

Dear Senate Committee on Climate Policy,

10 years ago when I completed an undergraduate honours thesis on Climate Change and Future Energy Resources at The University of Western Australia I became convinced that the most critical aspect of any plan to reduce greenhouse gas emissions was an economic framework that placed a market price on emissions. This could be achieved using a carbon tax, however basic economic theory leads to the conclusion that an Emissions Trading Scheme is the lowest cost solution that will enable economies to best manage the transition to a low carbon future. Such a framework would allow sustainable alternatives to fossil fuels to be developed by the free market, rather than leave it to the government to pick winners.

In the 10 years that have passed, as my career as a Sustainability and now Sustainable Transport Planner has progressed, I have read no literature to change my viewpoint – although I acknowledge that some leading climate change experts prefer a tax system (Prof Barry Brook from Uni of Adelaide, James Hansen from NASA etc). I have spent many hours discussing the issue on climate blogs of a sceptical nature, where I have been accused of many things not the least being ignorant of the fact that the global powers simply see carbon trading as an opportunity to create another currency they can manipulate to see them through the coming global financial turmoil (which has since become the reality of the GFC).

Given this background as a technically qualified graduate in the climate change field, a long time sustainability practitioner, and strong supporter of a strong market based solution, it is with significant distress that I write to your committee urging it to recommend significant changes to the Federal Government's proposed, and deeply flawed, Carbon Pollution Reduction Scheme.

#### **TOO MANY FREE PERMITS**

The fundamental problem is it offers too many free permits to our greatest emitters, which actually means that the targets that have been set place much greater pressure on those of us who do not get free permits. I have no problems with our trade-exposed emitters receiving compensation so that they remain competitive, however this should not be in a manner that totally distorts the ETS itself – the greatest efficiencies will be made with as many businesses as possible participating in the system. There are many other mechanisms that can support our trade exposed industries to level the playing field that will not remove the fundamental incentive to operate as efficiently as possible.

#### **STRONGER TARGETS**

I personally believe that much stronger targets are required to avoid the worst that climate change has in store for us, however I am a supporter of the concept that acting alone, while it is certainly the ethically correct position, will have precious little impact on global emissions. I therefore approve of the relatively modest "act alone" targets set in the CPRS. I oppose, however, the low targets that are proposed should the rest of the world get on board – I feel they fly in the face of the science and totally undermine Australia's position as a supposed leader on climate change. If the rest of the world gets on board we should be prepared to agree to more significant cuts!

#### **KEEP IT SIMPLE**

A CPRS does not need to be this complicated, manipulated and distorted... it is an elegantly simple tool that should be implemented in as elegant and simple a manner as possible.

#### **VOLUNTARY ACTIONS**

I would like to add that I believe that the Committee should not be distracted by submissions that claim that a permit trading based system undermines voluntary actions. When a market price is applied voluntary actions save the person or entity taking such actions money, and lowers demand for permits thus reducing costs for those for whom reducing emissions is not such an economically viable task. Opposition on these grounds comes from people who either do not understand, or have an ideological opposition to market economics. At the end of the day Australia's economy needs every single emissions permit in the system to be generating as much profit as possible – that is how economics works!

#### **TRUST SCIENCE**

I must add that it goes without saying that I also urge the committee to not be swayed by the inevitable pressure from those who choose to believe that climate change is not real, or is a fraud, or

junk science. In science it is true that the science is never truly “settled” – but right now the significant majority of climate experts approve of IPCC conclusions and I fail to see how a Government can be expected to make policy based on anything other than the prevailing and overwhelming scientific consensus. Science should never be about consensus... but politics probably always should! I hope that the committee is able to stay focussed on delivering a better CPRS, rather than getting bogged down in pseudo-scientific posturing and debate.

Thank you for the opportunity to comment.

Yours faithfully

Matt Buckels