

## Australian Greens Budget Reply

### Senator Christine Milne, May 15, 2008

[Senator MILNE](#) (Tasmania) (8.26 p.m.)—The arctic ice and the Saudi Arabian oilfields seem a long way from Australia and Prime Minister Rudd's 2008 budget. But they should be at the forefront of our minds as we consider what a real leader, a leader contemplating the state of the world and the wellbeing of all people, would have delivered for our nation in his first budget. Leadership means having the courage and imagination to face up to the challenges of the time and to formulate a vision worthy of the people, their future and the situation in which they find themselves. It means presenting that vision in such a compelling way that people are inspired to be part of it.

Faced with the fear and crises of the Cold War and the space race, President Kennedy captured the imagination of his country when he announced that America would put a man on the moon within the decade. He could not have known if the moon mission would be successful in a decade or how much it would cost, but he united Americans around a goal that fired their imagination and he succeeded. The same can be said of Churchill, when he exhorted Britons with those famous words, 'We will fight them on the beaches,' during the Second World War. The cost of not winning, the loss of freedom and a way of life, made losing unthinkable in both cases, and the people lifted.

The summer arctic ice melt and the depleting oil reserves are representative of the social and economic catastrophe that we now face from global warming and peak oil—every bit as compelling as the challenge faced by Churchill and Kennedy. The evidence is now clear that slow and steady action is a recipe for ongoing disaster. We are already experiencing dangerous climate change and may have passed peak oil. If we are to avoid catastrophe, we must not only reduce emissions but halve them by 2020 and cut them to net zero as soon as we can. We must build a new postcarbon economy and society and we must do it now.

Henry David Thoreau once wrote: 'In the long run, men hit only what they aim at. Therefore, though they should fail immediately, they'd better aim at something high.' If we try, perhaps we will succeed, and at worst we will fall short of the target. But if we do not try we will certainly fail. A true leader would try. The 2008 budget demonstrates that we do not have a leader, a Prime Minister, equal to the task. We have a manager for business-as-usual times when we have already gone beyond business-as-usual times. We have an accountant when we needed a fiscal visionary.

This budget props up Third World economic vulnerabilities by selling off our natural capital. The government's expenditures, taxes and subsidies undermine instead of unleash knowledge based industries and intelligent green growth. This budget's plan for selling off natural assets does not represent a strategy for responsible financial positioning. Giving the community a few more dollars in tax relief to slightly reduce the significantly higher costs of petrol, food and energy, driven in large part by climate change and oil depletion, whilst living and working in the same ways, does not deal with the problem. Superficial promises to cut the excise simply delays the action that we need to take in oil-proofing the country to address the underlying causes of high food and fuel prices.

The world as we know it is already permanently physically changed. It is shocking to know that by 2013 growing scientific evidence suggests there will be

no arctic summer ice and the magnificent polar bear and numerous other species will be close to extinct in the wild. The risk of the thermohaline ocean conveyor slowing or stopping is heightened. The age of cheap, easily accessible oil is over not only because we are running out but also because we cannot afford to keep on using it if we are to reduce greenhouse gas emissions. There is no going back. But how we go forward will determine whether we experience a future that delivers positive benefits for people and communities or one that delivers poverty, scarcity and conflict.

Prime Minister Rudd gave Australians the impression that he understood the urgency and magnitude of climate change when he acknowledged that it is the greatest moral and economic imperative of our time. Addressing climate change was a key element of his election appeal. But now it is clear that the Rudd government is just as negligent as the Howard government. Global warming is not just another budget item. Oil costs are not just a figure in the current account deficit. It is a figure that will grow to \$25 billion by 2015 and beyond.

Global warming and oil depletion represent the biggest challenges that we will face in our lifetime. But they also represent the greatest opportunities to make our lives not only different but better. What is required is total transformation of our way of life and the economy that underpins it. As UN Secretary-General, Mr Ban Ki Moon, said prior to the Bali United Nations Framework Convention on Climate Change conference:

We have experienced several great economic transformations ... the industrial revolution, the technology revolution, our modern era of globalization. Now we are on the threshold of another revolution—the age of green economics.

He then went on to call on nations to fight global warming and promote that transformation.

There is an emerging consensus that nations and corporations that fail to understand this imperative will lose competitive advantage, while those that grasp the new opportunities it offers will prosper. Australia is well on track to losing competitive advantage, not because we are not blessed with fantastic natural advantages, not because we do not work hard or because we do not have the capacity to be different, but because we fail to grasp that imperative and that opportunity. As Albert Einstein said, 'The world will not evolve past its current state of crisis by using the same thinking that created the situation.'

We know we need to change. We are materially better off than generations who have gone before, but is the price worth it? We are already living the rat race that people who fought for and won the eight-hour day would not believe possible. We have given up weekends in the name of productivity and efficiency. We have to work harder and longer for bigger houses full of stuff that we do not need and which are literally costing us the earth. Our children have to work to get themselves through university and are then saddled with HECS debts. And our aged are lonely and undersupported with families who have little time to visit or care for them. How fair or sensible is it for people to go to bed with their mobile phones and be required to be available 18 hours a day? Tired people are unhappy people, yet so many adults and children go to work and school in the dark and get home in the dark, having wasted four hours or more in traffic jams. How many of us do not know our neighbours and have no time to walk anywhere or grow anything in our gardens? How many of us can offer to do community voluntary work or play amateur sport and engage and be part of the local community? We live day to day with a nagging uneasiness about living in a rich society where many are poor, homeless and sick. How many of us buy our

families more consumer goods to make up for the time that we cannot spend with them? How many of us regret that fruit and vegetables come from all over the world when local farmers are struggling to survive? How many people, when asked, answer that what would make them happy is more time? The treadmill seems inescapable.

But the surplus generated by the resources boom has given us a one-off opportunity to change. And global warming and oil depletion make it impossible not to do so. Australia has a choice. All that is holding us back is the lack of imagination and the political will to change. What needed to happen in the budget was for the government to fund a vision for transformation, but instead it squandered both the opportunity and the surplus in tax cuts, reduced services and slashed research. Whilst there are education, health and infrastructure funds, there is no climate fund, with nothing for disaster readiness. We have spent \$10 billion on counterterrorism since September 11 but only \$500 million on emergency relief capability. We are not immune in Australia from massive natural disasters caused by climate change. As one of the wealthiest countries in the region, Australia should establish a global disaster relief centre to coordinate civil and military aid responses to disasters like cyclones, floods, bushfires, earthquakes and tsunamis at home and abroad. Imagine how we would be feeling today if we had a real vision for a sustainable future such as that painted by the Greens. Imagine if the Prime Minister, through his Treasurer, had said what a Greens Prime Minister would say. Here is what we would have heard:

'We as a world and a nation are living beyond our ecological limits and suffering global warming and oil depletion. Our land is sick and, in spite of our surpluses, in spite of being materially better off than our forebears, we are not as healthy or happy as we could be. We need to aim for a higher quality of life—to be happier, healthier and more fulfilled with greater environmental, social and economic resilience in the face of the challenges before us. It is time to face up to climate change, time to embark on a great new Australian initiative. It is time to make imagination Australia's natural resource of the future. We must reconcile our humanity with our economics. We need transformation—a wave of environmental, social, technical and economic innovation that will touch every person, community and institution such that we change from a resource economy to a knowledge economy living in harmony with the land, rediscovering our connection to life. And we need it urgently. To that end my government, with your help, will make imagination the resource of the future. We will make Australia sustainable by 2020—ecologically, socially and economically sustainable by 2020.

We have delivered a transformative, enabling budget that will make it happen. To reach our goal of sustainability we will need every one of us to bring to the task all of the brainpower, innovation, creativity, and nation-building capacity that we can muster. We have designed a budget strategy that by 2020 will: (1) deliver all of Australia's electricity from renewables; (2) maximise the energy efficiency to all of the nation's businesses and industries and homes; (3) heal our country by ending the logging of the remaining native forests and clearing of savannahs, restoring and building resilience in ecosystems and maintaining the carbon they store; (4) redesign and revitalise Australia's cities into urban villages linked by rapid mass transit and cycleways; and (5) produce more of our own food sustainably.

To do this we need a healthy society and a well-educated one. We need to increase our spending on education, research and innovation at every level from schools, TAFE colleges to universities and research institutions. We need free

public preschool for all children, 12,000 new teachers, a 50 per cent increase in capital and maintenance investment, and a rise in teachers' salaries. We need to make teachers, especially in the TAFE system, permanent again. A knowledge nation values its teachers even more than it values its sports stars or celebrities. After a decade of denigrating public schools, we need a national empowering public schools program to encourage and resource excellence and promote enrolment in local schools.

Local schools strengthen local communities, and local communities will be the backbone of a sustainable society. Sustainability must be incorporated into the curriculum and in all vocational courses. To rapidly achieve the transition to a postcarbon economy, we need every person to understand the values that underpin sustainability. This is not the time to slash \$63 million from CSIRO funding. Science is critical to a sustainable future. We cannot drive a revolution on the scale we are talking about on a scale greater than the IT revolution, for example, without science and energised students.

We will abolish HECS. Instead of tax cuts for the rich, we will provide students with a living allowance so that no student is forced to work during term time. Doesn't that make for happier families, healthier students and a better educated population? We will have national discussions about how we can work together to be healthier and happier and share the changes and workloads to achieve these goals in a way that reduces the gap between the rich and the poor, the overemployed and the underemployed. We need to come to a national consensus about how we can have a higher quality of life by redesigning our homes, communities, cities and workplaces and our ways of life to be more sustainable.

The future is ours for the making. We embrace the challenge and look forward to 2020 when we will look back and say that we were the generation that set Australia on the path to the healthy, happy and authentically sustainable nation that it has become. We were the generation that did not disappoint our children or steal their future from them.'

Mr President, that is the speech Australians would have loved to hear. It would have drawn a line under the past and made the future hopeful and exciting, not daunting. But instead of such a speech, we had what can only be described as a tweaking of the parameters of imagination and thinking of the Howard years. Whilst there have been welcome changes to try to reduce the gap between the rich and poor and to alleviate additional costs of child care and energy, they can only be seen as token against the backdrop of the tax cuts. The increased tax on luxury cars will be offset for the rich many times over by the huge take-home pay hike for the wealthy as they pocket their tax cuts. The 30 per cent private health insurance rebate, costing almost \$5 billion a year, has not been touched.

A person on \$300,000 will take home \$91 a week more, whilst a person earning \$30,000 will take home only \$11. One tank of petrol or one visit to the supermarket will absorb that and more for a low-income earner. If the government was serious about a more equitable society, it would have seriously addressed inequity by not proceeding with tax cuts for those earning over \$75,000. The Greens will move to amend the budget accordingly.

The current disparity between what the rich get and what low-income earners get is stark when you consider that, by 2011-12, the cost of superannuation tax concessions will exceed the cost of the age pension. How can any Labor member of this parliament justify that? To suggest that a one-off energy payment will

satisfy pensioners' needs is dishonest. The age pension is inadequate and must be increased.

While the one-off payment to carers is welcomed, because anything is better than nothing, the government has failed to deal with the long-term wellbeing of carers. They urgently need an increase in carer payment and a scheme to address their long-term disadvantage, for instance, in superannuation. We cannot say that our society is sustainable if carers' vital work, impacting on their own mental and physical wellbeing, puts them in the lowest social wellbeing index.

To address gambling or alcohol abuse we must ensure that taxes are returned to address the problems generated. The \$10 billion dollar alcohol abuse problem will not be minimised by filling government coffers with an undirected alcopop tax but by redirecting that taxation revenue to education, counselling, access to services and by banning advertising. That is what the Greens seek to do.

Funding for Indigenous people does not match the government's rhetoric, nor adequately addresses what needs to be done. Around \$450 million per year is needed for health if we have any hope of closing the gap between Indigenous and non-Indigenous Australians, yet in this budget the spending is only \$250 million for all programs and most of that is misdirected through the government's discriminatory ill-targeted Northern Territory intervention, spending another \$69 million for administration of the failing income quarantining debacle.

The nation is in surplus. Surely now is the time to invest in making it fairer. Whilst certainly not a Green budget, this is not even a traditional Labor budget. It will benefit the already wealthy without addressing the underlying causes of increased costs of food, petrol, and energy which hurt everyone, but which disproportionately hurt those who are already struggling.

So what of the five headlines of a green budget needed to deliver a sustainable Australia? How did they fare under the Rudd budget? Instead of hearing a vision that all of Australia's electricity will come from renewables by 2020, we heard a deathly silence on commercialisation or rollout of renewable energy technologies. The Greens say: can we do this by 2020? Yes, we can. Ask yourself whether, in 1995, only 13 years ago, you would have thought it possible to have the world wired for instant global communication or that our lives would revolve around instant messaging received by telephones in our pockets. But a renewably powered Australia by 2020 will not happen by paying lip-service to renewable energy technologies and giving \$500-plus million to support a coal technology that does not exist and has no prospect of delivering any significant emission reductions by 2020.

What should have happened is as the Greens have advocated—a bold emission reduction target for 2020, the establishment of a 'sun fund' of \$3 billion over 10 years to drive research development and commercialisation, as well as the introduction of a feed-in tariff to support these technologies that are ready to go but are not as cheap as wind. A bill such as the one I introduced today is what is needed.

The 20 per cent mandatory renewable energy target is a good start but should have been at least 25 per cent. It currently is most effective for wind energy but has to be supplemented by a feed-in tariff for the technologies that are market ready but not yet the least-cost technology. The fact that the government do not understand renewable energy or the realities of large-scale rollout of the technologies or barriers to market readiness is no better demonstrated than by

their rush, within 24 hours of the budget, to try to fix the mess they have made by giving everything to clean coal in 2008-09 and by flagging that they will patch the gap by shifting \$40 million from the Energy Innovation Fund which was previously committed to solar energy storage and hydrogen technologies and redirecting it to assist geothermal energy companies with ongoing drilling costs.

Why is the government trying to divide and rule the renewables sector by taking from solar to give to geothermal when it should have taken the funds from the coal industry's pipedream? Has the government decided to destroy the solar sector? Any preliminary analysis or even a conversation with the industry would have revealed that means testing rooftop photovoltaics would lead to a complete collapse, and so it is already happening. Within 24 hours of Minister Garrett's myopia, solar companies are already calling my office, reporting that potential customers have indicated that they will not be proceeding with photovoltaics. There is serious speculation of industry-wide collapse, taking down the government's Solar Cities program on the way out. This is amateur hour for the government, and it will have to reverse it. Did the government even consult the renewable energy sector, or were Ministers Garrett, Ferguson and Wong too busy meeting with the coal companies to make time?

Another Green headline: maximising energy efficiency across the country, from huge industrial complexes to offices and to every home by 2020. Yes, it is a big idea. It is a climate winner, an expansive jobs and manufacturing industry driver and it is achievable. The Greens have put forward a series of policies that would, given a sufficient investment, drive systemic change of this kind across Australia. The first, the Energy Efficiency Access and Savings Initiative, or EASI, would retrofit all of Australia's 7.4 million homes over the course of a decade, rolling out home energy audits, providing the service and paying the up-front cost, which would be recouped through savings on energy bills. EASI would require an up-front investment from the government that, at its peak, would reach \$22 billion. But it would more than repay itself, not only through direct repayments but also through deferred investment in new power stations and electricity grid infrastructure, reduced emissions and greater household amenity.

We also have EASI programs, energy efficient programs, driving energy efficiency in commercial buildings across Australia and in large industrial complexes, requiring them to implement the energy efficiency opportunities that they have identified in the audits that have been conducted to date. Instead of this, set against that bold vision, what Rudd Labor promised in the budget is a confused hodgepodge of small-scale investments targeted at achieving media coverage now, a few photo opportunities down the track and very little in the way of real emissions reductions. The Rudd government has broken an election promise to spend \$225 million over three years to 2010-11; instead, committing only \$126 million by that time.

The government's green loans scheme is tokenism when what we need is systemic change. With only \$240 million allocated, a third of it not to be spent until after the next election, it could give loans to as few as 24,000 households if each chooses to borrow at the top end of the \$10,000 limit. The slow start, with no sense of urgency, means that as few as 1,360 homes could benefit in the next year and only 16,000 before this government's term could be ended at the next election. What is more, by only providing financial support, it ignores the other well-known barriers to people taking up energy efficiency opportunities; namely, lack of information and lack of priority.

The Low Emission Plan for Renters is similarly tokenistic and ill thought out. With only a \$500 rebate available for landlords to install insulation—less than half the cost in many cases—landlords still have very little incentive to save their tenants energy and money. It also has a slow and late start. Housing assistance is one way to permanently reduce costs for low-income earners. All new housing initiatives must meet high energy efficiency standards and be on public transport routes. Immediate housing affordability is not seriously addressed, as people are still struggling to find affordable rental properties or are struggling to pay their mortgages. The Clean Business Australia initiative, Climate Ready, the Green Building Fund and Re-Tooling for Climate Change are more of the same: piecemeal, minimally funded, with no sense of urgency.

Green headline 3: heal our country by ending the logging of the remaining native forests and the clearing of savannahs, restoring and building resilience in ecosystems and maintaining the carbon they store. This would be a climate and biodiversity winner, but instead the government continues to drive ecological destruction and the destruction of rural communities by slashing the environment budget and continuing to subsidise logging and the managed investment schemes that are destroying river systems and town water supplies as well as social harmony in rural Australia. The carbon and biodiversity tragedy of the loss of old-growth forests in Tasmania, Victoria and New South Wales can be sheeted home to the Rudd government just as much as to the Howard government. The Minister for the Environment, Heritage and the Arts is just as responsible as his predecessor.

Under Rudd Labor, Collins Street farmers are set to own the water in our rivers and pay nothing for our groundwater. According to the government's 2007 Tax Expenditures Statement, the tax deductibility of forestry managed investment funds will cost \$140 million in 2008-09, \$365 million in 2009-10 and \$425 million in 2010-11. In other words, the Rudd government plans to pay the rich to destroy our ecosystems, forgoing almost a billion dollars over three years. Meanwhile, it is taking \$50 million away from the Department of the Environment Heritage and the Arts and abolishing the Biodiversity Hotspots program.

Caring for our Country is ad hoc and non-strategic, with no increase in spending on the environment. It demonstrates that the government has failed to learn the positive and negative lessons of the Natural Heritage Trust. Once again, there is no understanding of the need for landscape scale restoration or the urgency of the task. In the Murray Darling Basin, for example, long term targets for return of water to the Murray have still not been set and—amazingly—the Murray Darling Basin Ian does not come into effect until 2019. We will have a plan and no river. The much vaunted reform has not overcome the conflict between the states. The science says that 3,500 gigalitres of water must be returned to the system if it is to have any chance of recovery. When are we going to get it, Prime Minister?

Redesigning and revitalising Australia's major cities into urban villages linked by rapid mass transit and cycleways is the Green's fourth headline. This is not only a great climate idea, it goes to the heart of the stress and obesity crisis that we face. The Greens would invest heavily in public transport and redesign our cities to be people-friendly rather than car-friendly. We would allocate at least 25 per cent of the \$22.3 billion AusLink 2 funding for 2009-10 through to 2013-14 to major infrastructure projects that shift people or freight off roads and onto more climate friendly alternatives. By 2014, the proportion of funding for low-polluting and mass transit options should be greater than that for roads. But it is certainly not going to be the case.

Imagine the difference to people's quality of life if they could walk to work or cycle in their neighbourhoods and move between neighbourhoods on rapid transit. The oil crisis and the climate crisis make it critical that jobs are taken to where the people are, rather than move people to the jobs. This would mean that people have more time to enjoy their lives—they would be healthier, breathe cleaner air and get to know their neighbours. Instead, the Rudd government has invested only \$78 million in dealing with congestion, and has continued with billions into roads and freeways. No government that takes peak oil or climate change seriously would spend only five per cent as much on rail as on road funding in the coming year. The government has not even had the courage to abolish the fringe benefits tax concession for motor vehicles, the cost of which will be about \$1.6 billion in this financial year alone. Getting rid of it would have been a clear climate winner and behaviour change driver. If an equivalent tax concession was made for public transport it would take people out of cars and on to public transport. Even with cars, we have no vehicle fuel efficiency standards, and the Rudd Green Car program, much spun and publicised, does not begin until 2011—after the next election.

The Greens would expand the AusLink funding guidelines to include urban, intrastate and interstate public transport infrastructure projects. We would ensure that AusLink's corridor strategies would address the issues of oil vulnerability and greenhouse gas mitigation.

Finally, the Green's fifth headline for a sustainable Australia by 2020 is 'going with our own food'. Imagine if Australians produced more of our own food and produced it sustainably. It is a high level goal because it goes to the heart of our health and wellbeing, the interaction in our neighbourhoods and our interaction with our rural communities. The world's food production systems are becoming increasingly frayed by ecological degradation and human rights abuses. Every Chinese frozen vegetable that finds its way into Australian mixed frozen vegetable packs is subsidised by environmental destruction and low wages. Extreme weather events will drive shortages as land is turned over to biofuels, cooking oils and plantation forests. In spite of the free trade mantra, countries are now declaring food emergencies. (*Extension of time granted*) We need a national food plan to deliver food security in the face of the collapse of global free trade markets, crop collapse because of drought, floods or fires and displacement by plantations. We need to understand our food better—where it comes from, what it takes to grow it and what carbon is embedded in it.

Just as the climate is approaching a tipping point, so too is society. Revolutions do not occur when people are ground down as in the Howard years—they occur when they expect things to be better and their hopes are dashed. The Australian people want us to aim high in addressing the overwhelming challenges of our time. They want to be part of the solutions. The Greens provide that vision and the new thinking that will actually solve these massive challenges. The climate will not wait for governments which cannot imagine a different world and neither should the people, for it is an uncharted, different world that we are now a part of.