



LETTER TO EDITOR

AFMA Carbon Benchmark Addendum

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The views expressed in the article in The Age, “‘Double’ carbon tax fear on power bills” (14 March 2012), reflect a misunderstanding of the purpose and effect of the AFMA Carbon Benchmark Addendum and could give rise to unnecessary concern for consumers.

The Addendum does not cause “double dipping”, which some companies have apparently expressed concern about. Rather, it is an equitable method of offsetting any windfall gains or losses that might arise for participants in the electricity derivatives market from the introduction of a carbon trading scheme.

This supports the efficient operation of the over-the-counter electricity market – an outcome which is in the interests of everyone who relies on it.

Whilst we think an investigation into the effect of the Addendum is unnecessary, AFMA is confident any enquiry will confirm our position.

Duncan Fairweather
Executive Director
Australian Financial Markets Association

Notes for Editors:

The Australian Financial Markets Association (AFMA) is the leading industry association promoting efficiency, integrity and professionalism in Australia’s financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and market making.

AFMA represents over 130 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.