

The Hon Julia Gillard MP
Prime Minister
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

We write concerning the proposed carbon pricing scheme being developed by your Government in conjunction with the Multi Party Committee on Climate Change.

Our businesses and organisations represent a wide spectrum of export and import competing sectors including the agricultural production and processing sectors, the full spectrum of manufacturing industries, the minerals production and processing sectors as well as businesses that service and supply these sectors. Our representation includes small and medium sized businesses many of which are located in regional Australia.

We agree that effective action to tackle climate change requires comprehensive and sustained action by all major global emitting nations, and that Australia must play its part. A critical challenge in developing an Australian contribution to the global effort will be to ensure the international competitiveness of our export and import-competing business is not compromised.

In particular, in the absence of concerted international action to address climate change, an Australian carbon pricing scheme must not impose costs on Australia's export and import-competing industries ahead of their international competitors. These businesses operate in fiercely competitive global markets and have no capacity to pass direct or indirect carbon costs on to our customers.

A carbon pricing scheme that fails to include measures to fully preserve the international competitiveness of Australia's export and import-competing industry during a period of uneven or limited international action will cost jobs, investment and reduce the living standards of all Australians. Moreover, this could lead to a perverse outcome whereby global greenhouse gas emissions actually increase as market share or new investment shifts to nations using less efficient production methods.

We seek your confirmation that the Government will ensure that Australia's trade exposed industries are in no way disadvantaged through this reform.

We look forward to working with you and your colleagues to achieve this objective.

Yours sincerely

The undersigned

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Chief Executive Officer
**Anglo American Metallurgical Coal
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