



The Hon Dr Sharman Stone MP
Federal Member for Murray

14 October 2011

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Dear [REDACTED],

Thank you for your letter regarding the Gillard Government's Carbon tax and your request that I vote in favour of it. I did not do so for a number of reasons.

People want opportunity and hope and incentive but they don't want a crushing new tax on electricity. Sadly the Labor Government is now completely deaf to concerns about increased cost of living and electricity prices.

Labor actually agrees with us that a carbon tax is not the best way to tackle climate change – even Penny Wong as Climate Change Minister said "*A carbon tax does not guarantee emissions reductions.*"

On the day before the election, Julia Gillard stated: "*I rule out a carbon tax.*" Julia Gillard's backflip on her 'No Carbon Tax' election promise is not only a massive breach of trust with the Australian people but is also, by Labor's own admission, bad policy.

The carbon tax is a \$9 billion a year new tax that is designed to make our manufacturing and living more expensive so we use less energy. It is intended and constructed to send electricity prices rocketing. This will mean:

- a 10% increase in electricity bills in the first year alone;
- a 9% increase in gas bills in the first year alone;
- higher marginal tax rates for low and middle income earners; and
- a \$4.3 billion hit on the budget bottom line.

Even on the Government's own figures, three million households are going to be worse off immediately. Australians know that any tax cut won't keep pace with a carbon price that continues to rise in order to force changes to the way everyone lives and works.

The Coalition on the other hand has a clear policy that provides incentives to reduce greenhouse emissions and meet Australia's emissions reduction targets but not through increases in electricity prices.

Our Direct Action Plan will reduce carbon emissions by 5% by 2020, through:

- cleaning up Australia's dirtiest power stations;
- investing in soil carbon, which should have enormous benefits in reducing carbon emissions;
- providing direct incentives for business and industry to reduce their emissions;
- tree plantations on non-prime agricultural land; and
- investing in solar and other renewable energy.