

Carbon Pollution Reduction Scheme Speech – 25/11/2009



Here we are today debating the Carbon Pollution Reduction Scheme legislation, which is one of the biggest pieces of legislation ever to come before the parliament, and the Rudd government wants to ram it through the Senate. The CPRS is a multibillion dollar tax that will affect every single Australian. Just a few hours ago the Rudd government put forward changes to its flawed Carbon Pollution Reduction Scheme, and now it wants the Senate to agree to them without proper scrutiny and debate. This is irresponsible and reckless behaviour and, to me, it is an attack on what a democracy is all about. The Senate should not be voting on the Carbon Pollution Reduction Scheme until at least after Copenhagen and until after we know what the rest of the world is going to commit to.

It is economically reckless to commit Australia to a carbon pollution reduction scheme before the rest of the world commits to similar schemes themselves or one with at least the same targets. Why is the scheme economically reckless? Here are some important facts the Rudd government does not want Australian families to hear:

1. the cost of doing business in Australia will go up under the government's Carbon Pollution Reduction Scheme;
2. the competitive position of Australia will plummet, as other countries have less stringent targets or no scheme at all;
3. one of Australia's biggest competitive advantages, low-cost electricity, will be lost; and
4. Australian families will pay more for their groceries and see their power bills soar.

And what does Australia gain for increasing the cost of doing business in Australia and wrecking Australia's competitive position? In fact: nothing. And what does the environment gain from increasing the cost of doing business in Australia and wrecking Australia's competitive position? Again, nothing. The rest of the world emits more than 98 per cent of the total global carbon

dioxide emissions. So, if you believe the Rudd government, and that carbon dioxide is the problem, then clearly there will be no environmental benefit unless the rest of the world also agrees to at least the same targets as Australia. This is one fact that everyone can agree on. Clearly, it is economically reckless to commit to an ETS prior to a global agreement at Copenhagen. For any political party to agree to commit Australia to a Carbon Pollution Reduction Scheme before any global agreement is economically reckless. My real concern is that families and small business will end up footing the bill for this multibillion dollar carbon tax, with no benefit to Australia or to the environment.

I say to the Prime Minister: first you told us the CPRS you put forward was perfect, then you released another version, with amendments, and told us it was perfect too. Which is it, Mr Rudd? Which one is the best? Or are they both bad, and have been decorated to suit your political agenda? But, even worse, the coalition lost any economic credibility they ever had. No wonder Mr Costello got out when he did. Mr Costello knew the coalition were a rabble, and this is proof. Today the coalition sold out Australian families and sold out businesses. But I think the Nationals are even worse than that. The Nationals sold out the bush when they sold Telstra. The Nationals sold out the bush when they agreed to allow the coalition to negotiate with the Rudd government on a CPRS before Copenhagen. They allowed that to happen. All regional and rural areas know the Nationals cannot really be trusted in looking after the bush after these two issues. From bakers, to butchers, to farmers they will be worse off under this CPRS. And the Nationals will allow the coalition to negotiate with the Rudd government. Why did the Nationals stand by and go silent on the fact that the coalition were in negotiations to agree to an ETS prior to Copenhagen? If the Nationals had any backbone they would resign from the coalition today. The CPRS is the biggest betrayal of the bush, the biggest betrayal of rural and regional Australia and the biggest betrayal of small business. The coalition today have lost any economic credibility, but the Nationals have lost the respect that they held within rural and regional communities. How can any National MP remain in the coalition given that the coalition has committed to a Carbon Pollution Reduction Scheme? You stand with the bush; at the same time you stay in partnership with a party that has sold out the bush and small business. The Nationals are frauds if they stay in the coalition. The Carbon Pollution Reduction Scheme is the biggest betrayal of the bush and rural and regional communities.

Turning to my home state of Victoria, the CPRS will be devastating to the state of Victoria. Under a CPRS thousands of jobs in Victoria will be lost. Under a CPRS the electricity prices will escalate for families and small businesses. Under a CPRS the coal mining region of the Latrobe Valley will be devastated. Under a CPRS dairy and cattle farmers will be facing skyrocketing electricity prices to produce their milk and beef, adding to the overheads that are currently eating into their profits. Will the Rudd government's new amendments stop Victoria being threatened by the CPRS? I doubt it. But we sure as all hell need more than a few short hours or a few days to determine the real impact on Victoria and Australia. Giving the Senate just a few short hours to have a look at these amendments is irresponsible and is not in the national interest. The Australian public expect a lot more from their elected representatives, rather than just a brief look at the biggest tax this country has ever seen. This is making policy on the run and it will be Australian families and small businesses that will end up paying the price. This is turning the Senate into a rubber stamp, with families and small businesses footing the bill for the CPRS.

All that I am asking for is nothing more than basic due diligence. Whether we like it or not, due diligence takes time. Most people who are going to buy a house will first do some simple checks to make sure that everything is okay. That is due diligence. So how much more due diligence should be undertaken with the CPRS, which is a multibillion dollar tax? Surely Australia should spend a couple more months performing proper due diligence on the amended CPRS, not just a few hours. What is the rush? Two months delay is not going to cause any environmental problems. The Rudd government delayed this whole thing in the first place.

Australians should think very hard about what the Rudd government is saying and doing—except they are not being given the chance. Let us say you have a salesman telling you that you have negotiated a good deal, but you have some serious concerns. What is the next step of the salesman? Does the salesman do the right thing and give you all the time you need to make the right decision or not? We all know a shady salesman would give you no time and put unrealistic deadlines on the deal. Well, guess what? The Rudd government is acting like a shady salesman, putting unrealistic demand times on the CPRS deal. There is no real policy imperative to sign the CPRS deal prior to Copenhagen, other than for Mr Rudd to look good. It is politics that is driving the Rudd government to act like a shady salesman—not the national interest, as the Prime Minister tries to spin. Rather than ramming the Carbon Pollution Reduction Scheme bills through the Senate this week, why don't we allow other experts, and the general public, to have a look at the CPRS deal and come back in February and conclude the CPRS debate?

Now I want to turn to the science. Earlier this year, like most Australians at the time, I simply accepted without question that increasing carbon dioxide emissions was the major driver of climate change. I believed the media when they told me repeatedly that human-caused carbon dioxide emissions were to blame for the changing temperatures on this planet. In fact, I listened to radical environmentalist groups when they protested about the damage we were causing to this earth and to our future generations. I remember the enthusiasm surrounding former US Vice-President Al Gore's movie *An Inconvenient Truth*. All of a sudden climate change hit centre stage, and carbon dioxide was the main actor. Carbon dioxide was the new villain which needed to be caught and punished.

Throughout the whole debate one thing was missing, and that was genuine debate on whether the science behind climate change being a result of human activity was even correct. I am not saying that no-one ever questioned whether climate change was caused by something other than carbon dioxide emissions, but many experts have called for a proper debate on the issue because of serious questions in the science that climate change alarmists have relied on. Until now, the scientists who believe that carbon dioxide emissions are not the major driver of climate change have been labelled 'sceptics' and dismissed out of hand without real debate. To question the science has meant public ridicule. It has carried a stigma and had you labelled as a sceptic. That is not the way to conduct a debate. Scientists who question the science behind climate change have been maligned in the media as fear-mongers and as being backwards. Their views have been treated with contempt. Anyone who dares to so much as even question human induced climate change is shouted down and discredited. Free and fair debate, the very thing which we as a democracy thrive on, has been stifled on the climate change issue.

So when it was raised with me that carbon dioxide emissions have skyrocketed since 1995 but global temperatures have remained relatively steady I was left dumbfounded. How could I as a federal senator, or anyone, vote for something that will carry such a high price for all Australians and have such significant consequences without being able to answer a simple question— if carbon dioxide is a problem, why have global temperatures not been going up as predicted by the IPCC in recent years? I went out and spoke to a cross-section of scientists and quickly began to understand that the science on this issue is by no means conclusive. I went on a self-funded trip to Washington to investigate further the science and facts behind climate change, and I listened to both sides of the debate. I heard views which challenged the Rudd government's set of so-called 'facts'—views which could not be dismissed as mere conspiracy theories but were derived using proper scientific analysis. I went on a journey to discover the truth about climate change. It is a journey that other Australians have now also gone on, perhaps not in a physical sense but certainly in an intellectual sense.

During my trip to the US I met not only with scientists who were questioning the science but also with climate change experts on the other side of the spectrum. This included members of President Obama's administration who are driving the US's climate change policies. As an engineer, I have been trained to listen to both sides of the debate on the science in order to make an informed decision, in this case about climate change. Any scientist worth their salt will tell you that in order to form a conclusive view about any topic you need to properly explore all available possibilities. All of this is nothing more than due diligence.

When I came back to Australia I had a meeting with the Minister for Climate Change and Water, Senator Wong; the Chief Scientist; and Professor Will Steffen. I put to them three questions about climate change that I believed needed to be answered in order to establish that climate change is a direct result of human-made carbon dioxide emissions. They are three questions that every senator needs to be able to answer. They were not designed to trick anyone; they were simple questions which went to the heart of the climate change debate. My three questions, along with the minister's response, are on my website at www.stevefielding.com.au, for all of you to evaluate for yourselves.

One of the questions is key to the whole debate on the science. It was based around a global temperature chart that was incorporated into *Hansard* back in August this year. This is the chart that was incorporated into *Hansard*, quite clearly showing—

The ACTING DEPUTY PRESIDENT (Senator Trood)—Senator Fielding, I think you know the rules about the use of props.

Senator FIELDING—It is in *Hansard*. That is a chart that the Australian public want to see. It is a chart that clearly the Rudd government does not want people to see. It shows that carbon dioxide emissions have skyrocketed, yet global temperatures have not increased the way the IPCC predicted. To help people with the chart, imagine the black line is CPI and the red line is your salary. You are going backwards. Quite clearly you would be very unhappy if that was your salary. The government wants to make you believe that the science is conclusive. I think we still need to have this chart further debated. It is based on 15 years of records. The global temperature chart may be an inconvenient fact to those that refuse to have an open mind on climate change,

but to many Australians this global temperature chart is helpful and it allows them to engage in a technical debate. For those people watching who find charts hard to understand, as I said, think of the red line as if it was your salary and the black line as if it was CPI.

Even if you put aside the science, the Rudd government does not seem to acknowledge that its CPRS is a multibillion-dollar carbon tax. It is economically reckless to agree to any CPRS before the Copenhagen climate change conference, where the rest of the world will make up its mind on how to deal with climate change. There are some estimates that the government's carbon reduction tax would be the equivalent of raising the GST by 2½ per cent. But wait—it gets worse. Not only will we be paying more tax; there will be more people without jobs. Frontier Economics predicts 68,000 Australians will not be employed in rural and regional Australia if the government's plan goes through.

Who knows what the proposed amendments will do? According to the government's own numbers this new tax amounts to more than \$12 billion per year for industry. This is a cost which will be passed on to ordinary Australians. It was reported in the *Business Spectator* recently that the current legislation would have an \$8 billion adverse impact on four Latrobe Valley power generators which is offset by \$2 billion in current credits—a net enterprise value reduction of \$6 billion. State governments too will face a massive hole in their budgets as a result of the scheme and will be \$5.5 billion worse off by 2020. That means less money for schools, less money for hospitals and less money for the social services which so many Australians rely on.

Australian families will also be hard hit under the Rudd government's proposal. Electricity prices are still forecast—as I heard this morning in Victoria—to double in Victoria. What will that do to households and small businesses in Victoria? Council rates will also be affected and will go up under the current plan. The Rudd government's ETS has the potential to cripple our economy and send families with their backs already against the wall tipping over the edge. It is the sheer arrogance of the Rudd government that is driving this debate at the moment; it is not sensible public policy.

The Rudd government is playing politics with the lives of millions of Australians by voting again on this issue now and trying maybe to force an early election. Someone needs to tell the Prime Minister that there are no prizes for going first on implementing an emissions trading scheme—only losers! We are not playing a game here. We are talking about a multibillion-dollar tax that will impact on real people's lives and jobs. There is a lot more at stake than the government seems to realise.

Is the government aware that only a couple of weeks ago the US senate ruled out passing its own emissions trading scheme legislation before Copenhagen and ordered a five-week pause to review the costs of the legislation to the American economy? It is not one day, not two days and not a week; they are asking for a five week pause. This is why we should come back in February. The world's biggest economy has voted to put its carbon tax legislation on ice and yet, incredibly, we are still being fed the line that we need to deal with this issue urgently. This whole CPRS bill is a disgrace and the Senate needs to do the only honourable thing and at least delay the vote till next year. Anything else would put Australian families, small businesses, rural and regional communities and our economy at risk, and that is reckless.

The coalition have got to think very carefully about how this will pan out over the next few hours and days and they have to think very carefully about seeing this thing rammed through the Senate. I think that having even a one-week Senate inquiry is still not long enough. The US senate quite clearly believes more time is needed. A multibillion-dollar tax needs time.

Let's not treat the Australian public like mugs. Let's not treat the Australian Senate like a mug. Let's give this thing proper and due diligence. Time is important but we have got to get this right, not wrong.