

Power station chief warns of job losses

JOBS will be lost in the Latrobe Valley power industry if the Rudd Labor Government's proposed Emissions Trading Scheme is introduced, according to industry leaders in the region.

Speaking at a function in Morwell, International Power Australian Chief Executive Tony Concannon warned that Hazelwood Power Station would be forced to close prematurely under the scheme.

"There has never been more uncertainty hanging over Hazelwood as a business and a community and there is a very real regulatory threat which could force the power station to close in mid-2016," Mr Concannon said.

"I was privileged to be part of the previous Government's emission task group and fully support a well designed emission reduction scheme.

"However the current Government scheme does not do this. It has been carefully crafted to destroy equity value for coal-fired power plant (both modern and old plant) and it has dialled in a 'crash setting' for the electricity sector with sovereign risk at an all time high and lenders clambering to recover their loans."

The Managing Director of TRUenergy and operator of the Yallourn power station, Richard McIndoe is also on public record claiming the Rudd Labor Government policy will threaten the financial viability of Latrobe Valley power stations.

Mr McIndoe said TruEnergy had cancelled maintenance works worth \$100 million at Yallourn power station this year, and other generators were also likely to make cuts.

The Nationals Member for Gippsland Darren Chester has voted against the legislation on three occasions and said he would not vote for any legislation that threatens jobs in the Latrobe Valley or Gippsland.



Job fears: Darren Chester pictured with Tony Concannon and Graeme York from Hazelwood Power. Mr Chester is concerned that the Labor Government's plans for an Emissions Trading Scheme will cost jobs in the Latrobe Valley power industry.

Mr Chester said an independent report prepared for Wellington Shire Council forecast jobs losses of almost 3000 across Wellington, Latrobe and East Gippsland shires by 2025 as a result of Labor's emission reduction scheme.

"In the case of the no-international-trade scenario, employment across the three areas will be down by almost 3000 jobs in 2025 (compared with a base case of no CPRS) and output would be \$325 million lower," the report states.

Mr Chester said it was widely accepted that, for most Australian families the ETS would mean a 30-40% increase in power bills - up to \$200 extra per quarter for local families.

Direct action for the Environment

THE COALITION'S plan for direct action on the environment includes access to a \$40 million fund to help develop the Latrobe Valley as a 'Clean Energy Employment Hub' to drive new research and development.

The Nationals Member for Gippsland Darren Chester said the policy provided a clear alternative to Kevin Rudd's massive new tax which would increase the cost of living for households with price increases for electricity, petrol, food and everyday essentials.

"It is critical that security of supply is maintained and under our plan, there is recognition that the financial viability of Latrobe Valley power generators is critical to the future wealth of our nation," Mr Chester said.

"Under the Labor Government's Emissions Trading Scheme (ETS), we have been warned that power stations

would become unviable and maintenance would be cut, resulting in a less reliable supply of power and a loss of jobs in the Latrobe Valley," Mr Chester said.

"The Coalition's plan will achieve the same 5% reduction in emissions - the key difference is how you get there, and whether you hit Australian families with a massive tax on everything."

"Instead of hitting average households with an increased cost of living, our plan is focused on direct action that will improve the environment rather than create a whole new industry in the trade of carbon permits under the ETS."

The Coalition plan involves practical environmental measures such as improving soil productivity on farms, tree planting and installing one million additional solar systems.

3000 GIPPSLAND JOBS TO GO UNDER LABOR'S ETS



WHAT LABOR HASN'T TOLD YOU ABOUT ITS ETS...

- Almost 3000 jobs will be lost from Gippsland under Labor's ETS. An independent report prepared for Wellington Shire Council forecast 2895 jobs would be lost from the Wellington, Latrobe Valley and East Gippsland shires by 2025.
- Average annual household electricity bills will rise by 25% or \$280¹
- Australian food and grocery prices will rise by 5%²
- The economy of Gippsland will shrink by more than 20%³
- Regional Australia will lose 126,000 jobs³
- Meat processing costs will increase, pushing up retail meat prices⁴
- Even if agriculture is not covered, the indirect cost for dairy farmers will be \$6000 - \$9000 per farm⁵
- 16 coal mines will close with 10,000 jobs lost⁶
- Overall, there will be 23,500 jobs lost in the mining industry⁷
- **And there will be no reduction in global greenhouse gas emissions!**

Sources: ¹ Frontier Economics, ² Australian Food and Grocery Council, ³ Access Economics, ⁴ Australian Meat Industry Council, ⁵ Centre for International Economics, ⁶ ACIL Tasman, ⁷ Concept Economics

LABOR'S ETS IS JUST A NEW TAX, NOT A SOLUTION TO CLIMATE CHANGE