



Professor Ross Garnaut
Submissions
Garnaut Climate Change Review
Level 2, 1 Treasury Place
Melbourne Victoria 3002

11 April 2008

Dear Professor Garnaut

The Australian Conservation Foundation (ACF), Choice and the Australian Council of Social Service (ACOSS) work together to advocate action to prevent dangerous climate change and to promote measures that reduce the impact of climate change on households, especially low income and disadvantaged households.

We acknowledge your preliminary consideration in the Emissions Trading Scheme Discussion Paper of the important impact the scheme will have on the living standards of low-income households. Next week we will be releasing our joint report "*Energy and Equity - Preparing households for climate change: efficiency, equity and immediacy*" (attached). It recommends that the emissions trading scheme be developed with significant complementary measures that start immediately.

Since carbon pricing will increase the costs to consumers of essential services like electricity, it's critical to ensure costs are not borne disproportionately by low income households. We need tariff structures and safety nets that recognise the essential nature of energy and water, while pricing to encourage efficient consumption.

Energy efficiency is the quickest and cheapest way to cut greenhouse pollution. Our report, with analysis by Professor Alan Pears, finds that an energy efficient home can still be significantly better off, despite facing higher unit energy costs.

Programs that are required for energy efficiency and to compensate disadvantaged households could be funded by revenue from auctioning carbon permits in the emissions trading scheme. It is important that the Government starts now on the big job of helping consumers prepare for the low-carbon economy; rather than letting the timing and size of complementary measures be conditional on emissions trading revenue which is uncertain and won't be realised until later.

ACF, Choice and ACOSS would not support an emissions trading scheme proposal that fails to guarantee social equity for householders and does not deliver meaningful emissions reductions that ensure Australia plays its part in averting dangerous climate change.

Please contact Andrew Johnson at ACOSS should you have questions (phone: 02 9310 6200, email: andrew@acoss.org.au).

Yours sincerely

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