



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 41</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) (12:59): by leave—This is Labor adopting a Greens policy. By reducing Export Finance Australia's flexibility, the Climate Change Bill 2022 puts our national security objectives in the Pacific at risk. Do you think other Pacific powers have hamstrung themselves in this same way? No—not a chance.

This bill could also force Infrastructure Australia to prioritise less-emissions-intensive public transport projects in urban areas over major road projects in regional areas or new ports or airports. The experience in the United Kingdom has seen activists delay the construction of Britain's new high-speed rail network, HS2. The experience in the UK has seen activists challenge the UK government's plan to invest in road maintenance and the construction of new roads because this could lead to increased traffic and thus greater emissions. The experience in the UK has seen activists successfully delay the construction of a third runway at Heathrow Airport, delaying that construction for years. That case had to go all the way to the UK's equivalent of our High Court before it was finally thrown out. These are the consequences of legislating targets.

The bill before the House could also restrict the Northern Australia Infrastructure Facility, the NAIF, from supporting an expansion of our traditional export industries, particularly energy and agriculture. To that, no doubt, the Greens would say, 'Fine,' because they don't like coal and gas anyway. But this legislation will also hamper the development of clean energy industries. Take the example of critical minerals processing. The former coalition government prioritised the development of new critical minerals processing projects as part of the government's \$2.5 billion Modern Manufacturing Strategy. But critical minerals processing can be harmful to the environment. It is also energy intensive, and therefore emissions intensive.

So what does that mean? If you apply to new minerals projects the same rules Labor and the Greens would like to apply to coal and gas, how could these agencies support projects that increase Australia's emissions? The problem is that they are seeking to legislate something that will hamper not just Australia's competitive advantage but progress with clean energy technologies. If they apply that rule, which they are suggesting they will, then suddenly critical minerals processing comes into question. At a time of heightened volatility and uncertainty in the Indo-Pacific, with rising interest rates and stalling economic recovery under this Labor government, not to mention a global energy crisis, this is absolute madness.

This Prime Minister and his climate change minister have been so focused on the politics that they have forgotten to think about the consequences of this legislation. The coalition, for its part, remains absolutely open to sensible policies that reduce power prices and support economic growth while reducing emissions. When we were in government we exceeded our emissions targets, despite not legislating them. When we left office, emissions were lower than ever before, at more than 20 per cent below 2005 levels. We reduced our emissions faster than did many of our peers—Canada, Japan and New Zealand, just to mention a few.

As a reminder to the government that has walked away from tackling prices, the coalition also drove prices down. Power prices dropped by eight per cent for households, between 10 and 12 per cent for businesses, and that was over just the last term of the coalition government yet the Labor government went to the election promising even lower prices, only to abandon that promise in the first week of the new parliament. The coalition, at the end of the day, will not support legislation that puts our energy and national security at risk or our economy. There are a range of other concerns that the coalition has regarding this legislation and that includes its lack of equity and balance.

Firstly, if the bills were equitable they would account for the economic consequences of higher energy prices and their impact on Australian businesses, investments and jobs, along with the households and families and the basic way of life for everyday Australians. But these bills do not account for any of these things. What the government must not forget is that when power prices rise they disproportionately impact those who can afford them least. In other words, if Labor does not accept that economics need to be taken into account with these bills then surely they must consider the moral consequences of what they wish to implement.

Labor's policy to achieve the objectives laid out in these bills also requires the construction of new facilities and transmission lines across the country. These will have a direct impact on countless local communities, including in the minister for infrastructure's electorate of Ballarat, yet the bills before the House lack any requirement for the minister to report to the parliament on how the implementation of the government's policies affects these communities. There is no requirement for the government to take into account the effect of implementing these policies on regional communities or even on agricultural land.

Secondly, if these bills were balanced they would reflect a technology-agnostic approach that encourages free enterprise and promotes entrepreneurship, research and development. Sadly, however, the Albanese Labor government has abandoned the technology investment roadmap process and the cost reduction targets that the former coalition government put in place. This is what you get from the Albanese-Bandt government in the bills that we see before the House. The new government has also removed any references to reducing the cost of new and emerging technologies from its NDC. Indeed, much of the investments initiated by the former coalition government are now under review. The Labor government has no plan to reduce the cost of deploying new and emerging low-emission technologies. It is not just the balance of technologies that count; it is also the balance of the economic burden that is to be carried. Labor's policy to achieve the objectives laid out in the bill include applying punitive penalties against selected sectors of the economy and, by extension, to their communities and their workers. I'm not just talking here about Labor's proclivity for increases in taxation, as reflected in the changes they plan to make to the safeguard mechanism. Not content with removing safeguards from the bills, Labor has actively removed all safeguards from its updated 2022 NDC. This government and this minister are actively avoiding scrutiny. When you consider all the possible adverse consequences of this bill, it makes you wonder why the government wants to introduce legislation that it has itself called 'unnecessary'. Seeking to reduce emissions, without accounting for the economic impact, the price impact, on businesses and families is foolishness of the highest order, and it represents a derogation of duty on the part of the government.

The coalition has initiated a review of its climate and energy policies. Any new emissions reduction targets or policies to achieve them that the coalition takes to the next election will reflect the latest economic developments and emissions projections. They will also account for the role that new and emerging technologies could play in an Australian context. A least-cost approach to reducing emissions means that all technologies must be on the table. That includes carbon capture and also advanced nuclear power technologies, both of which feature in the United States's, the United Kingdom's and the EU's plans to get to net zero emissions.

In summary, Labor have made it very clear that they will not honour the commitment they made to the Australian people just over two months ago. We have already learnt of, in this first sitting of the parliament, their intention to break a promise of reducing power bills by \$275. This is the Albanese Labor government's first broken promise. They went to an election with a climate change policy that included two parts: a 43 per cent reduction in emissions and a \$275 reduction in power bills. The parliament opens, and they furnish and they table their legislation to enable this climate change policy. But there is no mention of price. There is no mention of that economic consequence, making this legislation effectively a broken promise.

We also know that this bill is not about the 2030 target because the 2030 target of 43 per cent has already been set by the new government. The United Nations has been informed. This bill, no matter how people vote on it, will not make one bit, one iota, of difference to the 43 per cent target that has been set by the government. It's completely the prerogative of the Prime Minister and the cabinet to change that target, and they have. So this is not about the target. It's not about the 43 per cent. This is about the legislation, and Labor have caved in to the Greens and, in doing so, is prepared to put communities, projects, jobs and intellectual property staying in Australia at risk. This is what they have at risk.

The consequences of their consequential amendment bill are a scary prospect and one that the government have not thought through. This ultimately is legislation that comes as nothing more than a political stunt. The coalition will always support policies to bring down emissions, but we will not do it where we compromise our economy and our national security.