



Joint Media Release

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Labor responds to Coalition RET pressure

The Rudd Government's changes to the Renewable Energy Target scheme are an endorsement of the Coalition's direct action policy and a realisation that direct action is the best mechanism to reduce carbon emissions.

Labor's mismanagement of the RET scheme has resulted in a significant drop in the price of Renewable Energy Certificates. This erosion has put major new investment in large-scale renewable energy projects such as wind farms and jobs at risk and also undermines efforts to meet the 20 per cent renewable energy target by 2020.

Labor was warned that their bungling would destroy investment certainty for major solar, wind and geothermal projects – but in an all too familiar pattern, they ignored the warnings from the Coalition.

The changes proposed by Labor are not expected to come into effect until 1 January 2011 - in all likelihood after the next federal election.

Labor's plan to introduce a two-tiered approach to address the imbalance in the existing RET scheme is reflective of Coalition policy.

We have already announced that the Coalition would introduce a band within the RET reserved specifically for larger renewable energy projects over 50 megawatt and for emerging technologies such as geothermal, solar field, tidal and wave.

The Coalition will be consulting with the renewable energy sector, including solar hot water, regarding the adequacy of Labor's proposal and will closely scrutinise the required legislation when it is introduced.

The Rudd Government should also release any modelling its proposal is based on to show how it will restore the balance.

Labor's mismanagement of the RET is yet another example of its incompetent handling of environmental policy, but the Coalition will play a constructive role in providing investment certainty for the renewable energy sector.

Ends

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