

Blow for Australia government as carbon tax repeal fails

July 10 2014, by Martin Parry



A demonstrator shouts slogans during a protest against a carbon tax in Sydney on July 1, 2012

Australia's conservative government on Thursday suffered a setback when the upper house Senate voted against abolishing a carbon tax, the central platform of its election win last year.

Prime Minister Tony Abbott went to the polls in September vowing that the divisive pollution levy would go, arguing the cost was being passed to consumers, resulting in higher utility bills.

The tax was imposed by the former Labor government on major polluters from 2012 in a bid to reduce carbon emissions.

The government was confident it had the numbers in the Senate for its repeal bill to go through, but at the last minute powerbroker Clive Palmer ordered his three senators to vote against it.

It was defeated by 37 votes to 35.

The Palmer United Party sided with Labor, the Greens and another minor party, claiming the government had not adequately dealt with its insistence that savings from the tax's axing were passed on to consumers.

Palmer had added a late provision to the amendments he demanded to support the repeal, that if savings were not passed on by July 1, 2015 energy, gas and electricity producers would have to pay stiff penalties.

"That wasn't well received," Palmer, a mining tycoon best known for his plan to build a replica of the Titanic, said of the government's reaction.



Australian Prime Minister Tony Abbott at the US Department of State in Washington, DC on June 12, 2014

Before the vote, Abbott, who once said evidence blaming mankind for climate change was "absolute crap", had heralded it as "the day when the [carbon tax](#) is finally scrapped".

Ministers vow to fight on

His ministers vowed to fight on and re-introduce their bill to the lower house on Monday after further talks with Palmer.

"We remain calmly, methodically, determined to continue to proceed until the carbon tax is repealed," Environment Minister Greg Hunt said.

"We are determined to honour the will of the Australian people."

Senate leader Eric Abetz added that the failure of the bill was down to "a technical issue" and he was confident it could be sorted out.

"The Palmer United Party are committed to the repeal of the carbon tax, as is the government, so I believe that next week we can resolve the issues that were of a technical nature," he said.

The government says axing the tax would save the average household Aus\$550 (\$517) a year and strengthen the economy, which is among the world's worst per capita polluters due to its reliance on coal-fired power and mining exports.

Under the carbon tax, the country's biggest polluters pay for the emissions they produce, giving them an incentive to reduce them.

The Abbott administration—the first post-war Australian [government](#) not to have a science minister—favours a "direct action" plan that includes financial incentives for polluters to increase their energy efficiency.

The Climate Action Tracker, an independent monitor of countries' carbon pledges and actions, has claimed this method will increase Australia's emissions by 12 percent in 2020 instead of reducing them by five percent from 2000 levels as per its own target.

Australian Conservation Foundation chief executive Kelly O'Shanassy welcomed the failure of the bill and urged that it be rejected again if re-introduced next week.

"Our price on pollution is working; in fact it is working spectacularly well, and we hope that with the time they now have, our representatives in parliament think deeply about why they would scrap a working law," she said.

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