

Carbon tax is too low,

Gillard talks up plan but fight's not over

THE federal opposition is not conceding the carbon pricing scheme is a done deal, as Prime Minister Julia Gillard and her ministers cross the nation talking up the plan.

A day after unveiling her plan to put a \$23 a tonne price on carbon from July 1 next year, Ms Gillard headed to the marginal Labor seat of Lindsay in Sydney's west to sell tax cuts and pension rises benefiting nine out of 10 households and emphasise the need for climate action.

While key independents and the Australian Greens have said they will support the scheme, Parliament is not expected to vote on legislation until later in the year after at least one public inquiry.

The package includes two measures not backed by the Greens on the government's multi-party committee — \$1 billion over three years for the coal and steel industries, and a \$510 million a year fuel tax on heavy transport from 2014, opposed by independent MP Tony Windsor.

Another independent MP on the committee, Rob Oakeshott, sounded a note of caution.

"We are no further advanced than the (Rudd government) got to (with the shelved carbon pollution reduction scheme) and failed three times, so the next three months are the most important and critical part of this," he told ABC Television.

"I am confident there is majority support in the lower house and upper house."

Greens leader Bob Brown said the steel industry had not been one of his party's biggest supporters.



● WATCH spokesman Ben Habib says the carbon price "probably is too low". Picture: DAVID THORPE

'Higher prices needed' if nation is to meet its emissions target

A BORDER environmental group says the federal government's carbon price "probably is too low" but accepts political pressure has forced Julia Gillard's hand in not setting it higher than \$23 a tonne.

BY NATHAN PARTENZA

Change Authority and Clean Energy Finance Corporation, which will drive investment and jobs in renewable energy.

"That's going to be a big shot in the arm. Most renewable energy projects will be in regional Australia which is going to be great for this region," he said.

"With renewable energy, you don't really have big centralised power sources like you do with fossil fuels, you have lots of smaller decentralised systems which means every region is going to have projects on the go, there's going to be job opportunities here which is great."

But Dr Habib said the group was worried about the government's reliance on purchasing overseas carbon offsets and the amount of compensation being offered to polluting companies.

"If you're giving away too many concessions to polluting industries, it distorts the price signal," he said.

"It would defeat the purpose of the tax. The more compensation you give and concessions you make the less likely the scheme is to work."

Dr Habib said it was important to keep politics and science separate.

"The bottom line is the scientific evidence on what's happening to the planet is the driver here, politics is secondary," he said.

Dr Habib said final details of the highly anticipated carbon tax were "better than expected".

He welcomed the plan to cut emissions by 80 per cent by 2050 and Climate

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