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CPRS CHANGES POSITIVE BUT LEAVE AUSTRALIA'S LARGEST EXPORT OUT IN THE COLD

The changes announced today by the Prime Minister to the CPRS show welcome recognition of the impact of the global financial crisis on Australian businesses and the importance of addressing the international competitiveness of Australia's trade exposed industries, the Australian Coal Association said today.

But the changes do not address the loss of international competitiveness that the CPRS will impose on Australia's biggest export industry -- the black coal industry which pumps over \$20 billion into our economy every year.

"That loss of competitiveness will see jobs in the Illawarra, the Hunter and regional Queensland move to competitor countries such as South Africa, Indonesia and Colombia -- countries that will not face the costs imposed by an emissions trading scheme," ACA Executive Director Ralph Hillman said.

"The emissions associated with those lost Australian jobs will go overseas with them: there will be no reduction in global emissions and no benefit to the global climate: this is just carbon leakage," he said.

Mr. Hillman said coal clearly qualifies for inclusion in the EITE arrangements along with LNG, alumina and other major exporters that will receive permit allocations elevated in today's announcement to 66%.

At an emissions intensity of 1330 coal is well above the 1000 threshold set by the government's White Paper for inclusion of an activity in EITE.

"Coal's exclusion is unfair and hard to understand in terms of evidence-based policy-making," Mr Hillman said.

"There is still time for the government to head off the risks to investment and jobs in coal by adopting the MCA phased auctioning approach to emissions trading or including coalmining in the EITE," he said.

The industry will continue to talk to the government and opposition parties about a fair outcome for coal.

That will be essential to preserving jobs in the regions and ensuring that Australia's largest export industry continues to help underpin our national wealth and energy security.

For further information: Peter Logue (02) 6175 2801(w) 0402 067 614 (m)