

# Australia pollution tax wins crucial backing

July 8 2011

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The odds for the price on carbon tax is displayed on the board of a betting agency in Melbourne, on July 8. Australia's controversial pollution tax looked all but certain to pass after a key lawmaker confirmed that he would support the package, which aims to reduce emissions blamed for climate change.

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Prime Minister Julia Gillard is on Sunday due to unveil the full detail of her deeply contested [carbon tax](#), which will see the country's top 500 [polluters](#) charged per tonne of carbon dioxide they emit into the atmosphere.

Gillard is staking her ailing political fortunes on the [tax](#) -- the most significant economic reform in Australia for decades -- scheduling a rare nationally televised address Sunday night to sell it to the public.

The Prime Minister is also planning a two-week "roadshow" across Australia to tout the scheme's benefits, and a taxpayer-funded advertising campaign.

She is expected to bring the legislation to a vote as early as August, when parliament resumes after a winter recess. The bill is not expected to hit any obstacles in the upper house, where the Greens hold the balance of power.

Australia is heavily reliant on [coal-fired power](#) and mining exports and has one of the highest per-capita levels of [carbon emissions](#) in the world.

Although the tax is deeply opposed by her conservative political rivals and a majority of the public, according to some polls, it looks set to become law after independent [lawmaker](#) Andrew Wilkie on Friday lent his support.

"I'm satisfied that my concerns have been addressed and I'm satisfied that the settings are right and that I will be supporting it," Wilkie told reporters.

"The government now, on my understanding, have the numbers."



Australia's Prime Minister Julia Gillard, seen here presenting the government's carbon emissions fact sheets during a press conference at Parliament House in Canberra, on June 14. Gillard is on Sunday due to unveil the full detail of her deeply contested carbon tax, which will see the country's top 500 polluters charged per tonne of carbon dioxide they emit into the atmosphere.

Wilkie is among a handful of independent MPs who, along with the minority Greens party, put Gillard into power following last year's deadlocked elections. Their votes are also crucial in passing legislation.

The former intelligence analyst-turned-whistleblower on the Iraq War said Gillard had agreed to concessions for energy-intensive exporters and compensation for poorer households on rising energy costs.

"I understand that the Greens are now happy with the proposal, my colleagues Tony Windsor and Rob Oakeshott have also indicated they are happy in principle," said Wilkie.

"I think it's fair enough that the government needs to know that when it fronts up on Sunday that it's got the numbers, and it now has."

The starting price for the tax, which will give way to an emissions trading scheme within five years, will be Aus\$23 (\$24.80) a tonne according to reports.

Such a rate would be on a par with the European Union's emissions trading scheme but lower than that recommended by an expert inquiry.

Gillard also confirmed this week that the number of companies liable had been slashed from 1,000 to 500.

Her ruling Labor party's environmental credentials were badly dented by failing to act on pollution in their last term, resulting in a backlash so severe it destroyed her parliamentary majority.

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