

Submission to the Senate Select Committee on Climate Policy

Steven Lade, 2 April 2009

In 2007 the fourth assessment report of the Intergovernmental Panel on Climate Change, possibly the largest collaboration of scientists ever, judged that climate change is 'almost certainly' the result of human action, namely, the emission of greenhouse gases. The IPCC also predicted a range of climatic effects if action were not taken to slow and eventually stop the increase of greenhouse gases in the atmosphere. Since that time, world emissions have been tracking at the upper end of the IPCC's scenario range. Current climate research is also indicating that the strength of (positive) climate feedbacks have been underestimated. Therefore climate impacts are likely to be more severe than in the Fourth Assessment Report.

Perhaps the most easily quantified impacts is sea level rise. Current indications (from the recent climate conference in Copenhagen) are that without strong action sea levels are likely to rise by 1-1.5 m by 2100, with further rises beyond that. Such rises would be catastrophic for low-lying countries such as Bangladesh. Some local councils in colder parts of Australia have been reported as welcoming warmer temperatures as it will make the area more habitable. This might be true in a local, short-sighted sense, but it ignores other effects of climate change. Although global average rainfall will increase, rainfall patterns will significantly change, and when coupled with increased temperatures, could lead to the cessation of farming in the Murray-Darling basin. (Scaremongering? True, this is a less likely scenario, but this is a risk.) Coastal areas will be inundated. Malaria and other tropical diseases may infiltrate Queensland. Frequencies and intensities cyclones will increase, and affect areas closer to Sydney. Bushfires will also become more frequent and severe. Globally, food will become scarce, increasing conflict and constricting economic activity. Australia will not escape severe effects of climate change, indeed it is said we are one of the more exposed countries.

Unfortunately, the Government's proposed Carbon Pollution Reduction Scheme (CPRS) is not sufficiently strong to avoid such consequences of climate change. The IPCC recommends developed countries adopt a targets 25%-40% reductions by 2020. A target of just 5%, rising to 15% with an international agreement, means that Australia is shirking its global responsibilities. And by not leading the world on climate action, Australia exposes itself to greater danger of the risks I have just discussed.

The structure of the CPRS itself also has some major flaws:

1. The caps (such as the 15% cap for 2020) prevent Australia from participating in negotiations leading to stronger caps.
2. Emissions permits are treated as property rights, which means large costs for strengthening targets beyond 2020.
3. Transitional price caps allow businesses to buy emissions beyond the cap. Firms can also buy permits from overseas. This means the actual emissions by Australia may be far in excess of our cap.
4. Substantial handouts to existing polluters (EITE enterprises). This money could be used to promote 'green collar' jobs, instead of picking winners, which is what providing these subsidies .

Many of these structural flaws may arise from a continued perception that coal and other mining plays an irreducible role in Australia's economy. It has been important in the past, though rarely more than 10% of GDP in recent times, but as a primary means of generating wealth such emissions-intensive industries belong to the past. We need to move past this addiction to mining and furnish our economy in sustainable ways.