

Passage of carbon pricing legislation moves Australia forward

On Wednesday morning the Government's carbon pricing (or emissions trading) bills passed the lower house, 74 votes to 72, marking a historic turning point for Australia's response to the challenges of climate change.



Credit: CSIRO

The legislation's passage was supported by cross-bench MPs Rob Oakeshott, Tony Windsor and Andrew Wilkie, as well as Greens MP Adam Bandt. The 18 bills are now expected to pass the next step of Senate voting in November.

These bills form the majority of the Government's climate change plan – the [Clean Energy Future package](#) – announced earlier in the year. The legislation for the National Carbon Farming Initiative, another subset of the package addressing rural sector climate change mitigation, passed previously in September.

The legislation has involved extensive consultation, assessment, design input and debate. Its passage is expected to bring some long-awaited certainty to business and industry, as well as wider sectors of the economy, given the fundamental influence of carbon pricing on economic planning and forecasting.

Put simply, Australia's carbon pricing legislation is designed to induce reductions in greenhouse gas pollution, primarily by the country's 500 largest emitters, while using revenues from this process to support low-pollution innovation, economic shift, and compensation to businesses and households affected by any consequential price rises.

Many economic and scientific experts have applauded the passing of the bills, saying the process moves Australia into competitive line with other major economies implementing similar measures to both address climate change and take advantage of new economic opportunities.

Professor Snow Barlow, Professor of Horticulture and Viticulture at the Melbourne School of Land and Environment, University of Melbourne, was one such expert, who gave his view through the Australian Science Media Centre.

'The passing of the carbon bills through the House of Representatives today is an historic moment for Australians

because it is the most significant move the nation has yet made to address Anthropogenic Climate Change.

‘It will restructure the economy to dramatically decrease its carbon intensity and position current and future generations for continued prosperity. The bills cover the major sources of fossil fuel emissions within our economy, energy generation and transport.

‘Perhaps more importantly, the well-conceived architecture of these carbon pricing bills gives government the capacity to meet current and future national and international emissions reduction targets while encouraging the development of less carbon intensive industries.

‘Contrary to much of the public debate we are not “going it alone”. We are in the very good company of many of our major trading partners such as China, Korea, the nation state of California and the EU, who are concurrently introducing measures to decrease the carbon intensity of their economies.

‘This well-structured carbon pricing package, competently implemented, has an excellent chance of achieving its objectives of controlling emissions, promoting low carbon innovation and ensuring that disadvantaged sectors of the community and industry do not suffer unfairly.

‘Within my particular area of expertise in the land-based sector, the package provides a much needed research, development and demonstration program. This will equip land managers to generate carbon credits by decreasing the carbon intensity of their activities while maintaining productivity and improving sustainability.

‘Although agriculture is not a covered sector in the first phase of pricing carbon, the income flows will allow the sector to reconfigure the landscape into a more sustainable design while preparing our food production industries to remain competitive internationally in a future carbon-constrained world.’

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