

To Senators on the Senate Select Committee on Climate Policy,

The Rudd Labour Government was elected with a clear mandate to make policy committing Australian society to significant changes in the human activities that are driving climate change. An emissions trading scheme is just one of the tools the federal government can reduce Australia's greenhouse gas emissions. There are many other strategies, such as a mandatory renewable energy target, a renewable energy feed-in tariff, realistic water pricing, sustainable farming practices, energy efficiency standards for homes and commercial buildings, fuel efficiency standards, greater investment in public transport and the ending the logging of Australia's native forests. These are all efforts that would reduce Australia's emissions by substantially more than 5%. All these policies should be pursued.

There has been a lot of focus on the Carbon Pollution Reduction Scheme (CPRS). Emissions trading is an important strategy for reducing Australia's emissions, but a low, five percent target and exemptions for heavy polluting industries sends the message that the government is either weak or is not taking the issue seriously, or both. This target is not sufficient to deal with the environmental crisis we face, and while it is low enough to be readily attainable, it is simply delaying the difficult decisions for another, future, government. Australians voted for a government willing to tackle climate change now. There is a high level of public concern and enthusiasm to repair the damage human activity has caused the environment. Providing the heaviest-polluting industries with compensation and free permits to pollute simply protects the profits of these industries at the expense of clean industries. It also unfairly transfers the cost of reducing emissions to industries with less lobbying power and to the community at large. Every dollar of compensation that goes to polluters is a dollar less to assist householders and clean industries. Such wishy-washy targets and policies only engender cynicism.

Arguments that excuse heavy polluting industries from making significant changes to reduce greenhouse gas emissions on the basis that it may cost jobs or that these industries will relocate elsewhere in the world reveal short-term, head-in-the-sand thinking. These arguments have probably been voiced over the centuries, whenever pollution-reduction or safety legislation has been introduced. However, if governments had paid heed to claims that pollution-reduction or safety measures would ruin the industry and cost jobs, most major industrial cities would still be experiencing the pea-soup smog and high frequency of worker injury once commonplace in 19th and early 20th century Europe. Nowadays, such poor pollution and worker safety regulation is a feature only in underdeveloped or developing societies. The fact is, those societies whose governments have legislated for high emissions controls and levels of safety, have the most competitive, safe and efficient industry. It is in the long-term interests of all industry in Australia to transform to low emissions technology because those countries whose industries do not undertake this transformation will constitute the underdeveloped world of the near future.

It is also of concern that the CPRS, as proposed, does not take into account voluntary emission reductions from the community. The efforts of everyone from householders to State Governments to reduce emissions will be helpful only in reducing the price pressure on polluters. This must be fixed by taking account of community action and all the policies already in place when setting the scheme caps, and using the scheme to drive more ambitious efforts.

Business has called for clear policy on emissions control because it needs long-term investment horizons in order to make multi-billion dollar decisions. Setting an unrealistically low emissions target is likely to lead to many bad investment decisions being made, as business invests in 'low pollution' infrastructure which, in only a few years, will need to be moth-balled, dropped as sunk costs and replaced with zero emissions alternatives. Setting an ambitious, science-based target now will avoid these costly mistakes by putting everyone on the right path from the outset.

Australia needs a strong, ambitious and fair emissions trading scheme, not a plan that protects polluters and stands in the way of the change needed.

Yours sincerely,

Jo Mead