



The Hon Ian Macfarlane MP  
Shadow Minister Energy and Resources  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

1<sup>st</sup> October 2009

Dear Mr Macfarlane,

I am writing to you to congratulate you on your recent appointment in assisting the Leader on emissions trading design, and we welcome your continued involvement within this portfolio.

I would like to take this opportunity to provide you with an update on CHOICE's view about some aspects of the Carbon Pollution Reduction Scheme.

Australian consumers are particularly vulnerable to the direct impacts of climate change. In the words of the White Paper, "Carbon costs will ... ultimately be borne by consumers". As the largest organisation representing consumer interests in Australia, CHOICE has a critical role in ensuring the effectiveness and fairness of the mitigation and adaptation measures of climate change for which consumers are paying.

Like the government and the opposition, CHOICE supports the principle of placing a price on carbon, however as consumers will ultimately bear the cost, this must be done in a way which represents both good value for money and meaningful emissions reductions.

We are extremely disappointed that the current design of the Carbon Pollution Reduction Scheme (CPRS) will account for only a very small part of Australian consumers' *voluntary contribution* to reducing greenhouse gas emissions.

Consumers who purchase GreenPower or carbon offsets, or make other relevant changes to their purchasing decisions, are motivated by a desire to reduce the total amount of carbon emissions.

The current CPRS legislation excludes the majority of consumers and the majority of consumer actions from making a meaningful contribution. It thus disempowers consumers from taking action on climate change and reduces their engagement with the issue.

A significant number of consumers have reported to us that they feel the government has failed them by not providing a meaningful opportunity to participate in emissions reductions.

On behalf of the many concerned consumers we urge you to insist that the government amend the Carbon Pollution Reduction Scheme legislation to:

**57 Carrington Road Marrickville NSW 2204**

**Phone 02 9577 3333 Fax 02 9577 3377 Email [ausconsumer@choice.com.au](mailto:ausconsumer@choice.com.au) [www.choice.com.au](http://www.choice.com.au)**

The Australian Consumers' Association is a not-for-profit company limited by guarantee. ABN 72 000 281 925 ACN 000 281 925



- a) remove the 2009 baseline and instead account for all GreenPower purchases as additional to the mandatory target;
- b) clearly define voluntary actions and the activities that will be considered under this definition for the purpose of counting them as additional to the mandatory emissions reductions target;
- c) require that voluntary actions result in the abatement of greenhouse gases additional to mandatory emissions reduction targets;
- d) retire a CPRS Permit and an Assigned Amount Unit (AAU) for every tonne of abatement from voluntary action;
- e) require that voluntary action is accounted for over and above the 2020 end point target; and
- f) develop complementary measures which describe the process by which voluntary actions will be accounted for and reported upon. And set a realistic timeframe for measuring emissions saved through voluntary action. An annual reporting timeframe is proposed as it would to inspire consumers and business to take even more voluntary action.

As it stands, the amendments to *Carbon Pollution Reduction Scheme Bill 2009* will disempower and disengage consumers from effective involvement in Australia's response to climate change.

We would welcome the opportunity to meet with you to discuss these issues further. Please contact Victoria Coleman, [vcoleman@choice.com.au](mailto:vcoleman@choice.com.au) or on 02 9577 3265.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Nick Stace', written in a cursive style.

Nick Stace

CEO



## GreenPower: Keep it real

### What consumers are saying...

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I WANT to make a positive difference and am prepared to pay for that. However, I WILL NOT pay to allow others to pollute with what I pay for. There are much better ways to actually reduce greenhouse gas emissions and we should do it because it is simply the right thing to do.

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*Voluntary action by individuals and small business should not just make it easier for big polluters to continue polluting. I want to make sure my actions make a difference.*

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As a household who adopted green power in the early days we are alarmed that our decision to support this industry is being undermined by government policy. Please don't discourage people like us who have been paying extra for no economic return. There are a lot of people doing without other things to do this. Please don't include Greenpower in the mandatory target & take away the incentive.

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*The actions the government are considering would undermine the Greenpower scheme and runs a very strong risk of wasting the money that I and others have set aside for carbon abatement. Unless all Greenpower is counted I will stop subscribing to it or any other Australian Government carbon abatement initiative and use the money to buy overseas carbon credits or private credits.*

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I'm on 100% GreenPower and will be for the entirety of 2009. I am infuriated that, because of [the government's] policy, the impact of my goodwill will be a net increase in emissions compared to if I had started using GreenPower in 2010.

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*We need to capture the value of our combined individual actions towards reducing greenhouse gas emissions and this is an important step.*

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After all the rhetoric about climate change leading up to the election I felt totally betrayed when the Prime Minister announced such weak targets for emissions reductions and the massive compensation for the major polluters. Then I learn that our solar panels and paying for 100% Greenpower will actually help the polluters. What a sham! The carbon lobby has obviously infiltrated this Government as much as it had the Howard Government.

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*Every action that each individual takes to reduce greenhouse gas emissions has to count, otherwise we might as well just give up. It is ridiculous to make individuals pay more to pollute less, while then allowing big business to pay less to pollute more. We are all in this together, and we all suffer when our environment is degraded.*

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The little people are doing ALL the hard yards. As usual, big money and big polluters make NO sacrifices.

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*I want my choices to count. Companies that advertise or promote green anything falsely should be penalised to the fullest. Assistance to companies attempting to do the right thing should be supported. Why is buying green electricity supporting all the wrong things? It is self defeating and uninspiring. It also makes you less inclined to support green plans in case the same thing occurs.*

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If Kevin Rudd and Penny Wong don't correct the current design flaw of the CPRS, which makes it cheaper and easier for high emission polluters to keep polluting, their environmental credentials cannot be taken seriously.

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*Much more needs to be done about climate change before we suffer greater temperature increases and natural disasters. Households may need to reduce our perceived standard of living, business needs to cut profitability and governments need to stop pandering to business and developing impotent, populist policy. This is serious.*

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Government needs to get its act together and be proactive to save this planet before its too late!

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*I object to paying extra so the big polluters can continue to pollute. It seems the public is more interested in saving the planet than the Government is.*

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We are renovating our home and want to make choices that count towards reduced greenhouse gas emissions, but find the conflicting information messages often confusing and frustrating. Can't we put the good of our Earth before the spin and the politics?

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*Significant thought, energy and finance are sacrificed by individuals during difficult times in order to be accountable and responsible and therefore deal with the critical issue of greenhouse gas emissions. That this significant effort only counts towards reducing the accountability and sacrifice of big business is demoralising and unethical. With this legislation in place, no matter how many individuals contribute, and no matter the magnitude of their personal sacrifice, no difference will be made to the critical carbon emissions produced by Australia as a nation. I believe that is the last thing to motivate anyone (especially 'big business') to make their best effort.*

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The more incentive there is for households to be green, the greener society will be! It's CHEAPER in the long run.

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*If the government is sincere in its stand against climate change and the environment generally, it will ensure that the people that are investing their money to help the environment are not being "slapped in the face". It just doesn't make sense that in a state like Queensland, with so many "sun" hours, that solar hot water and solar power are not HEAVILY subsidised, so that the option is available to everyone... but I suspect the money the government receives from these polluting industries "speaks loudly"...*

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As a family we have taken significant efforts to reduce our consumption of energy and water. We are not at all happy that our efforts over many years could be used by others to reduce their contribution. We will be considering the outcome of all political parties policies at elections (local to federal). The environment is a \*key\* voting issue for us. The general issue of profligate waste of resources, including energy, is a serious one regardless of ones view on the Greenhouse effect (which we do think is only too real). Tricky deals, or legislative oversights, will be remembered in this household.

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*How can it be reasonable that people like me (and many I know) make personal sacrifices like cutting out air travel, using public transport, spending up on photovoltaics just to find it will make not difference. It is deeply insulting to those of us who have demonstrated how much we care about protecting our wonderful Earth.*

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I have bought 100% GreenPower for a number of years to support the development of Australia's renewable energy industry and to decrease my environmental impact. It is unfair that my purchase of renewable energy to avoid greenhouse gas emissions will help some polluter to emit more!

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*I voted for the Labor government in the last Federal Election. I want the Labor government to fulfill the environmental mandate that voters handed to them - fair and responsible environmental action with care for our future. I don't want to be let down!*

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I think it is more important to have to have a rigorous strong target - in line with what the science tells us is needed, but whatever target we have, we must design our scheme so that individual actions can and will make a difference.

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*I am deeply concerned that the carbon reduction measures I have introduced in our home and home-based business will be negated by the (draft) legislation as proposed. Despite my strong belief that greenhouse gases must be reduced and are the individual responsibility of us all I feel my efforts are being undermined. This is a strong disincentive for me and the wider community to invest in further measures that will help our country to exceed the weak targets as proposed by the Rudd government. I will have to seriously consider the real value in investing further to reduce our carbon footprint.*

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It is, as you say, insane that big polluters are given the right to expand their polluting to the extent we reduce it, the government must be mad, given that if we don't do anything about reducing global warming Australia maybe uninhabitable by 2050 (*New Scientist* , 28 feb 2009)

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*This is ludicrous. People are forking out more cash to increase the demand for renewable energy, and to lower their household emissions - and the goose that designed the CPRS does not think this is worthy. That's rubbish! I say amend the CPRS to ensure GreenPower sales reduce the number of permits available to the major emitters.*

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The CPRS in its present form disempowers consumers and will lead to apathy and disillusionment that action to reduce emissions by individuals in Australia will make no difference to the total emissions of the country.

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*Consumers expect more from a CPRS in terms of setting ambitious targets and making everyone's efforts count. Let's get it right - fix the scheme and let us show that we are up for a real carbon reduction challenge.*

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I purchased greenpower to ensure green house gases would be reduced, - every little bit counts! I am horrified to hear that big businesses can receive carbon polluting power for a cheaper price. They are obviously not being encouraged to reduce their power usage and my good intentions are therefore negated. This is corrupt and needs to be addressed urgently!!

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*I expect the government to introduce measures that will help all householders reduce their greenhouse gas emissions and, moreover, to REQUIRE that they do so! Please Mr Rudd, take the lead to change our culture!*

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Federal Government must change the proposed emissions trading scheme to make voluntary actions count. If they dont, it would change the way I vote - and I am sure the many thousands of others who have made a big effort to reduce our emissions would feel the same.

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*We are voluntarily switching to solar power and hot water in our own home at considerable cost because it's the right thing to do! Make Big Business responsible too!!*

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I wasn't aware of this flaw in the carbon trading scheme. I want my efforts to reduce my carbon footprint to make a difference, not give big industry polluters an escape clause. Please plug this gaping hole in the system.

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*It's important to encourage everyone (individuals, governments, companies) to conserve resources, because they are finite.*

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The whole point of having a CPRS is to reduce emissions, not to subsidise big business to keep on producing more emissions.

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*My efforts to reduce emissions are to protect the planet for my children; not give a free ride to polluters. I want my efforts to make a difference for my kids.*

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In order to gain credibility within the community, it is essential that the CPRS ensures that personal, family and local actions to mitigate climate change are additional. Obviously, some fossil-fuel reliant businesses don't like being pressured to make substantial change, but they need to do so. National legislation and policy needs to apply firm pressure, not prop up industries that are increasingly leading us into real problems with climate. That is the whole point of the legislation. There is no point trying to make everyone happy on this. Legislation that is too even handed and balanced will not reduce carbon emssions. You have to tip the scales so that fossil fuel industries phase out.

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*I'd like to declare how staggered I am by the ineptitude of creating a scheme which will (in its current form) actually have a detrimental impact on community actions to reduce Carbon Dioxide emissions. Why the Federal Government hasn't already made changes to the proposed system is beyond me! Why do Ministers not use common sense?*

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Please fix the broken CPRS before it becomes law. It is beyond stupidity to think the Australian people will accept a situation whereby anything they do to reduce greenhouse gas emissions will not achieve any additional greenhouse savings but, rather, will merely result in subsidies for the big polluters.

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*We currently subscribe to green energy through our electricity provider, and we have included solar cells and a solar hot water system in our 2009 renovation plans. This is because we want to do our bit for the planet. Please don't allow others to pollute more just because we choose to pollute less. It reduces an individual's power to make meaningful change, and that is just plain unethical.*



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Very disheartening to know my efforts just allow big polluters to pollute more... Strengthens the hands of the cynics in households and workplaces who think there's no point doing anything because the planet is stuffed anyway.

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*With green power I want to buy and invest into energy produced by wind, water & sun. To think that my contribution actually supports high emission industries is revolting.*

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I thought this Government would get it right.....It won't stop me from making an effort to be more environmentally responsible, but it will make me think twice about who I vote for next time!

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*When is th government going to start listening to people and scientists? Real, urgent action on climate change is what Australians need and want.*

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Let's do this right way, the correct way for all people and beings; we share this planet... for all time, for everyone!

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*I would rather not claim a rebate than subsidise big businesses to continue polluting. Promote solar power. Make it cheap. Put it in every roof. It will create jobs and put Australia ahead of the competition. It will happen sooner or later and we will be behind the game. Get real Mr Rudd!*

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Why is it that consumers need to shoulder the burden of carbon emissions and not those directly responsible for them ie power generation and big business. Please don't make this another issue of the tail wagging the dog.

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*The target set is much too low and should not effectively be reduced by ignoring voluntary actions of consumers.*

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I want my solar panels to count, not be flooded by a slack energy industry.

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*How incompetent. This plan should be amended immediately!*

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I want to know that the solar panels I've installed on my roof will really make a difference, and not help big business to get off the environmental hook.

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*It would be far simpler to convert our coal fired power stations to solar thermal power stations with energy storage than running the flawed carbon trading scheme. If we phase out coal fired power stations we would reduce emissions by ~ 50%*

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I subscribe to 100% green power both at home and in my small business...I also voted Labor in the hopes that they would do something significant to help curb global warming. The CPRS is a grave disappointment and negation of my personal concerns and those of all other Australians who are doing their bit and expect the government they helped elect to also do it's bit.