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Climate Change Group
Department of Prime Minister and Cabinet
PO Box 6500
CANBERRA ACT 2600

Dear Sir/Madam

Submission on Early Abatement Incentives Discussion Paper

CSBP Limited is a wholly owned subsidiary of Wesfarmers Limited, and forms the Chemicals and Fertilisers Division of Wesfarmers.

CSBP manufactures and distributes a range of mining and industrial bulk chemicals, as well as liquid and solid fertilisers, and in so doing produces about 1.27M tonnes per year of CO₂ equivalent. The large majority of this comes from the production of ammonia and ammonium nitrate. In most of our business operations and products CSBP would regard itself as trade exposed, and in the main part with competitors in countries where the Kyoto protocol hasn't been endorsed.

CSBP has reviewed the early abatement discussion paper, and generally supports its intent to encourage greenhouse gas abatement activities to continue in advance of Australia's planned emissions trading programs.

Specific comments we would make include:

- i) CSBP supports the NEM definitions for a "committed asset" applying to the concept of "asset in existence" for the purposes of compensation, future trading schemes and credits for early action, on the basis that it provides some consistency across Australian industry.
- ii) CSBP supports the proposal to encourage many different types of abatement activities by having a broad scope for early action credits. Our only qualification would be that the early abatement needs to be accompanied by robust verification.
- iii) CSBP supports the initial administrative support for early action abatement credits being supplied through the Greenhouse Friendly Program.

I trust these comments are of value to your program, and CSBP looks forward to being involved in the development of these policies as they unfold.

Yours Sincerely,

Cameron Schuster
Manager, Environment & Manufacturing Support

14th December 2007