

**Senate Finance and Public Administration Legislation Committee**  
**ANSWER TO QUESTION ON NOTICE**  
**Prime Minister and Cabinet Portfolio**  
**Department of Climate Change**  
**Budget Estimates Hearing—May 2009**

**Written question reference:** CC30a-b

**Outcome/Output:** Outcome 1, Output Group 1.1 – Response to climate change

**Topic:** Carbon Pollution Reduction Scheme

**Hansard Page:** Not relevant for written QoN

**Question:** (Senator Boswell)

I refer to the Government's repeated claims that it has secured support for the passage of its CPRS legislation from industry, quoting specifically the AiGroup and the BCA.

- a) Last week, the Australian newspaper published an opinion article by Greg Gailey, President of the BCA, arguing that "*the [CPRS] legislation should not be approved until the scheme's design is resolved*", citing a significant number of outstanding issues and unresolved conflicts with the legislation. How can the Government stand before the Australian public declaring industry support for the passage of its flawed legislation, when one of the associations specifically mentioned clearly does not support it in its current form?
- b) Last week in a Senate Climate Policy Committee hearing I questioned a very reluctant Peter Burn from the AiGroup regarding his organisations support for the CPRS. I proposed to Mr Burn that the AiGroup position was that the CPRS legislation should go ahead as it is with Coalition support. He objected vehemently saying this was not his organisations position. I will read you an extract from that committee:

**Senator BOSWELL**—*The scheme is on the table. We are in the Senate; the scheme as it is now comes up and we are called to vote. The bells are ringing and all those who are for it go to one side and all those who are against it go to the other. Which side does the Ai Group want us to go—the ayes or the noes?*

**Mr Burn**—*The Ai Group will continue to talk to all members of parliament about developing improvements to the scheme. And just to answer your question: it would be foolish for us to reveal our bargaining position at this point publicly when we are in the process of ongoing discussions.*

I will read you another extract from that committee promulgated by your very own Senator Cameron:

**Senator CAMERON**—*Before I go to that, can I first of all turn to the Australian Industry Group and to Mr Burn. In your recent press release you said: "Ai Group supports the passage of the CPRS legislation this year including the elements of the package announced today." Is that still your position?*

**Mr Burn**—*That is part of the position, Senator. The other part that is relevant and I raise it because I raised it also in speaking to another question is that we will continue to seek changes on behalf of members.*

Has the Government received advice from the Ai Group that they support the passage of the CPRS legislation in its current form? And I ask again, how can the Government stand before the Australian public declaring industry support for the passage of its flawed legislation, when both of the associations specifically mentioned clearly do not support your scheme in its current form?

**Answer:**

The Business Council of Australia (BCA) and the Australian Industry Group (Ai Group) have called on the Senate to pass legislation this year to establish a Carbon Pollution Reduction Scheme (CPRS). These groups have identified some issues that they would like the Government and Opposition to work together to resolve prior to the passage of the legislation this year.

BCA has consistently stated that the CPRS is *‘of such fundamental importance that it should receive bipartisan support to provide maximum business certainty’*. On 4 May 2009, the Business Council of Australia called on the Senate *‘to pass legislation this year to establish a Carbon Pollution Reduction Scheme’*.

Also on 4 May 2009, Ai Group in a media release indicated it *‘supports the passage of the CPRS legislation this year including the elements of the package announced today’*. The media release also noted that *‘Ai Group has consistently called for the legislation to be passed this year. This is critical to establish the degree of certainty business requires in assessing medium and longer-term investment decisions. It is particularly important in the current context because of the central role that business investment needs to play in recovery from the recession’*.