

Hon Dr Bob Such MP
Member for Fisher
Shop 11, Aberfoyle Hub Shopping Centre
ABERFOYLE PARK SA 5159

Telephone: 8270 5122

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The Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Committee Secretary

**Inquiry into the exposure drafts of the legislation
to implement the Carbon Pollution Reduction Scheme**

I respond to the invitation to provide a submission to the Inquiry and offer the following comments in relation to the Terms of Reference.

There has been considerable debate about, and criticism of, the Carbon Pollution Reduction Scheme (CPRS), including

- The proposed target of a 5% reduction, with a 15% reduction conditional on a global agreement, is inadequate;
- The targets should be lifted to 25-40% by 2020 based on the latest scientific evidence;
- Free permits granted to the biggest polluters should be abolished since the scheme effectively rewards the major corporate emitters for failing to act;
- Costs would be borne not only by emissions-intensive, trade-exposed industries but also by small and medium businesses through higher energy costs;
- Doubt as to whether there would be global support of the scheme;
- The scheme is seen as being difficult to implement and monitor, and lacking in transparency.

Surely the goal is to ensure that individual action results in lower emissions, not simply lower carbon prices. Unless the major flaws in the CPRS, merely

touched upon above, can be resolved, it is my view that the government should introduce a graduated carbon tax as a matter of urgency.

It is important that a carbon reduction system does just that and is not, in effect, an approval mechanism that allows companies and individuals to keep on polluting, in this case via the production of more and more carbon. It is vital that we have a 'fair dinkum' carbon reduction scheme, not a tokenistic, feel good, do little approach!

In essence, Australia should introduce a carbon tax as a more straightforward and less complicated system, with the proceeds of the tax invested in new technology. To foster these initiatives, incentives should be introduced to encourage and maximise investment in the development and use of renewable and low-emissions technologies.

Yours sincerely

Bob Such MP JP
Member for Fisher