

Hi Ross & team,

At a recent Climate Conference in Melbourne I asked you, Ross, about 'the financial services industry licking their lips over the new market you are creating for speculators to exploit'. I found your answer ("there are limitations to the market system") warrants this short letter.

Whilst I am yet to read of the desired trading period your Carbon Trading system will allow, I would like you to consider recommending a Carbon Permit rental fee, chargeable at 10% of the value of the permit (averaged over the tradeable period). This would reduce the ability of speculators to hoard permits by soaking up the rents they are seeking.

This will ensure that the trading system is not undermined by the vested interests who wish it to be abolished. If this policy extension is ignored, the fears you discussed at the Melbourne Uni "Climate Conference" gathering will be realised and the poor hurt more than they should be.

Resource speculation should not be encouraged. Avoiding grandfathering is not sufficient of attaining the vision that Rudd is looking for.

I apologise for not sending a more expansive submission, but as a small NGO I can only hope you take the above on its merit.

regards,

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Karl Fitzgerald
Projects Coordinator
Earthsharing Australia
www.earthsharing.org.au