

Understanding the Ruddy ETS

The Carbon Sense Coalition today claimed that the Emissions Trading Scheme proposed for Australia and now before the Australian Parliament was far more than “A Great Big New Tax”.

The Chairman of “Carbon Sense”, Mr Viv Forbes, said that PM Rudd’s Carbon Pollution Reduction Scheme combined a Big New Tax with a War-Time Rationing scheme and an Income redistributing compensation scheme, all to be run by a regulatory army probably bigger than our real army.

He continued:

“Let’s try to understand this Ruddy ETS.

“To simplify things, let’s look at just the electricity industry.

“If Rudd’s ETS ever rules Australia, companies producing electricity from carbon fuels must beg, buy or borrow a permit to burn coal, gas or diesel.

“They can beg a free permit from some mate in Canberra; they can buy a permit from some lucky sod who managed to get more permits than he needs; they can borrow a permit by entering into some tricky derivative trade with a speculator in Chicago; or they can pay carbon credit penance to a shifty land owner in some foreign land who promises solemnly not to clear his trees.

“No matter which option is chosen, power costs will go up and companies must pass the extra cost (plus GST) onto their customers or go broke.

“There will be no effect on climate.

“Now look at consumers.

“The ETS must push up the cost of all goods and services using carbon fuel. It will boost the cost of electricity, food, transport and travel. When this happens, consumers will suddenly understand the ETS Tax and politicians who voted for it will feel their anger.

“But there is a plan: “Let’s compensate all those likely to vote for us”.

“If these subsidies work properly, the lucky consumers will be in the same position as they were before ETS, except for the extra bureaucracy. For these consumers, there is no signal to reduce their consumption of carbon fuels. The ETS will do nothing except create a tangle of red tape which consumes and redistributes wealth.

“But for the un-subsidised consumers, the ETS is an extra tax on everything.

“And for the power companies, the ETS will produce nothing except a heap of angry customers, and lots of red tape.

Mr Forbes claimed that Tony Abbott was wrong about the ETS.

“It is not just a Great Big Tax.

“It’s a Great Big Tax PLUS a mountain of Red Tape.

“And it will have absolutely no effect on world climate.”