

# TEAR AUSTRALIA

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## SUBMISSION TO THE SENATE ECONOMICS COMMITTEE – INQUIRY INTO THE EXPOSURE DRAFT LEGISLATION TO IMPLEMENT THE CARBON POLLUTION REDUCTION SCHEME

6 April 2009

TEAR Australia welcomes the opportunity to submit its views to the Senate Economics Committee inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme (exposure draft legislation).

TEAR Australia is a movement of Christians in Australia responding to the needs of poor communities around the world. Our motivation comes from our belief that God loves all people, and in Christ offers them the opportunity of a new life. We believe that God is just, and has particular care for the poor and those who suffer as victims of injustice.

We work in partnership with other Christian groups, including churches, relief and development agencies and community-based organisations, which are working with the poor in their communities. We seek to build effective relationships with these partners, grounded in mutual respect, trust and accountability. Priority is given to those programs that strive to involve the most marginalised and exploited members of each community, regardless of their religious or political beliefs.

The current increasing levels of greenhouse gas emissions were caused predominately by the industrialisation and land-clearing of today's rich countries. However, the impact of this industrialisation is felt primarily by those not responsible, the people of the world's developing countries. Many of TEAR Australia's overseas partners are feeling the effects of climate change, and are vulnerable to future impacts. Australia's role in this issue is a matter of justice, and we have a moral obligation to act decisively. TEAR Australia supports action on climate change which is in concordance with the scientific consensus. This must incorporate just transitions for Australians working in emissions-intensive industries to ensure a safe and equitable climate system for all humanity.

TEAR Australia is concerned about the proposed legislation as it:

- contains weak targets that are well below what the science is recommending;
- undermines international negotiations by locking us into inadequate maximum reduction targets;
- subsidises Australia's largest polluters with funds that should be being spent on clean renewable energy;
- fails to contain a sufficient mechanism to assist developing countries mitigate and adapt to climate change.

Included is a summary of our key recommendations to the Senate Economics Committee. Thank you for taking the time to consider our submission.



Matthew Maury  
National Director, TEAR Australia  
Wednesday 8 April 2009

# KEY RECOMMENDATIONS

## **1. The 5-15% target is too low**

The legislation should commit Australia to a reduction of at least 40% in Australia's net greenhouse gas emissions below 1990 levels by 2020, and at least 90% by 2050. Based on the available data, Annex 1 countries in aggregate will have to reduce their emissions by at least 40% below 1990 levels by 2020 in order to avoid a greater than 2°C global temperature increase.

## **2. Warming should be kept as far below 2°C as possible**

In order to avoid catastrophic climate change, concentrations of carbon dioxide in the atmosphere should not exceed 400ppm, and we should aim to stabilise atmospheric concentrations below 350ppm. Legislation should incorporate these targets.

## **3. There should be no upper limit in emission reductions (15% is proposed)**

The legislation should be structured in a way that allows the flexibility for Australia to accept a 2020 target of at least 40% at Copenhagen in December 2009.

## **4. The number of free units to be issued to EITEs should be capped at 25%**

Free carbon permits should be limited to 25% and the raised funds should be directed to investment in clean renewable energy and adaptation and mitigation funding for the developing world.

## **5. Assistance to coal related infrastructure, such as electricity generators, should be contingent on a phase-out plan.**

We must set a timetable for withdrawal from coal power, and encourage companies in coal power to diversify their energy portfolio and plan for the closure of their coal plants. Any assistance provided to coal fired power stations under the CPRS must be contingent on phase-out plans.

## **6. The number of permits that can be purchased from other countries should be capped at 25%**

Under the current scheme, Australian polluters can offset all of their emissions by purchasing carbon credits from other countries. This should be capped at 25% and carbon credits should be purchased from developing countries.

## **7. Additionality**

Under the proposed legislation, any voluntary reductions households make will not increase Australia's national emission reductions. Instead, this action will make available permits for other polluters and theoretically lower the carbon price. This acts as a strong disincentive for voluntary action.