

CLIMATE CHANGE PETITION

FOR GARNAUT CLIMATE CHANGE REVIEW (11.04.08)

Goals to transition to a low Carbon (C) economy:

- low C transport
- low C exports
- low C power
- low C workforce

The emission trading scheme (ETS) is a good start to get CARBON prices into products, but greater incentive is needed to encourage success in low CARBON technology, if we want to do so fast. The ETS is likely to take perhaps some 10-15 years to achieve this.

RECOMMENDATION: Low CARBON Incentive scheme

Principles:

- revenue neutral, so no loss of current government funding
- revenue shared by low carbon producers (50%) and consumers (50%)
- avoid petrol tax, new car tax, or levy on electricity
- prefer broad based consumption tax at 2%, with current GST exemptions
- payments for results, not R&D ie power produced, actual transport, including any vehicles that save 50% carbon over best selling cars eg Toyota Prius

A 2% extra Low CARBON levy on GST would raise \$1 billion / month.

At 2%, funds of around \$1B per month could be raised. Significantly ahead of Victoria's \$200M action plan or Qld \$900M investment in clean coal over ten years.

Each month, receipts would be balanced with payments, so the fastest developers of low C technology were paid, starting a low CARBON development race - a gold rush.

Unspent receipts, would go to other C offset, such as planting trees, a portion could be saved (say 40%) for low C loans to buy solar heating, or fund low C R&D. A small proportion could fund R&D alone (say 20%), and administration (say 5%). Funding could also come from sales of CARBON certificates.

The fund should be spent on:

- low CARBON power (1/3), (such as SOLAR and WIND power)
- low CARBON transport (1/3) and (such as TRAIN, TRAM and ELECTRIC CARS)
- compensation to workers transitioning from high CARBON to low CARBON jobs (1/3).

An incentive to leave high C jobs (say \$10,000 per year of service, payable from fund in month of leaving or pro rata from funds available) and for employers to take on workers from high C jobs (say \$10,000, payable half on hiring, and half on one year anniversary), into low C industries (ie receiving incentive payments).

WOULD YOU SUPPORT:

A) A 2% GST INCREASE TO PAY FOR AND ENCOURAGE CLEAN TRANSPORT AND CLEAN GREEN POWER PRODUCED, OR

B) PETROL / NEW CAR / ELECTRICITY TAX TO ENCOURAGE GREEN POWER AND TRANSPORT DEVELOPMENT.

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