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Media release

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Compensate community groups not coal fired generators

The introduction of emissions trading will drive up the costs faced by the community sector by up to \$1.1 billion per year according to a paper to be presented at the University of NSW today.

The paper “Who are the (un)intended losers from Emissions Trading?” by Australia Institute Research Fellow David Richardson, models the likely impact of the Rudd Government’s Carbon Pollution Reduction Scheme on the community sector, the local government sector and the Commonwealth Government itself.

“Most people think of the community sector as being small and run by volunteers, but according the Australian Bureau of Statistics the sector employed 884,000 people and spent more than \$68 billion in 2007 providing services as diverse as surf lifesaving, Meals On Wheels, and running thousands of aged care facilities. The cost of running hot water systems in the aged care facilities alone is enormous,” said David Richardson.

“While the big polluters are spending a lot of time and money lobbying for hand outs in response to the introduction of emissions trading, our research shows that it is the charities and the community groups who are more likely to miss out on adequate compensation rather than the mines and the electricity generators.

“While some industries like airlines can pass on higher fuel prices to their customers, it is much harder for charities to pass on their cost increases to the most vulnerable groups in Australia. Unless the Government is assuming that donations to charity are going to rise when emissions trading begins then there are going to be some big problems.”

“Australia needs emissions trading to tackle climate change, but we also need a well designed compensation package to make sure that the groups who need the greatest assistance are looked after. Some of the big polluters are making a lot of noise, but our research shows that it is the community sector that is more likely to miss out on adequate compensation,” concluded Mr Richardson.