

# Letters

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scheme) before converting to a cap-and-trade emissions trading scheme."

In other words, the business operating environment will require large emitters to limit carbon emissions to the amount of units issued to them annually. These units will be at a fixed price for an initial period. Later, the system will convert to trading in a market for these units.

The total volume of units issued yearly will drop progressively in order to achieve the overall reduction in carbon emissions to the atmosphere required to meet Australia's fair share of curbing climate change.

**Ken Coghill**

Associate professor, Governance Research Unit, Monash University Caulfield East Vic

■ I note your editorial ("Permit system is no handout", March 18) claims "... the whole idea of the carbon price is to change the incentives for industries". I thought the original aim of the carbon tax was to reduce pollution. It is a pity Ross Garnaut cannot come up with a scheme to reduce global carbon dioxide production and atmospheric carbon pollution and not just create another inefficient market.

**Martin J Cochrane**  
Adelaide SA



## Fiscally responsible tax summit wanted

Disappointment over the federal government's tax reform agenda goes beyond the timing of the tax summit.

Your editorial (March 22) also makes this point.

My disappointment goes further. The exclusion of certain taxes from examination at the summit reduces the event's effectiveness.

The summit's focus on the revenue side of the ledger alone also means that we will not see the comprehensive debate on fiscal responsibility that we need.

The expense side of the ledger also requires examination.

Economist Alan Mitchell's "Time for budget reform?" (Opinion, March 16) highlights that we need to see "high quality decisions" within the budget process.

The tax summit should be broadened to a "Fiscal Responsibility Summit". Each participant should be armed with the government's *Intergenerational Report 2010* as well as the Henry tax review.

The deliberations should start by considering the current and forecast fiscal position, and then move on to identifying how government can contribute to achieving the needs,

## SGX takeover

Why does the media continue to refer to the "ASX Ltd-SGX merger"? I am actually in favour of the stock exchange transaction on commercial grounds, but it is certainly not a merger. The operations of the two businesses will certainly be merged if it goes ahead, but from an ownership perspective, it is a 100 per cent takeover by Singapore Exchange — clear and simple.

**Luke Austin**  
Gordon NSW

when it is claimed that organic growth of the merged exchanges would be driven by the introduction of new products (which suggests to me a shift into higher risk areas).

As for adopting "technologies to electronically inter-connect... participating markets and facilitate cross-border order trading of stocks", I doubt that merger is a necessary pre-condition.

Before this debate continues much further, it is time that our regulatory authorities committed to the optimal solution for ensuring market integrity and affirmed ASX as the guardian and operator of a single central transparent market place to which all market participants have access.

**Kevin Troy**  
Kirribilli NSW

### SUBMITTING LETTERS

- Fax: (02) 9282 3137  
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- Letters will be edited for clarity and length.
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- Letters submitted to other newspapers or web publications will not be considered.
- If referring to an AFR article please give the date, page and headline.

**Kevin Riley**  
Giralang ACT