

To Senators on the Senate Select Committee on Climate Policy,

The first part of my submission, regarding the CPRS, is that I concur wholeheartedly with senior Age columnist Kenneth Davidson on this matter. His most recent article "A carbon tax is the way to cut emissions" is reproduced below, and forms the first half of my submission.

The second part is to refer you to the work of Lester R Brown of Earth Policy Institute, who has developed a wholistic blueprint (the best I've seen yet) to address the simultaneous crises of climate, food scarcity, population and peak oil. He is endorsed by president Bill Clinton. An excellent PDF slide presentation of his work is at this link: [http://www.earth-policy.org/Books/PB3/PlanB3.0\\_SlidesPDF\\_EarthPolicyInstitute.pdf](http://www.earth-policy.org/Books/PB3/PlanB3.0_SlidesPDF_EarthPolicyInstitute.pdf)

Essentially it confirms the obvious: that heavy government investment into green infrastructure and strong regulations to protect our future climate and "natural capital" are needed in addition to any carbon tax.

Dr Martin Williams, General Practitioner and Obstetrician, Elwood, Vic Head of GP Obstetrics, Sandringham Hospital

#### A CARBON TAX IS THE WAY TO CUT EMISSIONS

Kenneth Davidson

March 19, 2009

THE Rudd Government's environmental credentials are in tatters: the Carbon Pollution Reduction Scheme has been exposed as sham. This shouldn't be surprising. There isn't one cap-and-trade scheme in the world that has resulted in a reduction in carbon emissions. Instead, such schemes have made money for the biggest polluters and created a new branch of the derivatives industry that creates new wealth opportunities for brokers and financiers.

Rudd's cap and trade scheme benefits the worst polluters.

But the Australian scheme is special. It has been rorted at the planning stage. An emissions cut of 5 to 15 per cent by 2020 on 1990 levels is derisory. If the rest of the world adopted these targets as the standard at the forthcoming meeting in Copenhagen in December, then the science suggests that southern Australia can look forward to more extreme bushfires and heatwaves, while the north will be forced to adapt to more intense cyclones and collateral damage from shipping, such the recent oil spill that ended upon Queensland beaches.

According to the framework agreement reached at the Bali climate conference in 2007, advanced countries should be obliged to reduce emissions by 25 to 40 per cent under Kyoto Mark 2. This target was based on scientific evidence and modelling done in 2005 by the International Panel on Climate Change. Reports coming from scientists who attended the panel's meeting of 2000 scientists last week in Copenhagen said this evidence was out of date and that even bigger reductions are necessary if we are to avoid catastrophic and irreversible climate change.

This is not a policy that can be postponed like a prayer request attributed in various forms to St Augustine to: "Give me chastity and continence, but do not give it yet." According to one of my scientific correspondents, "delaying investment (through a faux CPRS) will not reduce the sums required to be invested. Any delay in significant greenhouse gas reduction at source will increase the avoidable cost burden of increasing forest fires, cyclones and other extreme weather events, not to mention inundation by rising seas levels.

"Therefore, irrespective of recession, the least cost and most environmentally secure method of maintaining growth in energy generation whilst minimising damage to the planet requires urgent

investment in development and implementation of alternative energy generation technologies now."

The carbon scheme is not simply weak. It is fraudulent. In his new Quarterly Essay: Quarry Vision, Coal, Climate Change and the End of the Resources Boom, Guy Pearce shows that Australia's biggest emitters will be able to meet their targets by buying emission permits from Indonesia and Papua New Guinea in return for promises by these countries to reduce the rate of deforestation.

There is no limit on the use of foreign permits. According to Pearce, "Australia could make almost all of its "deep cuts" by paying other countries to make them".

It is impossible to escape the conclusion that cap-and-trade schemes are preferred over a carbon tax even though Peter Orszag, the Obama Administration's Budget Director and former head of the Congressional Budget Office, said a carbon tax would be five times as efficient as cap-and-trade schemes.

Pearce suggests why the CPRS might be attractive to the the Rudd Government. The compensation to the biggest polluters, he says, might cost more than the money raised.

"The question was whether voters would realise what was happening amid the flurry of cheques. The White Paper sets up a money-go-round of compensation payments so that everyone felt better off without appreciating who the real winners and losers are."

Opaque government built on unnecessary complexity, like its close relative, secrecy, is a one-way street to corruption, especially when the government faces an incompetent opposition.

Carbon taxes were imposed by Sweden, Finland, Netherlands, Norway and Italy in the 1990s. Sweden is the most successful country in the world in reducing its carbon footprint, according to the German environmental group Germanwatch. Between 1990 and 2006 Sweden cut its emissions by 9 per cent, exceeding the target set by Kyoto, while at the same time real growth increased 44 per cent.

A carbon tax does not have to be part of an international agreement such as Kyoto. The Kyoto Protocol is concerned with whether we meet the appropriate emission target, not how we get there. The excuse of the big polluters — that cap-in-trade puts them at a competitive advantage — evaporates with a carbon tax because, like the GST, it can be rebated for exports and imposed on imports. Even more importantly, it can be imposed now when the cost of adjustment is less than in the future.

My submission has two parts.

A. Regarding the CPRS, I agree wholeheartedly with Age senior columnist Kenneth Davidson, whose most recent article "A carbon tax is the way to cut emissions" is reproduced below. I would add that you need very large government investment and strong regulations to supplement a tax and actually fix the problem.

B. The best and most wholistic approach to solving the simultaneous crises of climate, food scarcity, population and peak oil I have seen is at this link: [http://www.earth-policy.org/Books/PB3/PlanB3.0\\_SlidesPDF\\_EarthPolicyInstitute.pdf](http://www.earth-policy.org/Books/PB3/PlanB3.0_SlidesPDF_EarthPolicyInstitute.pdf)  
It is endorsed by President Bill Clinton.

Thankyou for considering the above.

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