

MEDIA RELEASE



The Hon **David Hawker** MP
Federal Member for Wannon



13 August 2009

LABOR REFUSES TO BUDGE ON RUSHED AND FLAWED EMISSIONS TRADING SCHEME

Labor are pursuing a political timetable of self interest, rather than a policy timetable in the national interest on the issue of Emissions Trading, Federal Member for Wannon, David Hawker said today.

Mr Hawker's comments came after the Coalition and key independents blocked the Rudd Emissions Trading Scheme (ETS) today in the Senate.

"Labor has a political strategy, not a policy strategy on the serious issue of reducing carbon emissions. There was no need for Labor's flawed ETS Bill to be voted on today," Mr Hawker said.

"Labor has been forced this week to admit that their flawed ETS is not even finished. Key issues such as the treatment of agriculture, coal, power generation and the regulations are not even finalised.

"Labor refuses to negotiate with anyone who will actually vote on their legislation. A real Leader, serious about emissions trading, would have put aside their political agenda and negotiated the passage of their legislation."

Mr Hawker said independent economic research into emissions trading released this week, commissioned by the Coalition and Independent Senator Nick Xenophon, showed there was a better way forward.

"This new report shows that we can have an ETS that is twice as green, and compared to the Government's scheme saves an average Western Victorian household over \$200 a year on their power bills," he said.

"Rather than shutting down important parts of our economy, we can deliver the right mix of incentives and signals to encourage clean growth.

"As we have said from the start, a flawed ETS is worse than no ETS at all.

"Labor's ETS would have cost thousands of jobs, reduced Australian living standards, substantially raised the price of everyone's electricity and damaged the Australian economy all for absolutely zero environmental gain.

"The Coalition is in the business of protecting jobs, reducing debt and ensuring we don't export emissions.

"Why on earth wouldn't the Prime Minister consider a plan that will save jobs and keep costs down for local working families?"

The new report by respected economists Frontier Economics demonstrates that the Rudd Government's ETS will unnecessarily drive up electricity prices, destroy jobs and expand the size of government in Australia.

The Hon **David Hawker** MP Federal Member for Wannon

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Frontier Economics' alternative model would provide for a greener, cheaper and smarter ETS. Greener because of a doubling of the target, cheaper because it will be 40 per cent cheaper than the Government's scheme – a \$49 billion saving to our economy over the next 20 years - and smarter because it will ensure that there are more jobs, more Australians in work, earning higher wages, particularly in regional Australia.

"The ETS is the biggest deliberate structural change ever to be considered in our economy, yet the Rudd Government has refused to consider any amendment whatsoever and has taken a 'take it or leave it approach' – fixed on ramming their legislation through Parliament ahead of any other country," Mr Hawker said.

"Labor's flawed and friendless ETS will cost more and achieve less, and make it even harder to pay off their \$315 billion debt.

"To persist with Rudd Labor's ETS would be the height of irresponsibility given Frontier's work shows the scheme can actually be made twice as green at a much lower cost to consumers and the broader economy, producing 42,000 new regional jobs."

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Frontier Economics' Alternative Emissions Trading Scheme – Key Facts:

- This revised ETS can deliver an unconditional 10 per cent reduction in Australia's 2000 greenhouse gas emissions by 2020, compared to the Rudd Government's 5 per cent unconditional target.
- The new scheme is cheaper, because it offers \$49 billion of potential savings over the life of the program for the next 20 years—or \$9,000 per Australian family.
- By treating the electricity generation sector in a less punitive manner, household power bills need only rise by about 5 per cent in the near term rather than the immediate 25 per cent price hike Rudd Labor's scheme will trigger.
- Five years into the scheme, average annual household power bills would only be \$44 higher, rather than the \$280 price hike under Labor's scheme.
- Aluminium smelting will continue as is.
- The damaging impact of Labor's ETS on regional Australia and the nation's key export industries is also greatly reduced by the revised scheme. Rather than the loss of 26,000 regional jobs, as has been revealed by modeling of Labor's scheme, these proposed changes would lead to net gains of 42,000 in employment in regional Australia.
- Importantly for Western Victoria, this new scheme also gives certainty to Australia's agriculture sector – by leaving it out of the cap, while providing an opportunity to be rewarded by generating carbon offsets. Rudd Labor has left the agricultural sector in limbo, declaring that a decision will be made in 5 years as to whether they are to be included in the ETS, and refusing to allow agricultural offsets.
- Above all, this revised scheme will be smarter – it will ensure that there are more jobs, more Australians in work, earning higher wages. And this impact will be particularly felt in regional Australia.