

Dear Secretary of Senate Select Committee,

The most important thing we can do to avoid dangerous climate change is reduce our greenhouse pollution in line with the science. This means we must reduce our emissions by at least 40% below 1990 levels by 2020. This equates to around a 3.5% emission reduction per annum. While a challenge, this is possible.

To do this we need a stronger and fairer Carbon Pollution Reduction Scheme (CPRS), not the CPRS currently being proposed by the Australian Government. In order to become an effective instrument in fighting climate change, we need the following:

Emissions targets must reflect the science, Australia's relative wealth and our contribution to the problem. A fair target would mean a reduction of at least 40% below 1990 levels by 2020.

- Permits **MUST** be auctioned instead of given away to big polluters. Giving permits to big polluters simply transfers wealth from the public purse to the polluter. Auctioning permits instead provides an effective market-based price signal to big polluters to reduce their greenhouse pollution and will be far more effective in reducing carbon pollution.

- There should be no price ceiling, and penalty rates should be set at a limit to encourage compliance and to reflect the true cost of carbon. Sir Nicholas Stern has estimated this at AUD\$120 a tonne.

- Revenue generated from these auctions must be used to restructure our economy. This will help Australian businesses and households reduce their emissions further and enable us to meet our international obligations. Thirty-three per cent of the auction revenue should be earmarked for helping developing countries reduce their emissions and adapt to the unavoidable impacts of climate change.

- There must be a limit on the international credits that are allowed into the carbon pollution reduction scheme. The scheme currently has unlimited credits which means that it could be years or even decades before Australia begins to reduce its own greenhouse emissions.

- I appreciate the opportunity to have a say in the Senate Inquiry and urge the Government to take strong and swift action as outlined by the IPCC.

Australia must do its fair share to prevent catastrophic climate change.

Yours sincerely,
Kim Grierson