



THE HON GREG HUNT MP

Shadow Minister for Climate Change, Environment and Water
Member for Flinders

19 August 2009

Ms Jan Barnett rsj
Social Justice Committee
PO Box 259
ROSEBERRY NSW 1445

Dear Ms Barnett,

A handwritten signature in cursive script, appearing to read 'Jan', written over the name 'Jan' in the address block.

Thank you for your recent letter concerning the proposed CPRS Legislation.

The Coalition recognises there are varied opinions within the global and Australian community about the causes and consequences of climate change. Nonetheless, most scientific opinion supports the argument that our planet is warming because of human-caused emissions of CO₂ and other greenhouse gases. Therefore, prudence requires that we give the planet the benefit of the doubt and reduce emissions of these gases.

The Coalition advocates a response to climate change which is both environmentally effective and economically responsible. Unfortunately, the Rudd Government's proposed ETS fails both tests. That is why the Coalition joined with the Greens and minor party Senators to reject the legislation in the Senate on August 13.

It has always been our view that the response to climate change must be part of coordinated global action. If we put a price on carbon in Australia without a comparable cost being imposed in the countries our export industries compete with, the result is simply that we end up exporting Australian jobs *and* exporting the emissions.

The Coalition has put forward nine principles which the Government must adopt to fix the proposed ETS. Key among them is that an Australian emissions scheme should offer no less protection for jobs and export industries than the proposed United States ETS. It is hard to understand why Kevin Rudd insists on offering less protection to Australian workers than Barack Obama is willing to provide American workers.

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The Coalition has also, together with independent Senator Nick Xenophon, commissioned research on the economic impact of Mr. Rudd's ETS. This research by respected consultants Frontier Economics shows the Rudd Government's ETS will unnecessarily drive up electricity prices, destroy jobs in regional Australia and expand the size of government.

Frontier has put forward an alternative: a revised ETS which is greener, cheaper and smarter. Its proposals suggest deeper cuts in emissions are possible at a lower economic cost, and with a far less severe increase in electricity prices.

The work by Frontier suggests that with modest changes, the proposed ETS can be made far less harmful to jobs, investment, and the broader economy. Over coming months, these ideas will also help guide the Coalition's approach to this issue.

The Coalition looks forward to the opportunity to sit down with Mr. Rudd and Senator Wong to discuss these innovative ideas, and work co-operatively to deliver a response to climate change that delivers beneficial economic outcomes as well as reduced emissions of CO2 and other greenhouse gases.

In light of the fact that the Copenhagen Conference is only a few months away, and the Obama Administration and US Congress are well advanced in finalising US legislation for an ETS, the Coalition believes that it would be premature to lock Australia into an ETS that is out of step with the rest of the world.

We hope Mr. Rudd will see the common sense in such a delay, and that he will approach further discussions about an ETS over coming months in a similar spirit of co-operation.

If Government gets this wrong, it will simply mean exporting jobs and emissions offshore while doing nothing to save the Murray-Darling Basin or the Great Barrier Reef.

I trust you find this information helpful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Greg Hunt', written in a cursive style.

GREG HUNT MP

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