

O s b o r n e A s s o c i a t e s

31 July 2000

The Secretary
Joint Standing Committee on Treaties
Parliament House
Canberra ACT 2600

Dear Secretary

Inquiry Into The Kyoto Protocol

Introduction

This Osborne Associates Submission responds to the Joint Standing Committee on Treaties's Inquiry on whether ratification of the Kyoto Protocol on climate change is in Australia's national interest.

The Submission provides relevant comments as to the financial implications. Osborne has no expertise as to the scientific theories on global warming.

In Sum

- Every Australian is presently (and generally unknowingly) paying a carbon credits impost.
- The insurance sector in Australia and internationally (via insurance and reinsurance products) already factor the impact of greenhouse emissions into the pricing of a wide range of policies.
- It can be expected that the carbon credits impost will increase in the future.
- Global financial institutions already have developed sophisticated systems and procedures to assign country, industry and firm risk profiles.
- It can be expected that similar ratings and *risk profiles* will be developed for greenhouse emissions.

Osborne Say

- From a financial perspective, the Joint Standing Committee on Treaties should recognize the greenhouse costs already imposed and the likely global trends.
- Australia should be an active participant and supporter of the Kyoto Protocol in the forthcoming discussions in The Hague.

Australian Greenhouse Office

The Joint Standing Committee will recognize the extensive work already undertaken by the Australian Greenhouse Office in articulating the issues associated with a national emissions trading program (4th Discussion Paper on Emissions Trading).

A copy of Osborne's Submission on the development of an emissions trading system is attached to this Submission and provides detailed comments on the development of a trading platform as quickly as possible.

Expression of Concern

Osborne is concerned that the Federal Government has hitherto not expressed a clear and consistent view on its commitment to the Kyoto Protocol nor sought to expedite a broader community involvement.

The Joint Standing Committee on Treaties Inquiry also provides a confusing national and international profile.

In Osborne's view, the Australian Greenhouse Office should be congratulated for its work and it is hoped that the Joint Standing Committee will actively seek its advice.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bradley Treadwell', with a long horizontal flourish extending to the right.

**Bradley Treadwell
Managing Director**

**Attachment: Osborne Submission to the AGO – 4th Discussion Paper on
Emissions Trading**