

Australian parliament passes divisive carbon tax

October 12 2011, by Madeleine Coorey



Conveyor belts carry coal from the open cut mine to the Loy Yang B power station in the Latrobe Valley, 150km east of Melbourne. Australia's lower house on Wednesday passed a contentious new tax on carbon pollution to combat climate change which has angered many voters and threatens Prime Minister Julia Gillard's hold on power.

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After years of heated debate, the government won the count on what it said was the most important environmental and economic reform in a generation.

"Today is a significant day for Australians and the Australians of the future who want to see a better environment," Gillard said ahead of the parliamentary vote, which must now win approval in the upper house Senate.

The deeply divisive levy will mean the nation's biggest producers of [carbon emissions](#) will be forced to "pay to pollute" from July 1, 2012 -- initially at a fixed price before moving to a market-based trading scheme.

Government ministers embraced and clapped after the vote, with [Prime Minister](#) Julia Gillard exchanging kisses with the man she ousted to become leader, Kevin Rudd, in the celebrations.

But the prime minister was later repeatedly heckled during Question Time by scores of protesters in the public gallery, who accused Gillard of breaking election promises and chanted "democracy is dead" and "no mandate".

"The people are very angry and frustrated and don't know what to do because the government says they are of no consequence," said one of the demonstrators, Peter Madden, after being asked to leave the gallery.



File photo shows Australia Prime Minister Julia Gillard (L) presenting the

government's carbon emissions fact sheets at Parliament House in Canberra in June 2011.

The tax bills are expected to pass in the Greens party-controlled Senate next month, and the government says it will soon begin discussions on linking the scheme to other carbon markets.

Australia, one of the world's worst per capita [polluters](#) and a major exporter of coal, has long grappled with how to combat climate change but previous bills to introduce [emissions trading](#) schemes have been defeated.

While Gillard managed to get her Clean [Energy Bill](#) 2011 through parliament 74 votes to 72, it is bitterly contested by the conservative opposition which argues it will be ineffective, cut jobs and increase the cost of living.

The row over climate change has brought down former prime minister Rudd and two leaders of the opposition in the last two years and made Gillard extremely unpopular with voters.

Thousands protested at rallies nationwide against the levy, accusing Gillard of lying when she said ahead of her narrow August 2010 election win that there would be no carbon tax under a government she led.

The parliamentary win comes amid speculation that Rudd -- who is far more popular with the electorate than the dismally-polling Gillard -- will mount a challenge to her leadership.



An anti-carbon tax protest encircles the Parliament House ring road in Canberra in August 2011. While Gillard managed to get her Clean Energy Bill 2011 through parliament 74 votes to 72, it is bitterly opposed by the conservative opposition

And it follows the embarrassing failure of Gillard's plan to send boatpeople to Malaysia, after the deal was ruled invalid by the High Court.

The prime minister, who leads a minority coalition with the Greens and three independent MPs, defended the government's campaign in favour of its carbon tax, which opinion polls show is opposed by a majority of voters.

"The vast majority of Australians believe in climate change," Gillard said.

But opposition leader Tony Abbott accused the prime minister of "betraying the Australian people with the introduction of the world's biggest [carbon tax](#)".

He gave a "pledge in blood" to repeal the tax if elected to government at the next national polls -- not expected until late 2013.

Environmental groups welcomed approval of the levy, which they hope will help secure the future of national treasures such as the Great Barrier Reef and encourage greater global action on [climate change](#).

The tax, which will place a fixed price of Aus\$23 (US\$22.83) per tonne on [carbon pollution](#) for the first three years before shifting to a market-based trading scheme, aims to cut emissions by 80 percent of 2000 levels by 2050.

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