at the forefront of government policy or we can condemn them to climate

chaos. The world is facing a climate emergency and the Greens will not allow the Abbott government to maintain its wilful blindness and tear down the legislative framework and institutions we have put in place.

**Recommendation 1**

**That the bills not be passed.**

**Senator Christine Milne  
Leader of the Australian Greens**

