



Australian Senate

**Christine Milne**

Australian Greens Senators for Tasmania

media release

## Are we headed for coal's biggest ever budget bonanza?

**Canberra, Friday 11 April 2008** Australian Greens climate change spokesperson, Senator Christine Milne, today called on the Rudd Government to focus its Budget priorities on existing climate solutions such as energy efficiency and renewable energy, not offer up even greater subsidies to the hugely profitable coal sector.

Senator Milne said "Prime Minister Rudd's visit to a coal fired power plant in China instead of one of their world-leading solar or wind sites is yet another ominous indicator that his Government intends to protect the coal sector from real, competitive climate solutions.

"The coal sector's hype of 'clean' coal has been badly tarnished in recent years and months, with little or no progress in research and development, while renewable energy technologies have been moving in leaps and bounds, increasing their efficiency, reducing costs and developing improved energy storage technologies.

"Even John Boshier, head of the National Generators Forum and one of Australian coal's loudest advocates, has said that early confidence in the techno-fix is fading amid growing concerns over cost and timeline blowouts, and the realisation of the mammoth scale of the problem – burying some 300 million tonnes of CO<sub>2</sub> every year in Australia alone.

"Coal is simply being out-competed, and its desperation is evident in the increasingly strident calls for government hand-outs to one of the world's most profitable sectors.

"The Rudd Government's first Budget must deliver a level playing field for energy technologies that puts a price on climate pollution. When that happens, those technologies that are ready to deliver substantial emissions reductions now, like energy efficiency, solar thermal power and wind energy, will out-compete 'clean' coal.

"Instead of delivering a level playing field, Rudd looks set to continue the Howard Government policies of 'picking losers' with increased support for the coal sector.

"The coal sector is old, polluting and well entrenched. Even if climate change were not an issue, it would be outrageous that our governments add billions every year to the coffers of the rich multinational corporations that run the sector. When you add climate change considerations to the mix, ongoing fossil fuel subsidies become one of the most perverse and destructive government decisions imaginable. The polluter pays principle tells us that the companies that have profited from polluting for so long should be the ones to shoulder the burden of cleaning up their act, not the taxpayer.

"The Greens have proposed that a portion of the billions that would be saved by cutting fossil fuel subsidies should be channelled towards further research, development and commercialisation of renewable energy and energy efficiency technologies through a *Sun Fund*, and to pay for the early stages of a systematic and systemic retrofit of Australia's housing stock for energy efficiency set out in our *EASI* policy.

"I will be watching the Government's first Budget carefully to see if its priorities follow Martin Ferguson's industry-fuelled hype, or a sensible, realistic path to clean energy."

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