

Dear Committee Member,

I am appalled that Parliament has before it a proposed emissions trading scheme that is so seriously flawed. Certainly, an economic instrument to drive a transition to a low carbon economy is long overdue. However, what is on offer is of dubious value. The Rudd Government has presented the Senate with an unpalatable set of options: an extravagant merry-go-round of polluting industry protection which counteracts the potential of a real market-based scheme, or with political delay or deadlock, ongoing uncertainty for those considering investing in low emission technologies. The threat posed by the enhanced greenhouse effect accumulates rapidly with the risk of non-linear, catastrophic changes in the climate system, and yet the targets in this proposal fall well short of a science-based approach to emission outcomes (25% if a 450 ppm-e pathway is the objective). This makes the task of meeting the 2050 target reliant on very fast reductions beyond 2020.

It has been said that the great strength of a cap and trade system is that it is technology-neutral and "allows the market to seek out the lowest-cost way of achieving any particular emission cap" (National Greenhouse and Energy Taskforce 2007). However, this strength is lost due to the extent and duration of political wealth transfer features to soften the impact on a narrow band of big polluting industries while requiring little in return. Manipulations of this kind undermine the polluter-pays principle and mean that the increased competitiveness of low emission technologies (the whole point of cap and trade) is foregone. There has been prior opportunity for adversely affected interests to commence a process of adjustment to the societal, business and regulatory risks other through organised resistance to change (which appears to have paid off substantially with perverse consequences for the national interest and other sectors of society and business who will now have to pay). The jury has been in on the science and the ALP's proposed 2050 target has been on the table for some time now. The rampant oiling of the squeakist wheel belies the selection of that target!

Some have argued quite persuasively that we have not adequately explored the merits of a carbon tax (eg. see Brook and Kelly's submission to the Economic Committee inquiry). I support calls for this to be properly examined, though mindful also of the need to act soon. It is apparent that the CRPS will cause significant havoc to voluntary measures and that the Rudd Government is still misleading the public about this. Quite outrageously, ALP material recently delivered to households in my area still encourages constituents to believe that installing home insulation would directly lead to reductions in greenhouse gas emissions when clearly under the proposed cap and trade scheme it would do nothing of the sort. [Please refer this comment to all ALP Senators - and I encourage others to help expose this scam to the public or else be implicated in a cover-up!] Further, a cap and trade approach renders other measures as picked winners within the context of the cap; they are not additional measures.

I am concerned also at the extent of potential reliance on off-shore measures which could theoretically mean that actual Australian emissions and in key sectors have risen substantially by 2020. Given the scientific finding that the Earth's capacity to absorb emissions will decline in response to global warming this restricts the abatement options over time and action across all sectors is required for deep cuts, and reduces the long-term value of sinks such as tropical forests. Notwithstanding the other environmental benefits of forest protection, the integrity of international trading involving tropical forests is a serious issue that may be difficult to resolve.

I am concerned that the proposed assistance of EITEs is excessive reflecting either a political assessment or an alarmist 'carbon leakage' scenario that is unsupported by Treasury or other independent assessment. The Garnaut Review warned that protecting EITEs would redistribute the burden of abatement across parts of the Australian economy and clearly this advice has not been heeded.

It is of concern that the objects of the legislation do not contemplate moving beyond the 5-15% target range for 2020, and thus we would lack the flexibility to align targets with recent climate science.

The proposal is inconsistent with Government pronouncements on the need to respond to climate change as a moral issues and for industrialised nations to make a fair contribution.

These are my own comments. In forming my submission I have reviewed a cross-section of expert commentary. I am convinced that the threat posed by climate change is partly solvable (as the mainstream science suggests) but I am unconvinced we are on the right path. I don't claim great expertise here, but I consider that an alternative economic driver which does not alienate those seeking to make voluntary contributions (like the solar panels and other measures I have personally invested in, and outcomes of the current Commonwealth 'stimulus' and State Government measures) deserves your urgent consideration.

Submission by Jim Allen