



PARLIAMENT OF AUSTRALIA • THE SENATE

SENATOR JOHN FAULKNER
Labor Senator for New South Wales

Mr Malcolm Roberts
180 Haven Road
PULLENVALE QLD 4069

Dear Mr Roberts

Thank you for your recent correspondence and review of the CSIRO's report, *The Science of Tackling Climate Change*, which was received by my office on 12 February 2013.

I have certainly noted your strong views on climate change, however I do not share them. A copy of my most recent speech on this issue, which I delivered in the Senate is enclosed for your reference.

Thank you also for the enclosed books, *They Own It All (Including You!)* by Ronald Macdonald and Robert Rowen, and *The Web of Debt* by E H Brown, which I can assure you I will read with interest.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'John Faulkner', with a long horizontal flourish extending to the right.

JOHN FAULKNER

20 February 2013

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Matters of Public Importance – Carbon Pricing

Senator John Faulkner

The Senate

11 September 2012

Senator FAULKNER (New South Wales) (16:29): Well: another day, another matter of public importance debate and even more incomprehensible ravings from Senator Cormann. I challenge anyone to make any sense of what he has said, even people on his own side of politics. But it does provide the government with the opportunity to clear up some of the negative misconceptions that Senator Cormann is trying to spread, and which certainly are being spread about by the opposition. It certainly does give me an opportunity to inform the Senate of some of the positive things that are going on in the Australian economy as a direct result of the critically important reform of putting a price on carbon.

We have heard from the opposition—and it is very predictable, I suppose—their suggestion that the removal of the carbon floor price from 2015 and the merger of the Australian domestic carbon-pricing scheme and the European's scheme signal what they described today as an unravelling of the government's Clean Energy Future package. That is absolutely wrong. But I will attempt in my contribution this afternoon to clear the matter up, if I can, for the opposition.

Last month the government secured an agreement to link Australia's carbon price with the European Union's emissions-trading scheme. From 1 July 2015 Australia's carbon price will reflect the price paid by at least 30 other countries—30 other

countries that form our second-largest trading bloc, covering 530 million people in total and including countries such as the United Kingdom, France and Germany. This is a transition to an internationally linked ETS, where the global market sets the price, meaning that we can reduce carbon pollution at the lowest cost. And with emissions-trading schemes being developed in China, in Korea, in the state of California in the US, in Canada and in South America, this linkage with the European Union is likely to be the first of many international links that will form a truly global carbon market. In fact, by next year Treasury suggests that more than 850 million people will be living in a jurisdiction with a carbon price.

Who can forget those comments from the Leader of the Opposition, Mr Abbott, who said, 'There is no sign, no sign whatsoever, that the rest of the world is going to do things like introduce carbon taxes or emissions-trading schemes'. They were Mr Abbott's words. Oh dear, Mr Abbott said that. But I would have to say that I think that if anything is unravelling it would have to be this claim from the federal opposition that Australia is going it alone. What? Going it alone with 850 million other people? Going it alone with the European Union? Going it alone with 17 other countries currently developing emissions-trading policies? But I have to say that it gets even more embarrassing. Last month the Leader of the Opposition, Mr Abbott, said:

There are no developing carbon markets in the Asia-Pacific.

—Mr Tony Abbott, Leader of the Opposition.

Well, wrong again: wrong, wrong, wrong! Korea, China, Japan, New Zealand, Thailand, Indonesia and Vietnam all have schemes or are developing emissions-trading schemes right now. I would say that it appears that the only thing we have unravelling here is the opposition's outlandish, embarrassing and negative agenda. But, of course, it does not stop there: it goes on and on. The Leader of the Opposition also claimed that carbon pricing 'means economic death for the Latrobe

Valley', and he suggested that contracts for closure of coal-powered stations have been a failure. Wrong again! It is true, of course, that the government set out to negotiate for the closure of up to 2,000 megawatts of high-polluting electricity-generating capacity providing it was value for taxpayers' money. In the end the government could not agree with their owners on the value of these electricity generators. The government did not accept that their valuations would have given taxpayers value for money for the emissions reductions that would have been achieved. So the market will now decide the economic life of these generators. Already market forces have led to the mothballing, closure or curtailment of hundreds of megawatts of high-polluting electricity generation capacity at the Playford B and Northern power stations in South Australia and at Energy Brix in Victoria.

I would say that there are some real and positive changes going on out there in the Australian economy as a direct result of the government's Clean Energy Future package. Since the introduction of the carbon price, many Australian businesses have started taking practical steps to improve energy efficiency, reduce their power bills and reduce the level of their greenhouse gas emissions. Those actions are producing win-win outcomes for many Australian businesses, improving bottom lines and tackling climate change. Let us not forget that—tackling climate change—because that is what this is all about.

From the opposition we have misrepresentation after misrepresentation. From the opposition we have false claim after false claim. Of course, all we have had in today's debate is a convoluted explanation from Senator Cormann about what the 'frog in boiling water' syndrome means. The truth is that the science here is beyond dispute, the facts are clear and the government has the answers in its Clean Energy Future package.
