

The Senate

Environment and Communications
Legislation Committee

Clean Energy Legislation (Carbon Tax Repeal)
Bill 2013 [No. 2] [Provisions] and associated
bills

July 2014

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Committee membership

Committee members to 30 June 2014

Senator John Williams, Chair	NATS, New South Wales
Senator Anne Urquhart, Deputy Chair	ALP, Tasmania
Senator David Fawcett	LP, South Australia
Senator Louise Pratt	ALP, Western Australia
Senator Anne Ruston	LP, South Australia
Senator Larissa Waters	AG, Queensland

Committee members from 1 July 2014

Senator Anne Ruston, Chair	LP, South Australia
Senator Anne Urquhart, Deputy Chair	ALP, Tasmania
Senator Matthew Canavan	NATS, Queensland
Senator James McGrath	LP, Queensland
Senator the Hon Lisa Singh	ALP, Tasmania
Senator Larissa Waters	AG, Queensland

Participating member for this inquiry

Senator Christine Milne	AG, Tasmania
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Inquiry into the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No. 2] [Provisions] and associated bills

1.1 On 26 June 2014, the Senate, on the recommendation of the Selection of Bills Committee, referred the provisions of the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No. 2] and associated bills (the bills) to the Senate Environment and Communications Legislation Committee (the committee) for inquiry and report by 14 July.¹

1.2 The committee notes that these bills contain identical provisions to those referred to the committee by the Senate on 14 November 2013. Following a full inquiry, the committee tabled its report on this inquiry on 2 December 2013.²

1.3 Therefore, the committee has resolved to reiterate the previous report of the committee on bills with identical provisions, that being the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No. 2] and associated bills.

1.4 The committee reports accordingly.

Senator Anne Ruston
Chair

1 *Journals of the Senate*, No. 37, 26 June 2014, pp 1013–1016.

2 Senate Environment and Communications Legislation Committee, *Clean Energy (Carbon Tax Repeal) Bill 2013 [Provisions] and related bills*, December 2013.

Labor Senators' Dissenting Report

1.1 Labor Senators are deeply concerned that the Coalition Government is desperate for the Parliament to pass the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No. 2] and associated bills while the alternative Direct Action policy remains incomplete.

1.2 Labor Senators sought an opportunity for submissions to be sought and witnesses to be called to update the Parliament on the effectiveness of carbon pricing mechanism and on new developments in emissions reductions policies across the world since the previous inquiry reported in December 2013.

1.3 Labor Senators are deeply concerned that Government Senators used their majority to prevent the Committee from hearing this new evidence.

1.4 Labor Senators submit our original dissenting report, which is available at: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Clean_Energy_Legislation/report/~media/Committees/Senate/committee/ec_ctte/Clean_Energy_Legislation/report/d01.ashx

Recommendation 1

1.5 Labor Senators recommend that the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No. 2] and associated bills not be passed.

**Senator Anne Urquhart
Senator for Tasmania**

**Senator the Hon Lisa Singh
Senator for Tasmania**

Australian Greens' Dissenting Report

1.1 Australia is at a crossroads. The nation can either continue on a responsible path to do our fair share in constraining global warming to less than two degrees, or we can condemn the nation to a 'rust bucket' economy. Alternatively, Australia could embrace the opportunities to transform to the new industries and services the world needs in a low-pollution future. We can create a safe climate and a secure future for our children at the forefront of government policy or we can condemn them to global warming chaos.

1.2 The world is facing a climate emergency and the Greens reject the Abbott government's wanton destruction of the legislative structures and institutions Australia already has in place, referred to by the International Energy Agency as 'template legislation' for other countries to adopt.

1.3 The decision of the Government dominated committee to refuse to hold any public hearings, despite the request of the Greens and the Opposition, and bring forward the reporting date is an abuse of the role of the Senate to appropriately scrutinise a complex suite of bills, which have such a critical impact on the future of this country. This is even more outrageous, with 12 new senators, less than one week into their six year term expected to vote in an informed way without giving them the opportunity to have a reasonable length of time to get across the issues and then make up their minds in a considered way.

1.4 It does not serve democracy well to bring people in here and, before they even make their first speeches—or at the same time they are being asked to make their first speeches—they are being asked to participate in a debate of such complexity.

1.5 While the Australian Greens believe that the new Senate, in particular the new crossbench senators, should have a reasonable amount of time to consider the real impact that repealing a price on pollution would have on Australia, we do not support the carbon tax repeal package 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.

1.6 As the world moves to a 2015 treaty to seriously limit emissions, it is inevitable that pricing greenhouse gases will be a permanent feature of the global economy. If the Clean Energy Future package is repealed and replaced with Direct Action, Australia will be dismantling infrastructure that will have to be reconstructed again in a very short time period.

1.7 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.

1.8 Yet despite the success of the clean energy package in driving investment and jobs and reducing emissions, this Government is determined to tear it down in favour of roads and coal. This is vindictive, constitutes environmental vandalism and can only be seen as spite.

1.9 The Clean Energy Package is working. Recent polling shows that Australians recognise the need for action on climate change, with 57% urging the government to take action. Just 7% of Australians think we should do nothing.

1.10 So let's look at the facts.

1.11 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.

1.12 Since the price on carbon was introduced in July 2012, Australia's total emissions from the National Electricity Market (NEM) reduced by 5.3 million tonnes in the twelve months leading to May 2014—a reduction of 17.2 million tonnes (10.3%) since the price on carbon was introduced.

1.13 Emissions from all sectors combined, excluding land use and forestry fell 0.8% (equivalent to 4.3 million tonnes) in the twelve months to December 2013.

1.14 Contrary to the Government's rhetoric, the carbon price has not negatively impacted the Australian economy. Growth was higher than anticipated in the March quarter, with initial predictions of 1.1% being exceeded with an annual growth rate of 3.5%.

1.15 The Clean Energy Package, including the price on carbon, is encouraging an uptake of renewable energy, with electricity from renewables increasing 38% since June 2012 in the National Electricity Market. At the same time, fossil fuel intensive energy sources have dropped in use, including brown coal falling by 9% and black coal by 9.5%.

1.16 The reduction in proposals for new coal-fired power plants suggests that the clean energy package is having an influence on investor decision making. By reducing the number of coal fired power stations we develop, Australia avoids the emissions that would be created over the life times of the stations.

1.17 The Australian Greens will do everything we can to defend the price on pollution and funding for clean renewable energy.

1.18 The world is facing a climate emergency. Stealing prosperity and opportunities from future generations is wrong and indefensible.

Recommendation 1

1.19 That the bills not be passed.

Senator Christine Milne
Leader of the Australian Greens

Senator Larissa Waters
Senator for Queensland