

## Submission to: Senate Select Committee on Climate Policy

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Senate Select Committee on Climate Policy  
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This submission is made on behalf by Richard Cassels, Principal of Climate Leadership, an entity that promotes sustainable living.

**1. Comment on: “*On 11 March 2009, the Senate established a Select Committee on Climate Policy to inquire into policies relating to climate change...*”.**

The proposed Emissions Trading Scheme is an example of short-term crisis management, when it should be part of a long-term plan to restore human sustainability.

The Emission Trading Scheme is just one component of a strategy to make the transition to a low-carbon economy, which involves both mitigation and adaptation. And the transition to a low carbon economy is just one aspect of the transition to a globally sustainable society and economy.

Given the now drastically reduced financial resource and reserves of the Australian Government, it is imperative that an overall strategy for moving to a sustainable society be developed as soon as possible. Otherwise there is a danger of crisis management- of spending all the resources on whatever crisis crops us first.

There is an urgent need for a national sustainability plan to ensure that resources are used appropriately and commensurately.

It appears that the Emission Trading Scheme, and particularly its excessively generous allocation of permits and exclusions to polluting industries, is a crisis response that takes no account of the bigger picture.

In view of the comprehensive range of issues that must be addressed to make the transition to a low-carbon economy and to restore ecosystem services for human sustainability, and in view of the now reduced financial resource available to the Government to address environmental issues, it is clear that the compensation to polluters that is proposed in the C.P.R.S. is excessive and almost completely undermines the effectiveness of the scheme..

*The excessive compensation to polluters is ill-conceived and potentially disastrous. It is as though the British Government in 1939, facing the prospect of world war, decided to put its main funding efforts into compensating the manufacturers of now-outdated, coal-fired battleships, instead of into developing new technologies such as radar, jet engines and aircraft carriers- the military technologies that were to win the war; or as though the Australian Olympic team before the Beijing games, decided to use its funds to compensate those unfit athletes who had been unsuccessful in being selected for the team, instead of funding the development and training of the successful applicants.*

Further the extraordinary levels of compensation proposed for the polluting industries represent a transfer of wealth for which the government has no electoral mandate.

The compensation for polluters that is proposed is a totally inappropriate use of public funds, which are required far more urgently for a wide range of other sustainability issues. The Senate review must eliminate this compensation.

2. Comment on ***“On 11 March 2009, the Senate established a Select Committee on Climate Policy to inquire into policies relating to climate change with particular reference to: (a) the choice of emissions trading as the central policy to reduce Australia’s carbon pollution, taking into account the need to:***
- (i) reduce carbon pollution at the lowest economic cost,***
  - (ii) put in place long-term incentives for investment in clean energy and low emission technology, and***
  - (iii) contribute to a global solution to climate change;***
- (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;***

The Emissions Trading Scheme is an important step towards reducing Australia’s carbon pollution. Carbon trading or a carbon tax are absolutely essential foundations for addressing global warming.

However the E.T.S. only provides the incentive to move away from polluting energy sources. The hard work starts when the whole economy moves to clean and renewable energy sources. Realistically the polluting industries cannot be “turned off” until alternative energy systems are in place.

It is therefore clear that measures such as improving energy efficiency, developing renewable and non-polluting energy sources and technologies, and demand management are of equal or greater importance, and adequate funding must be set

aside for them. The present levels of government funding for these new energy sources are quite inadequate.

The Government should learn from the example of successful demand management by S. E. Queensland authorities to reduce water usage. Demand management is by far the most cost-effective initial strategy for reducing pollution.

Carbon sequestration is clearly going to be essential in the future, because of the obvious difficulty of altering the present trajectory of increasing carbon pollution.

3. Comment on: ***(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;***

The Government's 5-15% target is not adequate to avoid dangerous climate change. We should instead commit to reducing Australia's greenhouse pollution 50% by 2020 (on 1990 levels). A steady stream of new scientific findings is showing that climate change is happening much more quickly than previously thought. The Arctic summer sea ice is now expected to melt entirely within the next five years. Australia's weak target is undermining efforts to form crucial international agreement and must be improved before December.

The science is clear that the targets proposed are inadequate and are very likely to lead to extremely serious climate change, which will lead to to much greater costs being born by the Australian taxpayer in the future.

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

Any consideration of what is "fair and equitable" must take into account that Australia is one of the wealthiest countries in the world, and one that has enjoyed the benefits of "free" pollution for over a century.

More importantly any innovation in developing renewable and non-polluting energy sources will give all Australian industry a competitive edge on the world market. There is every reason therefore to set the highest possible targets.

4. Comment on: ***(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;***

The scheme will send important signals, but these will be undone by the over-generous permit allocations that are proposed. For example while Australian

electricity is predominantly powered by coal, it is completely irrational for this country to have its own aluminium industry. Australia must either source its aluminium from countries where electricity is produced from renewable sources, or must create renewable energy to power its aluminium industry.

5. Comment on **(f) any related matter.**

In the context of human-induced global warming, it is now clear that coal has no long term future as an energy source for creating electricity and that “clean coal’ or Carbon Capture and Storage (C.C.S.) will never provide a large-scale solution to coal pollution. C.C.S. is neither practical on a large scale, nor moral in terms of simply passing the problem onto future generations to solve. For this and other reasons (see below) coal has no future in Australia.

In this context the Senate must use the opportunity provided by the Climate Policy review to insist on the immediate freeze of all new investment in coal infrastructure. This will free up funds previously committed for new coal infrastructure funds to be used for the transition to a low-carbon economy and society. This must then be followed by a coherent plan for the ending of the coal mining, exporting and burning in Australia by 2020.