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**NATIONAL GREENHOUSE AND ENERGY REPORTING  
AMENDMENT BILL 2008  
27/08/08 Second Reading**

**Mr KELVIN THOMSON** (Wills) (5.17 p.m.)—I rise to speak on the National Greenhouse and Energy Reporting Amendment Bill 2008. The National Greenhouse and Energy Reporting System is a fundamental plank in the government's efforts to tackle climate change, as we move to establish an emissions trading regime, now known as the Carbon Pollution Reduction Scheme. The greenhouse emissions reporting system will play an important role by more precisely quantifying the greenhouse gases that Australia produces. For the first time, we will be provided with robust and comparable information on the greenhouse and energy profiles of Australia's large corporations.

From 1 July, businesses emitting large amounts of greenhouse gases have been required to monitor and measure their emissions ahead of reporting them to the government by October next year. Corporate groups that each year emit 125 kilotonnes or more of greenhouse gases or produce or consume 500 terajoules or more of energy will be required to collect data to meet annual reporting requirements. Corporations controlling facilities that emit more than 25 kilotonnes of greenhouse gases or use or produce 100 terajoules or more of energy will also need to collect data. I should indicate to the House that 25 kilotonnes of greenhouse gas emissions is equivalent to the annual emissions of more than 6,200 cars and that 100 terajoules equates to the annual energy use of around 1,900 households. In terms of monitoring and measuring, the system kicked off in July, but relevant corporations will have until 31 August next year to apply to register under the scheme and until 31 October next year to submit their first annual greenhouse gas and energy report.

It is hard to overstate the urgency of the global warming issue. Recently I read the book *Climate Code Red* by David Spratt and Philip Sutton—and I commend it, as well as Al Gore's most recent speeches, to my colleagues. Scientists are now saying that there is a 75 per cent chance that within five years the entire North Pole icecap will completely disappear during the summer months. This will increase the melting pressure on Greenland, which is already melting. Scientists are also saying that the West Antarctic icesheet is melting. When these areas melt, they will generate sea level rise far in excess of what scientists were predicting just 10 years ago. Furthermore, the North Pole, Greenland and the South Pole, because they are bright white, reflect a lot of the sun's rays. As they change from ice to water, they will absorb the sun's rays instead, further heating up the planet and speeding up global warming. Rising sea levels and more severe cyclones and hurricanes bring with them the prospect of climate refugees, not

just a few thousand from low-lying South Pacific islands but hundreds of millions from Bangladesh and other parts of Asia, which will destabilise nations right around the world.

To tackle global warming requires a massive change in how we do things. We have changed the amount of carbon dioxide in the atmosphere from 280 parts per million, as it was for thousands of years, to 380 parts per million and rising. Carbon is coming from many sources but mostly from the coal we use for electricity, the oil we use to run motor cars and the clearing and burning of forests around the world that is done to feed and house the world's skyrocketing population. We have a dangerous overreliance on carbon based fuels. It is at the heart of the three great challenges we face: the economic challenge, caused by increasing petrol and food prices; the global warming challenge; and the national security challenge. Al Gore recently said to Americans:

We're borrowing money from China to buy oil from the Persian Gulf to burn it in ways that destroy the planet. Every bit of [that sentence has] got to change.

That is also true of Australia. The good news is that ending our reliance on carbon based fuels will not only address the global warming emergency; it will help the economy by getting us off the treadmill of ever-rising petrol and electricity prices. It will also mean—again to quote Al Gore—that we can 'guarantee our national security without having to go to war in the Persian Gulf'.

So how do we end our reliance on carbon based fuels? Some of the detail of the answer is not yet known; but we know the heart of the answer. We have to move to renewable energies—solar energy, wind energy, geothermal energy. We need to move away from large, centralised power generators and towards local neighbourhood or household based power generation. A sustainable world of the future will have solar photovoltaic panels on every household roof, every commercial and industrial building and every school, church, town hall or community facility.

I am a strong believer in the idea of feed-in tariffs—that is, paying households for power that they can generate and feed back into the electricity grid. I was, therefore, really pleased that this week the Western Australian Labor government announced a plan for a solar energy gross feed-in tariff—a plan to pay households a premium for all the solar energy they produce. And here, in the ACT, there is legislation for a gross feed-in tariff.

I was not the only one pleased to hear the Western Australian government announcement. The Clean Energy Council welcomed the announcement and made a number of important observations on the way through. Firstly, gross feed-in tariffs are recognised worldwide as a key to driving industry maturity. Secondly, a national gross feed-in tariff is the next logical step, given the initiatives being taken around the states. A national policy would ensure a nationally consistent approach, industry certainty, less policy complexity, and it would encourage widespread adoption of solar PV and other renewables. Thirdly, the Council of Australian Governments meeting in Perth on 2 October provides an excellent opportunity to discuss a national feed-in tariff policy. Fourthly, now is the time for a long-term industry policy which will transition the solar PV industry away from rebates. Gross feed-in tariffs set high enough and for long enough will deliver long-term investor certainty, energy security and reductions in carbon emissions.

It is also worth noting that Britain is headed down the feed-in tariff path as well. It is following Germany, which achieved a dramatic expansion of home

generated renewable power, such as domestic wind turbines and electricity generating solar power, with a scheme enabling householders to sell power back to the grid for four times the standard electricity rate for 20 years. The scheme can dramatically reduce payback times for renewable energy.

We also need to live less extravagant and wasteful lives. Until the last generation or two, it was regarded as bad form to throw things out which could be mended or repaired, or to leave electric lights or appliances on if no-one was in the room. However, the age of television and television advertising, in particular, have fostered a culture of waste and extravagance. A lot of people now show no interest in turning off appliances which are not needed or in putting on or taking off a jumper rather than reaching for the switch of the heater or the airconditioner. We need to get out of petrol-guzzling cars and into using alternative fuels and public transport. This is not only good for the planet; it is good for our wallet and good for our physical health.

We need to protect forests around the world—such as the forests of the Amazon, Indonesia and Papua New Guinea. Carbon emissions are continuing to rise and countries around the world keep saying: 'We won't do anything unless other countries take action first.' They are fiddling while the planet burns. It is as if we are living in a home where no-one does the dishes, no-one washes the clothes, no-one puts the garbage in a bin and no-one cleans the toilet, and everyone says that they will not do their bit until someone else does theirs. Pretty soon the house becomes a pigsty. This attitude also reminds me of the idea of a large boat with 100 canoeists all paddling towards Niagara Falls. At some point the canoeists realise that they are paddling towards Niagara Falls, but each one of them keeps on rowing, saying, 'I'm not going to start rowing in the other direction until everyone else does.'

The carbon emissions reporting measure before the House is all about reporting emissions generated by the production of energy. But there are other significant sources of carbon emissions which also need to be considered in any debate of this kind. The areas of agriculture and forestry and the issue of soil carbon also warrant our attention. I know these areas are proving much more difficult to measure than energy based emissions, but they are important; and we need to do everything we can to get them involved and included.

Recently, the parliament's Joint Standing Committee on Treaties, which I have the honour of chairing, heard evidence in Darwin from the Charles Darwin University based Dr Russell-Smith, a senior member of the Tropical Savannas Management Cooperative Research Centre, concerning the problem of tropical savanna burning in the Northern Territory. Savanna fires are a massive source of carbon emissions in Northern Australia. They constitute half of the Northern Territory's carbon emissions. Depending on the extent of the fire season, they constitute between one and three per cent of Australia's greenhouse gas emissions in any given year. In 2002, 28 per cent of the whole of the Northern Territory was burnt. Dr Russell-Smith said:

... I should point out that the Kyoto Protocol gives us a marvellous opportunity to address a very significant land and economic issue in Northern Australia, which probably does not pertain as greatly to southern Australia. I would like to at least leave with you the importance of the protocol and where it leads us.

Dr Russell-Smith said that moving away from late, dry season fires of high intensity towards early dry season low intensity burns cuts carbon emissions in half—a 48 per cent reduction to be precise. Dr Russell-Smith drew to the committee's attention the West Arnhem Land Fire Abatement project. This project

is funded by ConocoPhillips, under a contractual agreement of 2005 with the Northern Territory government, to have Indigenous landowners in Arnhem Land manage the fire regime. This project gives a win-win-win or a triple bottom line benefit. There are Indigenous jobs, the unique wildlife of the area is better protected from fire, and carbon emissions are slashed. It is an excellent project and we need more of it.

One point which Dr Russell-Smith made, which I think the House might benefit from, was to point out the difference between sequestration in forestry projects under the Kyoto protocol, and agricultural emissions abatement, including things like savanna burning. With the forestry projects it is the sequestration of carbon into the living biomass above and below ground that is being accounted for. With savanna burning it is actually management against a baseline. You basically have to demonstrate the preproject level of fire extent in that landscape for, say, the 10 years prior to the project and then you can calculate the emissions. You manage against that baseline. The credits you get are against that baseline.

In the West Arnhem Land project, if we reduced the amount of emissions from 40 per cent, of which 32 per cent were late dry season, to 30 per cent or 25 per cent, we would get a very big emissions abatement. It is a quite different approach from sequestration and it can be measured year by year. It seems to me from this evidence that the measurement model for savanna burning is sufficiently sophisticated and advanced for it to be considered as part of the carbon pollution reduction scheme presently under development by the government.

There is also the issue of forestry and forests as a potential low-cost form of carbon abatement. One of the attractions of looking closely at forestry, agriculture and soil carbon is the potential to bring together a number of important social and environmental goals which have missed out over the years by not having an economic value assigned to them. Problems of climate change, salinity, running out of water, declining biodiversity, species extinctions and lack of Indigenous jobs all tend to be considered as separate problems and, while money does get thrown at them and an endeavour is made from time to time, one cannot help but think that our land management outcomes would be much better than they have been if we put all the issues together and assigned a proper economic value to them.

Recently I met with Rob Youl and Matthew Reddy from the Landcare CarbonSMART project. Landcare is a terrific project and Mr Youl and Mr Reddy are seeking to have it play a role in tackling climate change and indeed to find ways of rewarding landholders who act to tackle climate change. Their efforts should be applauded. They did draw my attention to the existence of some risks in some of the carbon offset programs which are currently being marketed. In particular, the idea of forward loading is a problem—people paying for the planting of a certain number of trees then claiming a carbon credit on the basis that those trees are going to grow pretty much indefinitely. Such claims are not verified and may well turn out to be wrong. Seedlings can die; they can be destroyed by fire and so on. These schemes lend themselves to fraud and double counting and they reduce the credibility of forestry offsets. Landcare CarbonSMART believes that the practice of forward loading should be banned and that carbon credits should be based on year-on-year outcomes against established baselines, much like the evidence that the Joint Standing Committee on Treaties heard in relation to savanna burning.

This bill will amend the administration of the National Greenhouse and Energy Reporting Act and make modifications to what information can be published by the government under the act. The act has established a national mandatory corporate reporting system for, and dissemination of information related to, greenhouse gas emissions and energy consumption and production. The reporting obligations under the act will lay the foundation for the proposed Carbon Pollution Reduction Scheme which will be introduced in 2010 and they will also assist the government to meet Australia's international reporting requirements.

I think that most corporations want and need to be able to play their part in the effort to reduce our greenhouse emissions, and the National Greenhouse and Energy Reporting System will provide a framework for them to better understand their greenhouse gas emissions and energy use profile. The system will provide the government with a better understanding of corporate greenhouse gas emissions and energy use to target efficient action to address climate change. This knowledge is fundamental to identifying effective ways to manage and reduce greenhouse gas emissions.

Many leading Australian businesses are already there and many of them have been there for years. They have realised that this is coming and they have been taking action to measure and manage and report their greenhouse gas emissions. Data collected by the National Greenhouse and Energy Reporting System will facilitate policy making on greenhouse and energy issues. The data will be available to state and territory governments and to the Australian public to inform effective climate change action at all levels in Australia.

An important goal of the system is to eliminate the duplication of industry reporting requirements under what is an existing patchwork of state, territory and Commonwealth greenhouse gas and energy programs. It provides a repository for data which may potentially serve the needs of all Australian governments. The government is working with the states and territories through the Council of Australian Governments to identify opportunities for streamlining national reporting requirements via this system.

The amendments set out in the bill are for the most part administrative amendments to improve the functions of the act. They do not impose any new regulatory burdens on industry, nor do they have a budgetary impact. In some cases the amendments are required to better reflect the original policy intent behind the act when it was introduced. In other cases the administrative amendments will increase flexibility for business to comply with the act.

This is an important reform. It will provide the government with a solid platform for the Carbon Pollution Reduction Scheme. I believe that there are enormous economic opportunities from responding to climate change and that we as a community must invest in a response to climate change so that we are prepared for the future and prepared to confront it as an economic challenge. And responding to it is all about economic responsibility. Unfortunately, as I indicated yesterday, those opposite are not willing to deal with this in an economically responsible way. They continue to look for a political angle to exploit rather than real policy solutions.

This is a government which has a comprehensive plan, in the tradition of reformist Labor governments, to genuinely address the issue of climate change. I said yesterday in the House—I have said it before and I will say it again—that global warming is the great challenge of our time. It is the 'what did you do during the war' question that our children and grandchildren will ask of us. The

national greenhouse emissions reporting scheme is a step in the right direction and I commend the bill to the House.

**KELVIN THOMSON MP**