

The Secretary  
Senate Select Committee on Climate Policy  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Secretary,

We write to you concerning the committee's inquiry into carbon policy, for which you have invited submissions.

**(a) the choice of emissions trading as the central policy to reduce Australia's carbon pollution, taking into account the need to:**

As a collective of concerned citizens in the SouthEast of Melbourne, we believe that carbon emissions must be reduced in the very short term. That could be done by encouraging the reduction in emissions or penalising emissions, or a combination of the two. Given the extreme urgency, we are of the view that both approaches should be taken, especially as it appears impossible politically to introduce legislation with large penalties for emissions in the short term. We do not have a view as to whether a carbon tax or a carbon emissions trading scheme is the better approach, however with either approach, it must not be so compromised as to be ineffective.

We are bitterly disappointed with the current proposed parameters of the Carbon Pollution Reduction Scheme (CPRS). The draft exposure legislation indicates that the CPRS will not lead to the reduction in carbon output necessary to avoid dangerous climate change.

We are concerned that if there are voluntary cuts to emissions outside of the CPRS (by individuals, organisations and local or State governments), more permits will be issued under the CPRS, nullifying the effect of those voluntary cuts. We urge the Commonwealth Government to legislate for a credible national voluntary abatement scheme as soon as possible and for the national cap to be reduced by the amount of certified voluntary abatement each year. Voluntary abatement represents the public's desire to reduce emissions, not to soften the pain of polluting industries adjusting to a carbon economy. k

We understand that an emissions trading scheme in its pure form has a different theoretical underpinning to voluntary carbon reduction. If adequate and strong targets were set (such as a 25% - 40% reduction on 1990 levels by 2020), it would be acceptable for voluntary action to ease the transition for polluting industries.

**The compensation and compromises in the proposed CPRS**

The compensation to coal fired power stations and emissions intensive trade exposed industries contained in the draft exposure legislation distorts where the reduction in emissions takes place. In its purest form, the emissions trading scheme should place a cost on emissions so that the market allocates reductions to those best placed to make them, but also so that the true cost of emissions is felt by those who emit the most. This is perverted by providing compensation to worst polluters.

In addition, we are deeply concerned that the Commonwealth Government has decided to reduce fuel excise to match any increase caused by the CPRS. We hope and expect that this will be phased out as soon as possible.

**(i) reduce carbon pollution at the lowest economic cost,**

The cost of acting inadequately (as proposed in the draft exposure legislation of the CPRS) is far greater than the cost of effective action in the short, medium and long term. Support for emissions intensive industries to move to less emissions intensity would be better than allowing those industries to collapse once the urgency of reducing emissions is recognised.

**(ii) put in place long-term incentives for investment in clean energy and low emission technology.**

Investment in new industries, such as renewable energies and technology, would have the double benefit of reducing our carbon output and placing Australia at a competitive advantage for the new low carbon global economy. It would also mean that those industries do not collapse, as they are in danger of doing so now (solar and wind power industries have not been adequately supported to date). Revenue raised by the sale of emissions units by the Federal Government should be allocated to encouraging renewable and efficiency technology.

**(iii) contribute to a global solution to climate change;**

We understand that there are difficulties in getting developing countries to agree to serious targets (if any) and that adopting a strong cap on national emissions will result in expensive permits (and therefore expensive energy) under the Carbon Pollution Reduction Scheme (CPRS). However, we believe that Australia must show the way internationally (we have moral, social and environmental obligations and we have the most to lose of any developed nation) and a gradual introduction of these deeper cuts will:

- help ensure that environmental damage due to climate change is kept to a minimum,
- make renewable energy sources more cost competitive with coal fired electricity and make efficient energy uses more cost competitive with less efficient uses,
- assist Australia's international reputation (instead of being known as the worst per capita polluter), allowing it to maintain some high moral ground from which to ask other nations to act for the common good of the global environment.

**(b) the relative contributions to overall emission reduction targets from complementary measures such as renewable energy feed-in laws, energy efficiency and the protection or development of terrestrial carbon stores such as native forests and soils;**

We are extremely concerned about the Federal Government's focus and money directed towards carbon sequestration, where we believe that reducing emissions is the only way forward. On the current science, using native forests as carbon sinks is not an effective means of storing carbon. However, protecting native forests has other benefits, not the least of which is avoiding the release of large amounts of carbon through burning forests.

Complementary measures should be encouraged by use of the revenue from the sale of permits under the CPRS, not counted towards the cap.

**(c) whether the Government's Carbon Pollution Reduction Scheme is environmentally effective, in particular with regard to the adequacy or otherwise of the Government's 2020 and 2050 greenhouse gas emission reduction targets in avoiding dangerous climate change;**

A target of 5% reduction by the year 2020 (where there is no comprehensive international agreement, and 15% if there is) is woefully low and will have little impact on climate change.

Current science suggests that even if we halt all emissions by mid-century, it will take over 1,000 years to return to pre-industrial temperatures. According to one study, by the year 3000, Carbon dioxide levels would still be a third higher than pre-industrial levels. (Susan Solomon: *Proceedings of the National Academy of National Sciences*, DOI: 10.1073/pnas.0812721106). Solomon says that carbon trading schemes that estimate the impact of greenhouse gases on the basis of warming over a century "neglect carbon dioxide's unique long-term effects' (New Scientist: *Warming Warning*, 31 Jan 2009).

It is obvious that failure to act now to drastically reduce our greenhouse gas emissions will have long lasting and far reaching effects and would be considered by future generations to constitute gross negligence.

Many of our members voted for the current government in the belief that it understood the serious and urgent need for practical action to slow climate change. The CPRS in its current form does not achieve this.

In our view, national emissions caps which lack in ambition, if implemented, are likely to result in a higher rise in global temperature and undermine the likelihood of international agreement on serious emissions reductions. We are hoping for a serious reduction in Australia's emissions of 25-40% from 1990 levels by 2020 as recommended by the IPCC. We also urge the Commonwealth Government to adopt an ambitious 2050 target of 90% reduction from 1990 levels.

*"Australia's per capita emissions are the highest in the OECD and among the highest in the world. Emissions from the energy sector would be the main component of an expected quadrupling of emissions by 2100 without mitigation." (p. xxxvii, Final Report, Garnaut Climate Change Review, published by the Commonwealth Government in 2008)*

**(d) an appropriate mechanism for determining what a fair and equitable contribution to the global emission reduction effort would be;**

Australia has a greater obligation to contribute to the reduction in emissions as we have had the benefit of years of emissions to bring us to the point of being a "developed nation". In addition, as stated above, Australia's emissions are amongst the highest per capita in the world.

**(e) whether the design of the proposed scheme will send appropriate investment signals for green collar jobs, research and development, and the manufacturing and service industries, taking into account permit allocation, leakage, compensation mechanisms and additionality issues**

As stated above, the distortions and weak targets inherent in the proposed scheme do not send

appropriate investment signals for green collar jobs etc.

**(f) any related matter.**

Finally, we note that the risk of doing nothing is far greater than doing nothing. Although the risk of catastrophic climate change is unquantifiable, it is nevertheless real and urgent. We take insurance for our homes against the minimal risk of many events. The risk of several degrees of global warming is far greater than most of our insured risks. We cannot afford to do nothing.

Thank you for considering our position,

Regards,

Kathryn Wood.

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