

To Senators on the Senate Select Committee on Climate Policy,

One of the major weaknesses of the current CPRS is that voluntary carbon reduction is not included. By rewarding companies and individuals for voluntary carbon reduction a virtuous cycle of change occurs where companies can more rapidly achieve economies of scale and further reduce the cost of providing goods or services that provide carbon reduction.

For example, consider the case of commuting to and from work. It is acknowledged a high proportion of public transport trips displace car trips. Many people who commute to work using public transport make a conscious decision to leave their car at home. It is important to acknowledge the trip is not optional - in most cases, either a motor vehicle or public transport must be used to commute. Therefore, public transport providers should be allocated carbon credits for the average emissions saved per passenger compared to the case if the journey was made by car. By including the voluntary reduction, the public transport provider is being rewarded for an indirect carbon reduction.

Of course, certain basic assumptions would need to be determined such as the proportion of passengers who can choose between car use and public transport use, the average fuel consumption of motor vehicles used by those public transport passengers, and improved data about the public transport trips actually made. A state like Queensland is well placed in this regard due to their smartcard ticketing system.

This proposal would provide a revenue source for public transport providers which could help offset the significant government subsidies for public transport use in Australia. This would reduce the disincentive for governments to invest in public transport infrastructure, and in the long term result in a lower proportion of trips made by motor vehicle.

This is just one example where including voluntary carbon reduction will drive behavioural change far more quickly and efficiently than if the CPRS is simply a "polluter pays" system. Australia needs a strong, ambitious and fair emissions trading scheme, not a plan that stands in the way of the change we need.

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