



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

BILLS

**Climate Change Bill 2022, Climate Change
(Consequential Amendments) Bill 2022**

Second Reading

SPEECH

Wednesday, 3 August 2022

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

<p>Date Wednesday, 3 August 2022</p> <p>Page 20</p> <p>Questioner</p> <p>Speaker O'Brien, Ted MP</p>	<p>Source House</p> <p>Proof Yes</p> <p>Responder</p> <p>Question No.</p>
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Mr TED O'BRIEN (Fairfax) (10:29): Almost eight months ago, on the Friday after the last sitting of 2021, the now Prime Minister and his now Minister for Climate Change and Energy stood up to announce the emissions reduction target that the government seeks to legislate today. With great fanfare the then opposition leader announced, 'Labor's plan to create jobs, cut power bills and reduce emissions'. He lauded not one but two targets backed by 'the most comprehensive modelling ever done for any policy by any opposition in Australia's history since Federation'. There were two targets: (1) an emissions reduction target and (2) a target on prices. They say it was fully costed but, again, the now Prime Minister said 'It will see electricity prices fall from the current level by \$275 for household by 2025, at the end of our first term'. I draw the House's attention to the words 'from the current level' and 'at the end of our first term'. The Prime Minister's promise to cut power bills appears in the first sentence of Labor's Powering Australia plan, the policy document that they now seek to legislate. The same promise to cut power prices by \$275 appeared on the ALP's official website, on social media tiles and on Labor's election advertising.

The words that Labor had chosen in its policy document and throughout the campaign were very deliberate ones. They always spoke about reducing people's power prices in conjunction with reducing emissions, as if the two would always go hand in hand. Together, they formed the promise of this government. Now of course we know that Labor won the election, assuring people they would solve cost-of-living problems, problems that have only compounded enormously since they came to office. When asked how a new government could ease cost-of-living pressures the Prime Minister, the Deputy Prime Minister, the Treasurer, the energy minister and many more in Labor's ranks responded with that same promise: Labor will reduce emissions while cutting household power bills by \$275. It was the most tangible example of cost-of-living relief that the Labor Party offered. But that all changed last week.

In the first question time on day one of business for the 47th Parliament of Australia, the Prime Minister confirmed what many had started to suspect. He would no longer stand by his promise to the families of Australia to cut their power bills by \$275. This abandonment of Labor's election commitment coincidentally, or maybe not so coincidentally, came on the very same day that Labor introduced the legislation that is now before the House. Remember, Labor's policy consisted of those two targets: one for emissions reduction of 43 per cent and one for a price reduction of \$275. But one of these targets is missing from the bill. Is it the 43 per cent that is missing or the \$275? Of course the \$275 target—poof, gone—miraculously disappeared from Labor's commitment.

In his second reading speech, the Minister for Climate Change and Energy couldn't even bring himself to address the issue of prices, not once, let alone that commitment, that promise of \$275 for households. The bills, as the House would know, require the minister to make an annual statement on the progress towards meeting its climate change policies. You might think that the requirement of the minister would be stated in the bill to also refer to prices, the impact that the implementation of its policy will have on prices for households and for businesses. But, again, there's nothing there. There's absolutely nothing whatsoever in the requirement for the annual statement that relates to the economy or prices. There is a requirement also for the Climate Change Authority to consider progress towards the climate policies. But is there anything there about the Climate Change Authority looking at prices? No, there's nothing on that either.

If the Prime Minister's and ministers' abandonment of the promise to reduce prices for Australian households and businesses was not enough for people in at the Labor ranks to realise there was a problem, last week's release of the ACCC report should have set off alarm bells. This report tells us that energy prices are going to stay high for at least 18 months. Based on the feeble response from this Prime Minister and his resources and energy ministers to date, I regret to inform members of this House that those high prices are likely to persist for much, much longer than the ACCC is forecasting. This is simply because the government is not taking action.

The government will not deliver electricity reductions. It will not deliver on its plan to reduce electricity prices. The minister for Climate Change and Energy won't even get on the phone to the gas companies to safeguard his

first election commitment. It should be his No. 1 KPI, but he refuses to act. That is because the minister does not believe in gas. That is on the record. Plans to invest in new gas pipelines and supply are, according to the minister, 'BS' and a 'fraud'. He simply won't tell the gas companies to get more gas into the system.

I remind those opposite that supply is the answer to high prices. More gas into the east coast market will disconnect domestic prices from overseas prices. But this legislation surrenders all negotiating levers. Here's the rub: if this government can't get gas prices down then it has no hope of achieving its electricity price target. It will be on the government as people and businesses pay more for energy.

But this legislation goes further than that. The bills ensure that investment in opening up new gas supply to get prices down and to safeguard our energy security will never come. The Prime Minister, his ministers and his government have capitulated to the Greens at the very first opportunity. There are no safeguards in these bills for consumers and energy users—none whatsoever. 'But wait,' says the minister. 'This legislation will give businesses certainty.' If you are a traditional emissions-intensive industry then the only certainty you'll have from this legislation and from this government, particularly if you are, let's say, in agriculture, is that Labor is not going to help you. This government will not support you and it is happy to see your prices go up.

Don't go to Export Finance Australia seeking support to tap into new markets overseas, not if you are an energy-intensive business. Don't approach the Northern Australia Infrastructure Fund to get financing or equity. Don't approach Infrastructure Australia to seek prioritisation of new infrastructure projects. Why? Because you will be in a queue behind less emissions-intensive projects, probably in urban areas, because these bills place a requirement on these agencies to ensure that the target of the government is taken into account when they are now doing their business.

What does this mean for households and large businesses? For supermarkets, bakeries, butchers, manufacturers and aluminium smelters, the only certainty they have is that the government has abandoned its promise to cut power prices in the middle of a global energy crisis, no less, just eight months after adopting very specific targets to deliver price reductions. This carries through to every single small business right across the country, which are the lifeblood of so many communities. The government promised to reduce prices. They have reneged. They are introducing climate change legislation, despite the fact that their own policy states that it should include price reductions. Our traditional energy and resource industries, our agricultural industry and even the development of a new critical minerals industry aren't the priorities for this government. The message of this government is: 'Go elsewhere and take with you the jobs, the capital and the opportunities that would otherwise come forth.'

I have very serious concerns about the unintended consequences of these bills, and I will come to those in a moment. There is something else that honourable members of this House should not be fooled into believing, and that is that these bills are about a 43 per cent emissions reduction target. They are not. How the Senate or the House of Representatives deal with the bills will not make one iota of difference to this country's 2030 or 2050 targets, because they have already been formally adopted by this government under the Paris Agreement.

One of this government's first acts in office was to draw up a new nationally determined contribution, NDC—the formal statement of Australia's commitment to a target. They have already finalised it and they communicated it to the United Nations nearly two months ago on 16 June. Our nation's target is already set—43 per cent by 2030, regardless of the views of anyone in this parliament, the media or the community. This explains why the minister has been at pains over recent weeks to be telling the Australian public that this legislation is in fact unnecessary. That is because 43 per cent is already the target for Australia, and this legislation will have no impact on it whatsoever.

There is something though that we need to make clear. If this legislation is not so much about the number 43, then why should we be concerned? We should be concerned because there are problems with the legislation. The issue here is not the number, because that's irrelevant to the debate—the minister has told us that. The issue is with the legislation itself. The Prime Minister and his Minister for Climate Change and Energy in rushing to introduce this to the parliament haven't thought through the second and third broader consequences of the legislation. Experience overseas shows that when you legislate emissions reduction targets, you risk handing control over projects, not targets, to activists—otherwise known in some spheres as green lawfare.

In an effort to do a deal with the Greens and to give the Greens just enough to secure their support this government has overreached. It has overreached by introducing new restrictions on the exercise of Commonwealth executive power, which is exactly what the Greens like—restrictions on the government's ability for decision-making

and prioritisation of Export Finance Australia, Infrastructure Australia and the NAIF. They've done this in the innocently titled 'consequential amendments bill'. That is where these changes lie. The bill makes the achievement of Australia's 2030 targets and reducing global emissions an objective or function of 14 different agencies and statutory schemes. We have to remember that we cannot continue to be reducing the ability of EFA. If EFA does not have the flexibility to invest in infrastructure projects, including, say, in the Pacific with the new fuel terminal in Fiji, we put at risk our national security objectives. Do you think other Pacific powers will hamstring themselves as this government is suggesting Australia would? (*Time expired*)