

The Secretary  
MRET Secretariat  
GPO Box 621  
Canberra ACT

6 April 2003  
Dear Madam/Sir

### **Submission - Review of the MRET**

I do not agree with the present policy and practice whereby more concerned and environmentally aware power consumers pay a premium allocated to purchase or generation of eco-power while less concerned consumers make no overt contribution to greenhouse gas reduction; the power utility meanwhile is relieved of the responsibility, to the extent of the premium, for providing eco-power from other resources.

This policy is inequitable and has the cart before the horse. There is no rational reason why the more environmentally concerned consumers should pay extra for power from preferred environmentally friendly low-emission sources while the majority of consumers are free and unpenalised in cavalierly adhering to power from less desirable high-emission sources which should be eschewed. The altruism of the responsible few is being subverted to the benefit of the irresponsible free-riding many. This is a con job where the few are paying good money for a rosy glow of self-satisfaction. The policy needs to be turned topsy-turvy.

It is a proper function and objective for the central government to set nationally binding policies and targets for progressive installation and utilisation of eco-power sources by utilities and private generators with which they might deal. The federal government should be much more active in this area, cooperatively with state and territories authorities and local government. It has at its disposal a range of incentives and prescriptions – by way of, for example, rebates, subsidies, tax concessions, levies and penalties, and industry assistance, research and development and promotion - to ensure realisation of better coordinated, more comprehensive, advanced and forward-looking policies and objectives.

Efforts in this direction so far are half-hearted and piecemeal and far less than optimum to maximise the available natural advantages and relevant human skills, knowledge and technology in Australia.

The costs for the above should be met equitably and without discrimination from general revenue (that is, from taxpayers generally) on the one hand, and from power consumers generally on the other, on the principle that the measures taken are for the common good.

Yours faithfully  
Lawry Herron

(sometime Permanent Representative of Australia to the United Nations Environment Program)