



Emissions scheme back to House for more scrutiny

By James Massola

The Federal Government's plan to reduce Australia's carbon emissions will be re-examined after Treasurer Wayne Swan referred the emissions trading scheme to the House economics committee.

It will examine whether carbon trading is the best way to reduce emissions, while maintaining low economic costs, putting in place long-term incentives for clean energy and contributing to a solution for climate change.

The move prompted Nationals leader Warren Truss and the Liberal chair of the Senate fuel and energy committee Mathias Cormann – which is already examining emissions trading proposal – to claim Labor's scheme is on shaky ground.

Mr Truss said the committee was due to report months after Labor's June deadline for the passage of the emissions trading legislation through Parliament.

"I welcome the acknowledgement by Labor that carbon emissions must be reduced 'at the lowest economic cost'. That is something the Nationals have been telling them for years," he said. "The reality of the impact of this new tax seems to be sinking in to the Government. The inquiry announced by the Treasurer is a big departure from the strident position taken before and after the 2007 election by Labor."

Senator Cormann said the Government's plans for emissions trading were now "completely in limbo".

"The Government must have finally realised that its proposed CPRS [Carbon Pollution Reduction Scheme] would not have helped reduce global emissions and was economically irresponsible."

But Labor sources dismissed the Coalition's claims, saying the Government was still committed to emissions trading.

The committee will take submissions until March 20 and will report in the second half of 2009.