

The Secretary
Senate Standing Committee on Economics
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Parliament House
CANBERRA ACT 2600

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Submission

Dear Committee Secretary:

Submission - Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme.

The Senate Standing Committee on Economics should agree to introducing an efficient and effective emissions trading scheme which must include all modes of transport.

An emissions trading scheme should start as soon as practical.

A sharp reduction in transport emissions will be required if Australia is to achieve its green house gas emissions goals.

The Government's proposed Carbon Pollution Reduction Scheme (CPRS) does not include all modes of transport due to offsets to road transport emissions charges. Consequently, it completely ignores the rail industry and the environmental benefits it offers.

Including all transport in the emissions trading scheme without discounts will:

- maximise the scheme's ability to reduce emissions to acceptable levels;
- reduce the costs of the scheme to all users by spreading the burden across more users; and
- minimise the cost of emission trading to businesses and the community.

All transport modes should be part of the solution to climate change; in particular Rail because it is efficient in terms of both energy use and greenhouse gas emissions.

Exemptions from the CPRS increase the cost of abatement for Australia as a whole and result in inefficient carbon reduction. Therefore, the risk of climate change and its financial impacts in Australia are increased.

Due to exemptions from the proposed CPRS, complementary measures are required for railways to allow transport to make its best contribution to reducing greenhouse gas emissions.