

Emissions Trading Working Group
The Cabinet Office
GPO Box 5341
SYDNEY NSW 2001
18 November 2005

Dear Working Group,

Thank you for the opportunity to provide input to the Working Group's development of an Australian emissions trading scheme. Please find attached WWF-Australia's Position Paper on Emissions Trading, which complements the Climate Action Network Australia (CANA) submission of 11 November 2005, which we support.

WWF supports an emissions trading scheme as one of a suite of policies required to achieve the deep cuts in greenhouse gas emissions required to minimise the risk of dangerous climate change. However, WWF support for emission trading is conditional on the scheme meeting the following tests:

- Emissions trading must be part of a broader policy response.
- A scheme cap must be set in line with an overall 20% emissions cut by 2020.
- The scheme should cap total absolute emissions without loop holes.
- The scheme should cover as many sectors as feasible to ensure maximum efficiency.
- Permits must be auctioned and structural adjustment be provided separately.
- Offsets and sinks should be excluded from the scheme, but otherwise encouraged.
- The use of overseas permits in the scheme should be limited.
- Affected regions should be provided structural adjustment assistance.
- The regulatory framework must be robust and independent.
- Compliance must be assured through use of a "make good" provision.
- The design process must include public participation and be transparent.
- The scheme must facilitate long-term investor certainty.

If the proposed scheme design does not pass these tests, - and will 'lock in' unsustainable levels of greenhouse gas emissions - WWF will strongly oppose its implementation.

We welcome the opportunity to discuss these issues with you.

Yours sincerely

Alexander Quarles van Ufford
Climate Campaigner

GPO box 528
Sydney NSW 2001
Tel. +61 (0)2 82021227
Cell +61 (0)400218925
Fax +61 (0)2 92811060
aquarles@wwf.org.au
www.wwf.org.au/powerswitch
Skype: qoffice