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## **HIGHER ELECTRICITY PRICES BUT NO DIFFERENCE ON CO2**

Labor's Climate Change Action Plan, released today, will increase electricity prices and make no difference to global carbon dioxide levels, according to free market think tank the Institute of Public Affairs.

"Whether a policy is called an emissions reduction target, carbon tax, emissions trading scheme, renewable energy target or something else, the ultimate aim of making coal-fired power stations uncompetitive is the same" says Brett Hogan, Director of Energy and Innovation Policy.

"Fossil fuels provide 85% of Australia's electricity, with black and brown coal responsible for the lion's share. Victoria's brown coal power stations are now increasingly being called upon to supply electricity to South Australia and Tasmania which have already gone too far down the renewables path.

"Forcing the lowest-cost producers out of any market, can only ever increase prices and endanger security of supply, particularly in the medium to long term.

"According to analyst Robert Bryce, residential electricity prices in Germany, Spain and the United Kingdom increased by 78 per cent, 111 per cent and 133 per cent respectively between 2005 and 2014, as those countries forced additional renewable capacity onto their electricity markets.

"Coming on the same day that the Victorian Labor Government tripled royalties on brown coal in its budget and told electricity providers to just "absorb the cost", it is clear that Australia's traditional competitive advantage of low cost energy is under serious long term threat.

"In just the last twelve months, India has added 20 gigawatts of coal-fired electricity capacity, which is three times the capacity of all of Victoria's brown coal power stations and also more than New South Wales and Queensland combined. Federal Labor's climate plan will therefore do nothing to reduce world carbon dioxide levels.

"The Turnbull Government must now rule out extending its own 26-28 per cent emissions reduction target or initiating any sort of emissions trading or carbon tax scheme.

"Affordability, accessibility, reliability and safety should be the only guiding principles of Australian electricity policy."

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