



Palmer right on climate change, but ETS is needed now

Emissions trading is an appropriate policy for Australia and all efforts must be made to ensure that Australia's underlying carbon pricing framework is maintained, said the Investor Group on Climate Change today.

Removing Australia's low cost emissions trading scheme would harm Australia's economic prospects, said Nathan Fabian, IGCC Chief Executive.

The simple fact is that Australia must reduce emissions. It should do so at least cost and an emissions trading scheme (ETS) with a floating price provides an effective mechanism to do so.

At the same time investors and companies need confidence in the rules for the long term so they can plan their investment in new industries, especially in regional Australia.

Clean industry will underpin the jobs and investment opportunities of the future. If investors are uncertain about emissions reductions rules, clean investment and jobs will be hampered even if other climate policies are retained.

"In his recent public statements, Mr. Palmer was right to recognise the benefits of an ETS for Australia. But Australia needs a policy that suits our circumstances even if other countries choose different mechanisms," Mr. Fabian said.

Mr. Palmer is also to be congratulated for his recognition of the importance of a strong and sound policy response to climate change by Australia including maintaining the Renewable Energy Target, Climate Change Authority and Clean Energy Finance Corporation.

These institutions can help with new low carbon investment, but alone they will not reduce emissions in a low cost way. That is why the ETS must be retained.

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