

## **Additional Comment – Labor Members**

The Labor members of the Committee support the urgent implementation of a comprehensive mandatory greenhouse gas emissions and energy reporting scheme.

Mandatory reporting is a critical first step towards the implementation of a national emission trading scheme. Federal Labor has a long standing commitment to implement emissions trading as a practical, sensible and flexible approach to reducing greenhouse gas emissions.

However, the slow-start timeframe and reporting thresholds that this Bill sets out may be insufficient to meet the reporting needs of an emissions trading scheme with the aim to begin in 2010.

Submissions to the Inquiry made clear that the intent of the Bill is warranted, but that it is variously and significantly flawed in construction. Significant oversights and problems have been identified in virtually all submissions and by witnesses appearing at the Committee hearings.

It is the view of Labor members of the Committee that significant amendments are needed to redress these issues.

In the absence of Federal Government leadership on climate change, State Governments have led the way and their efforts should be supported rather than handicapped. Labor members of the Committee therefore support the Majority recommendation to amend Clause 5 to rein in the proposed overbroad Commonwealth powers over State laws and also to amend subclauses 27(1) and 27(2)(c) so as to necessarily provide reporting information to State Governments.

The Committee heard that during the time in which this Bill was prepared, the Government failed to undertake due consultation with relevant stakeholders, including large emitters, State Governments, environment groups and other relevant experts.

As emission reporting legislation is a foundation for a national emissions trading scheme - a significant economic reform - it is of serious concern to Labor members that stakeholder consultation was not undertaken during the drafting of this Bill.

Rather than reducing uncertainty for industry, the Bill in its current form has the potential to increase uncertainty due to unintended consequences such as the introduction of legal ambiguities, which may also increase the compliance burden upon reporting entities. Despite the rushed nature of the Senate Inquiry process, many of these shortcomings were noted by the Committee and now should be taken into account by the Government.

The Government's eleventh hour efforts to draft and rush this Bill through Parliament have been taken at the expense of due process and good governance. It should be noted however that such efforts are consistent with the Government's record of eleven years of delay, denial and inaction on climate change.

Labor members of the Committee support recommendations 1 and 2 of the majority report.

The sooner we act on emissions trading, the longer the economy will have to adjust to new market signals, and the better placed we'll be to prosper in new and growing international carbon markets.

**Senator Dana Wortley**  
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