

Australia passes controversial carbon pollution tax

November 8 2011, by Amy Coopes



File photo of the Hazelwood power station east of Melbourne. A new pollution tax will require Australia's coal-fired power stations and other major emitters to "pay to pollute" from July 1 next year.

Australia passed its controversial pollution tax Tuesday in a sweeping and historic reform aimed at lowering carbon emissions blamed for climate change, after years of fierce debate.

Cheers and applause broke out as the Senate approved the Clean Energy Act by 36 votes to 32, requiring Australia's coal-fired power stations and other major emitters to "pay to pollute" from July 1 next year.

Prime Minister Julia Gillard said it was the culmination of a "quarter of a century of scientific warnings, 37 parliamentary inquiries and years of bitter debate and division."

"Today Australia has a price on carbon as the law of our land," she said.

"Today we have made history -- after all of these days of debate and division, our nation has got the job done."

Gillard said the scheme -- which will levy a price of Aus\$23 (US\$23.80) per tonne on [carbon pollution](#) before moving to an [emissions trading scheme](#) in 2015 -- would begin to address "the devastating [impacts of climate change](#)".



In this file photo, anti-carbon tax protest, known as The Convoy of No Confidence is seen encircling the Parliament House ring road in Canberra, in August. Australia's upper house passed a controversial pollution tax on Tuesday in what the government called an "historic day" after years of bitter debate which felled a sitting prime minister.

Australia was hit by floods and cyclones earlier this year, a cruel twist for areas which have just emerged from epic drought, and scientists have warned [climate change](#) will likely make [extreme weather events](#) more frequent.

Gillard said the reforms, which include investments in [renewable energy](#)

[sources](#), would result in Australia cutting its carbon emissions by 160 million tonnes in 2020 -- equivalent to taking 45 million cars off the road.

Only New Zealand and the European Union have taken comparable economy-wide action by introducing cap-and-trade schemes, and the tax will put mining-driven Australia at the forefront of efforts in the Asia-Pacific.



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Tuesday's vote caps a tumultuous period in Australian politics, largely centred on how the vast nation, which is among the world's worst per capita polluters, should tackle [carbon emissions](#) linked to global warming.

Former prime minister Kevin Rudd harnessed an unprecedented wave of popular support for climate change action in 2007, winning election in a

landslide after campaigning to ratify the Kyoto Protocol and take other green measures.

But his plans were frustrated by entrenched conservative opposition which led to him shelving a proposed emissions trading scheme, damaging his credibility. He was ousted by Gillard in a Labor party-room coup in 2010.

Gillard went to the subsequent election promising there would be no carbon tax, but later backflipped, saying it was a necessary first step towards a flexible carbon pricing scheme.

Australia is heavily reliant on its coal exports, and thousands have rallied against the levy which they argue will raise living costs, cut jobs and, ultimately, be ineffective.

Elsewhere in Asia, South Korea is pursuing a "cap without trade" scheme involving some 450 companies from next year in preparation for a full [emissions trading](#) scheme (ETS) from January 2015, but Japan shelved national ETS plans late last year.

China is considering a pilot ETS programme in some provinces and while there are sub-national schemes in some parts of North America no broad-scale action has been taken in the United States.

The timing of the vote is significant, representing a firm commitment ahead of high-level UN climate talks in South Africa later this month that are being called a "make or break" meeting for legally binding [carbon](#) emission reduction targets.

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