



Climate policy review: Energy Minister Josh Frydenberg backtracks on emissions intensity scheme

By political reporter Henry Belot
Updated Wed 7 Dec 2016, 9:49pm

Energy Minister Josh Frydenberg says the Federal Government is in favour of energy security, after backtracking on a possible carbon price for power companies.

Prime Minister Malcolm Turnbull made it clear his Government would not impose a carbon tax or an emissions trading scheme, after a day of confusion about a review of climate change policies.

Mr Frydenberg announced an energy review on Monday that would examine the best ways to meet Australia's climate commitments and told ABC Radio an emission intensity scheme was being considered.

"We know that there's been a large number of bodies that have recommended an emissions intensity scheme, which is effectively a baseline and credit scheme, we'll look at that," he said on Monday.

Within hours, the proposal was criticised by Liberal backbenchers including Cory Berardi who described it as "one of the dumbest things" he had heard and warned there would be political costs.

On Tuesday night, Mr Frydenberg told Melbourne's 3AW Radio that he was not contemplating a carbon pricing scheme but was instead focused on keeping electricity prices low.

"I didn't mention an emissions intensity scheme, it's not in any document that the Coalition has put out, in relation to this review," he said.

"The Turnbull Government is not contemplating such a scheme ... we're not advocating for such a scheme."

On Wednesday, Mr Frydenberg told reporters in Hobart the review had never intended to look at establishing a carbon tax.

"I have never advocated for a carbon tax and an emissions trading scheme; that is why the Government won't proceed with one," he said.

"I have a position that is very clear, that we will not be adopting an emissions intensity scheme."

Mr Turnbull would not comment on why Mr Frydenberg made the initial comments on ABC Radio, or whether they were approved by his office.

"You will have to ask Josh Frydenberg that," Mr Turnbull said.

Mr Turnbull said there was no mention of an emissions intensity scheme in the review despite Mr Frydenberg's comments on ABC Radio.

"The one thing I want to be very clear about, we are not going to take any steps that will increase the already-too-high cost of energy for Australian families," he said.

"We will not be imposing a carbon tax and we will not be imposing an emissions trading scheme, however it is called.

"An emissions intensity scheme is an emissions trading scheme — that is just another name for it."

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Key points:

- A carbon price is being considered as part of a climate policy review
- On Monday the Government said the scheme won't be return to carbon tax or emissions trading scheme
- Josh Frydenberg later said on Tuesday an emissions scheme had been recommended
- Mr Frydenberg says he hasn't mentioned anything about an emissions intensity scheme

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Bernardi calls for Turnbull to withdraw from Paris accord

On Monday, Mr Frydenberg said there had been recommendations for a "baseline and credit scheme", which could be similar to an emissions trading scheme where emissions are capped by the Government.

In 2014, the Abbott government passed legislation to repeal the clean energy package — or so called carbon tax — put in place by Labor.

It followed a lengthy campaign on the issue, which Tony Abbott described as a "historic betrayal" when it was unveiled by then prime minister Julia Gillard in 2011.

Senator Bernardi said the Government's handling of the climate review showed the disconnect between politicians and the people fuelling a crisis of confidence with the major parties.

"It was a clear attempt to reintroduce a price on hot air to satisfy the extreme Greens and others seduced by the socialist alarmism of anthropogenic climate change," he said.

Senator Bernardi called on Mr Turnbull to follow US President-elect Donald Trump's lead and withdraw from the Paris Climate accord.

"We don't need to be part of an international agreement that actually impedes us from making determinations in our own best interest, particularly an agreement that won't include the world's largest economy," he said.

Labor claims Frydenberg caved under pressure

Opposition environment spokesman Mark Butler said Mr Frydenberg had caved under pressure from the right wing of the Liberal Party.

Opposition Leader Bill Shorten said the Coalition Government did not appear to have a plan to address climate change and described Mr Turnbull's comments as "a sorry spectacle".

"It is marvellous and amazing what can happen in 48 hours in the Turnbull Government," Mr Shorten said.

"As soon as the Turnbull Government announced everything was on the table in terms of what works to deal with the harmful effects of climate change, out came our old friends from the right wing of the Liberal Party yanking Mr Turnbull's chain and pulling him back into line."

Mr Butler's sentiments echoed Mr Shorten's.

"It is quite clear why Josh Frydenberg said what he did on Monday morning; this is good policy and it should have been part of the review," Mr Butler told AM.


Labor's Tanya Plibersek said electricity generators had been calling for certainty from the Government and were instead getting chaos.

"What we know is that electricity generators, industry and business in general say they want ... some certainty, some predictability," she said.

"What they are getting instead is chaos. They have got an ideological war in the Liberal Party that is actually directing what happens with energy policy in this country."

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- **The Guardian:** Malcolm Turnbull rules out carbon tax or emissions trading
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First posted Wed 7 Dec 2016, 10:51am