

To Senators on the Senate Select Committee on Climate Policy,

The proposed CPRS is designed to fail.

It ignores the science, and is ethically reprehensible in that it will not provide a basis for Australia to achieve anything like its fair share of global GHG reductions and nationally will burden the majority of Australian businesses and individuals with costs that rightly should be borne by the major polluters whose operations are being heavily subsidized.

It is also economically stupid in that by supporting the heavy polluters at the expense of other sectors of the economy it is backing those industries that will ultimately be the losers in Australia as the effects of climate change kicks in and the world gets more serious about tackling the problem. The scheme, by favouring business as usual discounts the enormous economic costs that are now seen to be likely as a consequence of climate change.

Specific concerns

- Population growth. Population growth in Australia is taken as a given. It is not. Every additional person in Australia increases its GHG emissions both nationally and globally as Australia is amongst the highest per capita emitters in the world and nearly all our immigrants are sourced from countries with lower per capita emissions. These immigrants very soon adopt our consumption patterns and are obliged to consume our high emission intensive energy supplies.
- Outsourcing emission. By allowing 100% of emissions to be offset internationally the scheme will, because these offsets will be so cheap, ensure that little if any reduction of emissions will be required from Australia itself thus hampering the structural adjustments required to meaningfully contribute to GHG reductions in the future. The offsets allowed under the European ETS were rorted and were generally accepted as being at most marginally effective in reducing global GHG emissions. They are hard to monitor and police.
- Border adjustments. The subsidies to energy intensive export industries are not an effective means of protecting them against foreign competitors. Border adjustment rebates could ensure only those exports that clearly compete with countries which do not have a carbon reduction scheme comparable to ours would be targeted. Conversely adjustment penalties need target only imports (eg cement) from countries where an appropriate carbon reduction scheme is absent. If WTO rules are seen to prohibit this they should be challenged.
- Other concerns.
 1. Polluters subsidized at the expense of energy industry restructuring initiatives, retraining of workers in effected industries and of those needing it most.
 2. Unscientifically based and excessively low emissions reduction targets.
 3. Benefits of voluntary savings by individuals and enterprises effectively being allowed to filter through to the big polluters.

Name: Ian Rudd