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## **IPA APPLAUDS GILLARD HONESTY: CARBON TAX WILL SEND ELECTRICITY PRICES SOARING, HONESTY NOW NEEDED ON PRICE OF RENEWABLES**

'The Institute of Public Affairs congratulates Julia Gillard's honesty today when she admitted that a carbon tax would send electricity prices soaring', said Director of Climate Change Policy, Tim Wilson.

In her press conference today announcing the multi-party climate change framework, the Prime Minister honestly reported that the point of a carbon price signal is to make goods and services that rely on carbon emission far more expensive.

'With the vast majority of Australia's electricity coming from coal, the explicit intent of a carbon tax is to increase electricity prices.

'If the proposed framework were to reduce emissions in the energy sector, it would need to replace coal-based electricity.

'A \$20 per tonne carbon tax will do little to reduce our reliance on coal, there would be little conversion from coal to lower emitting gas but this would add \$150 to the average Australian family's electricity bill.

'Even if it were possible, conversion to renewable wind power generation would require a carbon tax of at least \$70 per tonne carbon tax and this which would increase the electricity bill of the average Australian household by more than \$500.

'The impact on industry would be even greater.

'Gillard's plan won't result in new electricity investment because the rate and timeframe for her new tax remains uncertain.

'Electricity investments have a lifespan of decades and commercial viability and finance won't be available when the time and rate of the carbon tax remains completely uncertain.

'It's now time for the Prime Minister to be honest about the price of renewables and to admit that her carbon tax won't result in an increased use of renewable technologies, but will merely increase electricity prices', Mr Wilson said.

**Media Comment:** Tim Wilson Director of Climate Change Policy 0417 356 165