

7th April, 2009

The Secretary
Senate Select Committee on Climate Policy

Dear Senators,

I wish to respond to your invitation for submissions to the Senate Select Committee on Climate Policy.

In your deliberations I would urge you to listen carefully to Australia's best climate scientists and to give serious consideration to the state of the planet we are leaving to future generations for it is they who will bear the brunt of the decisions made by our government.

The Rudd Government's targets to cut greenhouse pollution by just 5-15% by 2020 are far too weak. If the rest of the world was to adopt similar targets Australia would be condemned to a future of catastrophic climate change including more frequent extreme weather events which could result in more deadly bushfires, costly floods and cyclones. A joint CSIRO/Bureau of Meteorology study of the impact of climate change in bushfires found parts of Victoria faced up to 65% more days of extreme fire risk by 2020 and 230% more by mid century.

One of Australia's leading climatologists, Professor Andy Pitman stated that he had seen no credible science that showed a cut of less than 25% by 2020 would stabilise the global atmospheric level at a safe level. The Intergovernmental Panel on Climate Change (IPCC) says that cuts of 25 to 45% from 1990 levels, supported by Australia at the Bali conference, are necessary to try to stabilise CO₂ levels at 450 parts per million. Professor Dave Griggs, another leading climatologist, said even a 450 ppm stabilisation point carried a 75% risk of exceeding a 2 degree temperature increase and a 35% chance of rising over 3.

While a two degree rise will result in dangerous climate change leading to the death of the Great Barrier Reef, the Kakadu wetlands, degradation of the Murray Darling Basin and considerable species extinction, the possibility of a further rise is even more alarming.

The science of climate change now tells us that if global temperatures are allowed to rise by 3 degrees - which is compatible with widespread adoption by developed countries of the Rudd Government's 2020 emission targets - irreversible changes will be set in place that will drive the global temperature increase to 6 degrees above the pre-industrial level. If this is allowed to happen it will have catastrophic consequences for the environment and human civilisation.

Although the proposed Carbon Pollution Reduction Scheme mentions a commitment to cutting emissions by 2020 of between 5 and 15% on 2000 levels, the Government has only committed itself to the 5% target and has ruled out any consideration of a 25% target before 2020. In effect this locks Australia out of contributing to a global effort to achieve more ambitious emission reduction targets before 2020.

Australia needs to champion an effective global agreement if we are to avoid devastating effects on our environment and our economy. We need to set a strong climate change policy before the crucial Copenhagen climate change conference in December. This is the best -and possibly the last- chance the world will have to solve the climate crisis.

Australia needs to lead by example and increase its weak 2020 target to at least 30% moving to 40% in the context of a global agreement.

The costs of combating climate change need to be shared equally across the community but under the proposed Carbon Pollution Reduction Scheme the vast bulk of compensation payments go to the major polluting companies. Analysis by financial analysts Innovest Strategic Value Advisors indicates that billions of taxpayer's dollars could go offshore in free carbon permits to multinational emissions intensive companies. The proposed scheme would see the Australian taxpayer funding the activities of companies that are fuelling climate change to the tune of \$9 billion in the next three years. That is over \$1000 for every household in Australia.

Professor Ross Garnaut, the Government's own climate advisor is extremely critical of the Government's proposed scheme as he believes it would waste the revenue from emissions trading in unjustifiable and/or extravagant compensation payouts to interest groups, rather than using it to drive change. He is particularly critical of the huge payouts to electricity generators and he argues that there is no public policy justification for \$3.9 billion in unconditional payments to generators in relation to hypothetical future 'loss of asset value'.

Garnaut is also critical of the fact that with such large compensation payments nothing will be left from the sale of permits to increase payments to households as the carbon price rises over time and very little will be available for incentives for research, development and commercialisation of low-emissions technologies.

I would ask that your committee recommend the reduction of compensation payments to the major polluters and that much more money be made available to invest in new green technologies such as wind, solar, ocean and geothermal.

The Government's proposed Carbon Pollution Reduction Scheme provides little financial support for the energy sources and efficiencies of the future. The major potential for energy efficiency, and thus productivity increases, will be unlocked very slowly, placing the whole Australian economy at a competitive disadvantage to the 'low carbon' economies. Australia needs a national energy efficiency strategy which could bring about significant reductions in our greenhouse emissions.

Strong action on climate change will create millions of new Green Collar jobs, and drive investment into renewable energy, not destroy jobs as the big polluters and other vested interests claim. According to CSIRO economic modelling, 2.7 million jobs will be created in Australia by 2025 if we set course to become carbon neutral by 2050.

I urge your committee to use its important role to recommend Australia makes a response to the climate crisis that future generations will thank us for.

Yours sincerely,

John Lloyd