

To Senators on the Senate Select Committee on Climate Policy,

Emissions trading is one of many important tools the government can use to reduce Australia's emissions. By setting a strong target and sending a price signal to the market, a well-designed scheme should help dramatically reduce Australia's emissions at the least cost to the economy and make sure Australia does its fair share to tackle climate change. However, a badly designed emissions trading scheme will prevent the economic transformation Australia needs, at a cost to both the economy and the environment.

As it stands, the Carbon Pollution Reduction Scheme (CPRS) proposed by the Government is a badly designed scheme that will be highly ineffective. Its key flaws include an unacceptably weak target, and a design which over-compensates polluters at the expense of the community and environment. The following issues require redress:

The Rudd government needs to set the CPRS target at a minimum of 40% by 2020 in order to avert a runaway climate change. People often think that any action to reduce emissions, even by as little as 5%, will reduce the risk of climate change. In fact we know that there are tipping points in Earth's systems which, if breached, will send our climate spinning out of control with catastrophic consequences for all of us. If we are to have a reasonable chance of preventing runaway climate change, we must make every effort to avoid these tipping points.

The CPRS should not let off the big polluters. We have no time to "buy off" these industries and corporations. All polluters have to pay without compensation in order to change the nature of energy use in Australia and the world. Furthermore, Australia need incentives to drive renewable industries. The current CPRS scheme will undermine this process and severely restrict renewable industry growth in Australia. When the time comes that we have no choice but to change to renewables (which logically is now), Australian industries will be at a great disadvantage to those countries who have already developed and incorporated these growing technologies.

Voluntary emission reductions of the community can only take place with the big industries setting an example. Household efforts should be taken into account and rewarded. Efforts by the community will be curtailed when big polluters are rewarded for doing nothing to change their actions.

Other tools for decreasing carbon emissions, such as a mandatory renewable energy target, a renewable energy feed-in tariff, energy efficiency standards for homes and commercial buildings, fuel efficiency standards and investment in trains, buses and trams, need to be seriously considered. Ending the logging of Australia's native forests would reduce Australia's emissions by substantially more than 5%. All these policies should be pursued regardless of the CPRS.

One of the key problems with setting a weak target is that the only certainty business has is that it will need to be changed. Business needs long-term investment horizons in order to make multi-billion dollar decisions. A target of 5% by 2020 set now is likely to lead to many bad investment decisions being made, as business invests in 'low pollution' infrastructure which, in only a few years, will need to be moth-balled, dropped as sunk costs and replaced with zero emissions alternatives. Setting an ambitious, science-based target now will avoid these costly mistakes by putting us on the right path from the outset.

Please look at the science of this situation, not the politics. Listen to the experts who offer their advice to you during this inquiry, listen to the people of Australia and make the right decision in your recommendations.

Yours sincerely,

Anthony van den Bergh

