

Open letter to the Australian people, 27 May 2007

Will the PM pass the T.E.S.T. on emissions trading?

Dear Prime Minister

You are shortly due to receive a report from your Task Group on emissions trading, which is likely to propose the design for a national emissions trading scheme.

As you know, States and Territories have already committed to a national emissions trading scheme to start in 2010. We see such a scheme as an indispensable step in tackling climate change and ensuring Australia reduces its greenhouse gas emissions at least cost.

Climate change requires a genuine commitment to ongoing reform by all levels of Government.

As a result, States and Territories expect any scheme you propose to consist of the following elements, matching the existing commitment by States and Territories:

- **Targets** – any scheme must have an environmentally-credible long-term target for emissions reduction, helping to ensure investment certainty while also including measures to protect our carbon sensitive, trade-exposed industries until competing nations put in place commensurate emissions reduction policies;
- **Early start** – our scheme is due to begin in 2010;
- **Support** – in the form of complementary measures, such as renewable energy targets and comprehensive research, development and demonstration of clean coal, innovative carbon capture, and renewable energy technologies;
- **Together** – a reform agenda of this magnitude requires a cooperative approach from all Australian governments.

Without these elements, an emissions trading scheme poses risks to our environment, society, economy, and international competitive advantages

By working together with States and Territories you will help ensure a comprehensive approach to climate change action in Australia, build on the three years of work that has been undertaken through the National Emissions Trading Taskforce, and tailor a national emissions trading scheme to local economies and communities.

We trust you will take decisive action in this matter

Premiers and Chief Ministers

(Signed by all Premiers and Chief Ministers)