

## Submission to the Inquiry into Senate Select Committee on Climate Policy

The terms of reference for this enquiry include the following:

Whether the government's CPRS is environmentally effective, in particular with regard to the adequacy or otherwise of the Government's 2020 and 2050 GGE reduction targets in avoiding dangerous climate change

and

an appropriate mechanism for determining what a fair and equitable contribution to the global reduction effort would be

The scientific advice, based on strong evidence, is that atmospheric GHG concentrations must be limited to 450ppm CO<sub>2</sub> equivalent in order to avoid a high probability of environmental, economic and social catastrophe. The aim must therefore be to reach a global agreement that is consistent with this target. This is already extremely difficult. However, aiming for a 'compromise' higher target would be grossly irresponsible, given the likely consequences.

Principles of equity require that per capita emissions entitlements should converge over time. This means that developed nations will have to reduce emissions by a far greater amount than developing nations. The question as to how quickly emissions entitlements should converge is difficult to answer, but it is a reasonable proposition that by 2050 (and possibly much earlier) entitlements should have converged.

If the above arguments are accepted, then it follows that developed nations with high per capita emissions, such as Australia, will need to dramatically cut their emissions between now and 2020. For Australia, a minimum commitment is a reduction of 25% below 1990 levels. The 2050 target must be at least an 80% reduction below 1990 levels.

There are two possible reasons why the above targets might be rejected.

Firstly, it may be argued that the science is sufficiently uncertain to justify less ambitious targets. However, there is no credible evidence to support this argument. Assessment of the scientific evidence shows that the risk of environmental catastrophe, should 450ppm be exceeded, is very high.

Secondly, the science may be accepted but less ambitious targets may be set, on the basis of the argument that the above targets are unrealistic, or would cost jobs, etc. This argument is fundamentally flawed, since it only considers the cost of action and disregards the cost of inaction. The latter is vastly greater than the former.

In summary, the Government must substantially revise its targets, to at least 25% and 80% below 1990 levels by 2020 and 2050, respectively.

Whether the design of the scheme will send appropriate investment signals for green collar jobs, R&D, and the manufacturing and service industries...

The CPRS of its own is too blunt a tool to effectively nurture and grow new service and manufacturing industries, and create green collar jobs. It must be complemented with a suite of policies which specifically seek to do this. The photovoltaics (PV) industry provides an example. PV manufacturing and installation – now worth ~A\$40 billion per annum, employing 100,000 people and growing rapidly, is now a major industry in several countries. These countries generally provided support for R&D, for manufacturing as well as market support in the form of feed in tariffs etc. It is the combination of these various support mechanisms that has resulted in the success that these countries have experienced.



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