

Turnbull shifts emissions heat to Frydenberg

Sarah Martin, The Australian, 12:00AM December 8, 2016

Malcolm Turnbull yesterday shifted the spotlight onto Energy Minister Josh Frydenberg's handling of the climate change review, in the wake of an internal revolt over energy policy.

Repeatedly asked if Mr Frydenberg had made a mistake or was instructed to say the government would consider an emissions intensity scheme on Monday, the Prime Minister yesterday refused to comment. "You will have to ask Josh Frydenberg," Mr Turnbull said. "The government's policy is very clear. We will not be imposing a carbon tax and we will not be imposing an emissions trading scheme, however it is called. "An emissions intensity scheme is an emissions trading scheme — that is just another name for it. That has been our policy for many years now."

After two days of confusion, Mr Frydenberg issued a statement to The Australian on Tuesday night, committing the government to not introducing an emissions intensity scheme on the electricity sector. The government yesterday sought to turn the political heat on Labor over its support for carbon pricing, with Scott Morrison accused the opposition of "cheering on" the closure of coal-fired power stations, such as Hazelwood in Victoria and Mr Frydenberg saying the focus should be on Bill Shorten.

"He is the one who has a renewable energy target at 50 per cent, he is the one who has a plan to close down coal-fired power stations and abandon the blue-collar workers as he seeks green votes in the city, and he is the one who is proposing a new, big electricity tax," Mr Frydenberg said.

The Opposition Leader defended Labor's pledge of a 50 per cent renewable energy target by 2030 and said the government was divided. Mr Shorten said the "climate change wars" could be ended by agreeing to an emissions intensity scheme which remained Labor policy.

Liberal MPs welcomed Mr Frydenberg's backdown, but outspoken senator Cory Bernardi slammed his party for going against the government's political interests and the national interest. "How any Australian political representative can justify actively seeking to weaken our already struggling economy is beyond me. Yet that's precisely what they tried to do," he said. Senator Bernardi called for the government to follow the promised lead of US president-elect Donald Trump and abandon the Paris climate accord, which locks Australia into reducing its emissions to 26 to 28 per cent on 2005 levels by 2030.

Climate Institute chief executive John Connor said the government was bending to demands of "reactionary ideologues" by narrowing the review terms and could exacerbate problems around energy security and price. "This is not a political game; we are talking about the stability of our energy system ... in a world that is turning to clean energy and is taking decarbonisation seriously," Mr Connor said. He said that if a market mechanism was off the table, the government could regulate to phase out ageing power plants, increase government spending to replenish the Emissions Reduction Fund, or leave the states to establish their own emissions intensity scheme. "Doing nothing is not a solution," he said.

Australian Energy Council chief executive Matthew Warren said the electricity sector was struggling as a result of policy uncertainty, with banks and investors unwilling to underwrite assets needed to upgrade the deteriorating national grid.