

Hi Folks!

An interesting couple of articles from the Nat-Libs.

I suspect that once they get into power and drop the CO2 tax they will just never get around to implementing their own plan.

You may have received this, but for some reason it ended up in my junk mail folder.

Cheers,

John

Following are 2 very good emails well worth reading. The 1st is very factual. It is hard to imagine that Bishop is that knowledgeable and it is even harder to imagine that Gillard and her advisors are not fully aware of these facts. The 2nd is by Warren Truss about just some of the real world costs of a Carbon Tax. This does not include the enormous cost to the consumer to fund the number of government departments and the thousands of people required to administer such a tax and oversee the massive amount of fraud it will generate through profit making. There will of course be no way to check that carbon credits being claimed are at all real as has been the case in Europe.

GDT

Corruption and crime already taking place in the carbon market

Carbon offsets have already run out of credit

20/07/11

Opinion piece by the Shadow Minister for Foreign Affairs and Trade Julie Bishop published today on the [National Times](#) website:

A key element of Prime Minister Julia Gillard's carbon tax policy is designed to ensure that Australia reaches the target of a 5 per cent reduction in greenhouse gas emissions by 2020, not by cutting that volume in emissions from Australia, but by purchasing carbon credit offsets from other countries.

When asked recently about the purchase of offshore permits Julia Gillard said: "Yes, this is going to be an internationally-linked scheme, and so it should be."

It is alarming that the Prime Minister has given no indication that she is aware or has any understanding of the recent history of the operations of international carbon credit markets.

Just six weeks ago, the World Bank reported that the international market in carbon credits has suffered a debilitating collapse and expressed doubt about the ongoing viability of global markets.

According to the World Bank, trading in credits commenced after the Kyoto Protocol was adopted in 2005, and about \$25 billion was generated over the years to 2009.

However, that market collapsed to \$1.5 billion last year, due to ongoing concerns about the commitment of nations after the expiry of the Kyoto Protocol in 2012.

The United States withdrew from the Kyoto Protocol in March 2001 and has indicated it will not commit to any replacement treaty, while Russia, Japan and Canada have all stated recently that they will not continue with the Protocol after it expires.

On 28 December 2010, the European law enforcement agency EuroPol issued a media release about extensive defrauding of the European Union emissions trading system.

EuroPol reported that it had raided several hundred offices throughout Europe and had arrested more than 100 people.

In one operation in Italy, the police conducted raids on 150 companies in eight regions as part of an investigation into huge volumes of suspected fraudulent transactions on the Italian Power Exchange.

EuroPol reported that raids also occurred in Norway, Switzerland, Belgium, Czech Republic, Denmark, Latvia, the Netherlands, Slovak Republic and Portugal.

After these actions, trading volumes in Europe dropped by 90 per cent.

It appears that 90 per cent of trades in the European Union emissions trading system were fraudulent, resulting in a loss to European taxpayers of more than \$6.6 billion.

The Wall Street Journal concluded that the EU emissions trading system was not actually a functional scheme at all but was a "political smokescreen" to enable European politicians to claim "green" credentials, while avoiding the difficult decisions on reducing emissions.

A former correspondent for Australian Associated Press based in Port Moresby [wrote this week](#) of his observations of the "cowboys" who flocked to Papua New Guinea in pursuit of carbon credit riches.

He detailed the first arrival in 2009 of "carbon cowboys" offering villagers "sky money" for the right to use their land in international carbon trading schemes.

This led to alleged corruption of local officials who also stood to gain from these get-rich quick schemes.

Prime Minister Gillard is proposing in her carbon tax policy that an estimated \$57 billion of Australian taxpayer funds will be sent offshore to buy "carbon offsets" to enable this country to reach Labor's new target of an 80 per cent reduction in emissions by 2050.

The logic of her proposal is that Australians should pay people overseas tens of billions of dollars for the right to burn our own coal and to meet her commitment that the coal industry has a "bright future".

This is apparently to be achieved through a non-existent (at this stage) international trading system.

It is naïve at best for the Prime Minister to assume that such a scheme will emerge given the clear signals internationally that major emitting nations are moving away from trading in carbon credits.

Of more concern is that Julia Gillard appears blithely or wilfully unconcerned about the fraud and criminal activity that has beset trading in carbon credits in developed countries of the European Union, let alone what is taking place in developing countries.

Deloitte Australia has warned that carbon credit fraud is "the white collar crime of the future".

The Prime Minister must explain clearly why it is that her carbon tax on what she terms "the big polluters" in Australia will not meet the emissions reduction target by 2020, and why billions of taxpayer funds need to be sent offshore in order to do so.

She must also detail the measures and safeguards which will have to be put in place to ensure that the tens of billions of Australian taxpayer dollars committed to purchasing international carbon credits do not end up in the clutches of the carbon cowboys.

Subject: Carbon tax will swamp business & families

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THE NATIONALS for Regional Australia

Update



Today Prime Minister Julia Gillard announced a \$9 billion carbon tax that will drive up prices, cost jobs and do nothing for the environment. It's a tax that she explicitly promised not to introduce prior to the last election.

Leader of The Nationals Warren Truss warns that the carbon tax will swamp business & families... and that Ms Gillard just can't be trusted.

Dear Friends,

Today we've been handed the thin edge of the wedge.

But the ripple effects from this carbon tax will grow to engulf every business and household as the costs magnify and the tax ratchets up.

The impact will be most severe in regional areas, where families, businesses and entire communities will carry a disproportionately higher tax load. Most of the lost jobs will be in regional Australia, because that is where the mining, manufacturing and electricity generation jobs are.

A reduction in fuel tax credits for heavy vehicles, by almost 7 cents per litre from July 2014, will cost the industry and its customers \$510 million in 2014-15 alone, compounding the cost of all road freight for regional Australians and driving up the cost of everything we buy.

The tax will add 10% to the electricity costs of running public trains and trams in the first year alone. Rail and marine operators will cop a new 6.21 cent per litre tax from 1 July 2012. And the near doubling of excise on aviation fuels from 1 July 2012 will make it more expensive to

fly within Australia.

The Prime Minister's modelling of grocery price increases does not include the extra transport costs. The companies who manufacture food say prices will go up around 5%.

Electricity prices will go up 10 per cent in just one year thanks to the government's carbon tax, despite regional Australians already paying more for electricity.

And while the Prime Minister today announced an increase in the tax-free threshold from \$6,000 to \$18,000, what she didn't trumpet is that she is also increasing the tax rate applying to lower income levels from 15 to 19 cents and from 30 to 33 cents – clawing back much of the assistance families can expect.

At \$23 per tonne, this carbon tax will raise about \$9 billion per year making it the toughest carbon tax in the world. And that's before the price starts increasing. No other country has imposed an economy-wide carbon tax or emissions trading scheme. To put this in perspective, Europe's emissions trading scheme, covering 18 countries, raises \$500 million per year (or around \$1 per person). Labor's carbon tax will raise around \$400 per person.

Ultimately, all this is for minimal environmental gain. According to the government's own modelling our carbon dioxide output will actually increase and, of the reductions achieved, two-thirds will be purchased from overseas.

Once again, it goes to show you can't trust this Prime Minister.

Be assured, we will do everything in our power to fight the carbon tax.

We will oppose it in opposition and rescind it in government.

Kind regards,

Warren Truss MP
Leader of The Nationals

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