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Preserving Competitiveness and Developing Technology - Key to Addressing Emissions

The Federal Government has advised it will reintroduce the CPRS legislation into the Lower House this week.

Executive Director of the ACA Ralph Hillman said the proposed legislation will put coal jobs at risk in regional Australia for no environmental benefit. This is bad news for the Hunter, the Illawarra and the mining regions of Central Queensland.

"The loss of coal mine production and jobs to overseas competitors that would result from the CPRS will not decrease global emissions or provide any benefit to the global environment. Every tonne of coal not produced in Australia as a result of this new tax will simply be produced by our competitors", Mr Hillman said.

The failure witnessed in Copenhagen and the stalling of the United States legislation to address climate change further highlight the risks of proceeding with this legislation in its current form.

"From the perspective of coal we have seen from Copenhagen that no other country plans to introduce a tax on coal mines and even the EU and the United States have excluded coal mine emissions from their Emissions Trading Schemes. This surely demonstrates the need to look again at the competitiveness issues and the negative impact of the CPRS on Australian jobs", Mr Hillman said.

"The Coalitions proposal for an incentive based emissions reduction scheme in Australia is welcome and opens up the option of a transitional framework that can reduce emissions without damaging Australia's competitiveness or cutting Australian jobs. This could provide an effective mechanism to reduce emissions while not undercutting our competitiveness until an international agreement that binds the major global economies and Australia's competitors is in place", Mr Hillman said.

The Coalitions proposal would also avoid the risk to the viability of captive mines attached to power stations which would result from the Governments proposed CPRS legislation.

"The failure at Copenhagen and the difficulty in achieving a consensus on climate policy in Australia and the United States again demonstrate how hard it is to balance economic and environmental objectives. Ultimately it will be the availability of viable low emission technologies that will ease the path to agreement globally and in Australia", Mr Hillman said. "The Australian coal industry remains committed to developing carbon capture and storage (CCS) and will continue to work with the Federal and State governments to see CCS demonstrated at commercial scales in Australia by 2015," he said.

The Australian coal industry has long recognised the importance of reducing emissions from coal fired electricity in responding to climate change and is investing \$1 billion to support the development and demonstration of CCS technology," Mr Hillman concluded.

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Biography: Ralph Hillman Executive Director

Mr Hillman was Ambassador for the Environment and chief negotiator for Australia on the Kyoto Protocol from 1998 to 2002. He was appointed as Executive Director of the Australian Coal Association in August 2007. He was Ambassador and Permanent Representative to the OECD from 1995 to 1998. From 1994 to 1995 Mr Hillman was Chief Economist in the Department of Foreign Affairs and Trade.