



Taking Note 'Flawed Emissions Trading Scheme ought to be delayed'

By Senator Mathias Cormann on 3 December 2008

[Senator CORMANN](#) (Western Australia) (3:15 PM) —Confronted with the realities of life and confronted with the realities of life in government, government backbenchers are back-peddalling at a rate of knots. If they keep going at this rate, in a year's time they will actually call for Australia to withdraw from the Kyoto protocol. Where is Senator Hutchins? Where is Senator Sterle? Where are they? They should be here explaining the concerns they have as to Australian jobs and the concerns they have about the impact of the government's proposed emissions trading scheme on the Australian economy.

The reality is this: all Australians want to do the right thing by the environment. We want to do the right thing by the environment. Australians are prepared to pay a price—but how much and for what outcome? These are some of the questions that the government have to answer, but they refuse to answer them. They have presented some Treasury modelling which was nothing more than a snow job. They did not even assess a circumstance where the United States, China and India do not take action at the same rate as Australia is proposing to do. They did not even assess the impact of the global financial crisis. There is not an appropriate framework to cater for the impact on the LNG industry, in particular in Western Australia.

Do you know why Senator Hutchins knows about the flaws in the government's proposed Carbon Pollution Reduction Scheme? Because he is a member of the Senate Select Committee on Fuel and Energy. Along with Senator Bushby and me, he has been listening to the evidence from industry. He has been listening to evidence from the Department of the Treasury and from the Department of Climate Change. Do you know what they said to us when we asked them why they did not model or assess some of the more realistic scenarios in terms of the circumstances that Australia finds itself in and the circumstances under which Australia is proposing to implement the Carbon Pollution Reduction Scheme? The answer we got from Treasury officials was that *'the scenarios that were modelled by the Treasury were done at the direction of the government'*. The government is intent on doing a snow job.

Do not tell me that we on this side are climate change sceptics. We are raising valid concerns. Senator Steve Hutchins, Senator Glenn Sterle and Jennie George have raised some very valid concerns. I urge Jennie George to make a submission to the Senate Select Committee on Fuel and Energy to bring her concerns to the attention of the committee, particularly those in relation to BlueScope Steel's Port Kembla plant. Just to show that this is not a biased party-political approach to things, I note a comment by Mr Colley, the National Research Director of the Mining and Energy Division of the CFMEU. Do you know him? When we asked him about the Treasury modelling, do you know what he said? 'None of the scenarios are particularly realistic'—go and check *Hansard* as

that is on the record. The reality is this: yes, we do want to do the right thing by the environment and, yes, Australians are prepared to pay a price. But it is time that the Australian government came clean and levelled with the Australian people. What is it trying to achieve? What is the outcome that it is trying to achieve in terms of reducing greenhouse gas emissions globally? Is what you are doing in Australia going to have a positive or a negative effect in terms of reducing greenhouse gas emissions globally? What is the impact of the disastrous consequences, for the LNG industry, of exporting not only jobs but emissions to China, India and Japan? The government should give us some answers. We have not had any answers from the government. It is time that some proper scrutiny was applied to the government.

I am very pleased to see that Senator Sterle and Senator Hutchins are finally raising those concerns inside caucus. This will stop the Minister for Climate Change and Water, Senator Wong, from making absolutely bizarre accusations about non-believers and climate change sceptics. There will be a time when the Prime Minister and Senator Wong will be the only ones left on the top of Mount Kosciuszko, giving a sermon on the mount, with nobody left on their side of the argument. Everybody will have realised that there is a serious need for some proper scrutiny. The currently proposed design of the Carbon Pollution Reduction Scheme is seriously flawed and, unless we make some corrections and unless we make sure the design is right, its introduction is going to be a very irresponsible course of action. It is not going to be good for the economy and it is not going to be good for the environment.