

Repeal of Australia's carbon tax moves closer

November 21 2013



Protesters hold a placard during a rally against a carbon tax in Sydney on July 1, 2012

A bill to abolish an Australian carbon tax designed to combat climate

change cleared parliament's lower house Thursday with the new conservative government saying "it doesn't work".

Scrapping the divisive tax was a central election promise for Prime Minister Tony Abbott who argued that the cost of the levy was passed on to consumers, resulting in higher utility bills and day-to-day costs.

The tax charges the country's biggest polluters for their emissions at a fixed price and was due to transition to an [emissions trading scheme](#).

"We will be repealing the carbon tax, firstly, because it doesn't work, secondly, because it destroys our competitiveness and, thirdly, because we gave our word," Environment Minister Greg Hunt said.

The government claims that removal of the tax would strengthen the economy of Australia, which is among the world's worst per capita polluters due to its reliance on coal-fired power and mining exports.

Abbott instead favours a "direct action" plan that includes an incentive fund to pay companies to increase their energy efficiency, a controversial sequestration of carbon in soil scheme, and the planting of 20 million trees.

Labor opposition [climate change](#) spokesman Mark Butler called it a "very sad day for the Lower House of the Parliament".

"There was a great opportunity here for us to find a middle ground," he said.

While the government has the numbers in the lower house, Labor and the Greens have control of the upper house Senate where the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 now goes.

In an email to Liberal supporters after the bill passed, cited by Australian media, Abbott said: "It will be up to the Senate to respect the will of the people and vote to scrap this job-destroying tax ... I want the repeal of the [carbon tax](#) to be passed by Christmas."

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