

Dear Sir/Madam

SUBMISSION - CARBON POLLUTION REDUCTION SCHEME RECOMMENDATIONS

I am writing to ask you to request that the Government amends parts of the CPRS prior to implementation. Having read the green paper, the white paper and conducted my own research and analysis, I would like to submit the following recommendations:

1. The national 2020 reduction in emissions target needs to be revised upwards in line with recommendations from the Garnaut Review and climate scientists to at least 25% to 40%.
2. Whatever emission reduction target is set now, please leave the door open so that it can be revised upwards in future.
3. Whatever the target percentage reduction in emissions is, please ensure this is stated as two separate targets. For example, if the target reduction in emissions by 2020 was set at 25%, the target would be described as follows: National Residential Target = 25%, National Business Target = 25%. If the targets were stated in this more detailed format, any reduction in emissions achieved by households couldn't simply be picked up by big polluters in industry as each segment is required to achieve its own target. Australia's national greenhouse accounts already disclose these sectors separately so accounting in this manner wouldn't be difficult.
4. It is understood that some form of financial assistance needs to be paid to big polluters to reduce the incidence of "carbon leakage". Rather than a compensation "handout", the financial assistance should be granted to the eligible firms in the form of an "investment allowance" of which a certain percentage MUST be spent on investment activities such as more energy efficient technologies, better processes or other investments in a clean energy future. It is acknowledged that a certain percentage of the payments will need to be dedicated to the cost of remaining competitive in a carbon economy but the recipients need to be held accountable and invest them responsibly for the future.
5. It is strongly recommended that the carbon market is allowed to operate efficiently and without impediment so that it brings about the desired changes in polluter behaviour. As such, please do not set a carbon price cap.
6. On a related matter, generous tax breaks such as accelerated depreciation or R&D tax concessions should be implemented in relation to business investment in clean technology to encourage further voluntary spending in this area (no "double-dipping" on the compensation monies though).

Please also legislate a ban on all new coal-fired power stations in Australia and a moratorium on all new coal exploration and mining. We urgently need to phase out existing coal-fired power plants over the next ten years and to change the requirements for assistance to coal-fired generators under the CPRS to be conditional upon the 10-year phase-out.

Thank you for the opportunity to make this submission.

Sincerely

Fiona Jury