

Vicki Brooke

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The Secretary  
The Senate Select Committee on Climate Policy  
Parliament House  
Canberra ACT 2600

By email to [climate.sen@aph.gov.au](mailto:climate.sen@aph.gov.au)

Dear Sir/Madam

Submission on the Carbon Pollution Reduction Scheme draft legislation

Please accept my comments below as to why the proposed Carbon Pollution Reduction Scheme Bill (CPRS Bill) cannot go ahead in its present form.

1. The 5-15% target is far too low

a) An eight-fold increase in the minimum target is needed

Greenhouse gas emissions should be reduced by at least 24 - 40% by 2020 in line with recommendations from the International Panel on Climate Change (IPCC). This target was the agreed negotiating range for developed countries at the 13<sup>th</sup> UN Conference of the Parties in Bali in 2007. Given the speed at which the climate system is reacting, and the rate at which greenhouse gas emissions are increasing, these targets may be unsatisfactory, but even a 24 - 40% target range is a significant and important increase from the ineffective target range proposed under this legislation.

b) Australia's shameful role in greenhouse gas emissions

Australia is a big player in international emissions and on a *per capita* basis ranks only behind the US for the highest level of greenhouse gas emissions. Furthermore, during the period when climate change has been recognised as a global emergency<sup>1</sup>, Australia's greenhouse emissions have been increasing rapidly.

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<sup>1</sup> UN Secretary-General Ban Ki-Moon declared a climate emergency in 2007

### c) Australia's weak targets will undermine international negotiations

The targets in the proposed CPRS Act will undermine international negotiations to achieve an effective global response to climate change. As Australia proposes not to adopt strong measures to significantly reduce our own emissions, we will not be in a position to put forward the case for stabilising atmospheric concentrations of greenhouse gases at 450 ppm or even the much more desirable 350ppm or lower. Instead, if Australia's targets were adopted, they would send the world past 550ppm and trigger unstoppable and catastrophic climate change.

Australia has lost credibility as a strong international player in addressing climate change, weakening its chances of climate change leadership and an effective negotiating position at the UN Conference in Copenhagen in December 2009.

### d) Effective targets now mean less pain in the future

Very simply, the Australian Government must face up to the fact that we cannot keep on with the present 'business-as-usual scenario'. There is no doubt that climate change is happening and that humans can deal with atmospheric carbon overload if we act now. I look to my elected Government to face the simple fact that we must reduce severely our greenhouse gas emissions (GHGs). In doing so, the Government will give certainty to industry and business, enabling them to budget for short and long term scenarios and to amortise the costs over a longer period. Weak, stop-and-start measures will simply become an irritant and will most likely not be taken seriously.

## 2. The draft legislation has no emissions cap

### a) Free permits to pollute

Under the CPRS draft legislation, there is no cap on Australian emissions of greenhouse gases. Proposed limitations apply to only the total number of auctioned Australian emissions units, the total number of Australian emissions units given away for free under the Emissions-Intensive Trade-exposed Industries (EITEs) Assistance Program and the Australian emissions units given away to coal-fired generators under Part 9.

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Crucially, it will not limit:

- Australian emissions units provided by the Government at a fixed price (Part 2 s13)
- Australian emissions units created by eligible reforestation projects (Part 10)
- International emissions units traded into the Australian scheme (Part 4)

Furthermore, the number of free units to be issued to EITEs is not capped, as there are no limits to the proportion of free permits that can be given away to emissions-intensive trade-exposed industries. There are widespread fears that the 90% give-away proposed in the White Paper may end up being increased.

#### b) Effects of free permits

Every free permit given to a polluting company means less money raised through the auction system will be available to compensate householders and invest in much-needed renewable energy development.

The companies that have profited from pollution must be made, like everyone else, to pay their way in a carbon constrained world. Under the structure allowed for in this Bill, the 5-15% target will only exist on paper.

#### c) No free permits to any polluter

If this legislation is to be retained in any form, **all** industry and business must pay for their pollution without any exceptions. There should be no free permits under any circumstances.

#### d) Voluntary reductions should be 100% effective

The CPRS will negate voluntary domestic efforts already under way to reduce some of our GHG emissions, such as solar hot water and solar PV panels. The efforts of everyone, from householders to State Governments, to reduce emissions will **ONLY** reduce the price pressure on the polluters, enabling them to offset their pollution.

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The legislation must take account of community action and all the policies already in place when setting the scheme caps. The legislation should meet its original purpose, to drive more ambitious and effective efforts to drastically reduce GHGs.

e) Big polluters are rewarded at the expense of others

As proposed, the CPRS is protecting, compensating and rewarding our biggest polluters. It suits 'important' emission-intense industries, which have benefited enormously from Australia's cheap coal-fired electricity. These industries stand to receive over \$3 billion a year in free permits and compensation under the proposed CPRS legislation.

Everyone has a role to play in mitigating climate change, and there is no valid argument to excuse the biggest industries (who are most able to afford the costs of cleaning up their pollution) ahead of the rest of the community. Indeed, the EITEs should be the ones to lead the way for small to medium sized industries and businesses.

3. Assistance to coal generators should be contingent on a phase-out plan.

I join others in urging the Australian Government to plan for a timely and ordered withdrawal from dependence on coal power for our electricity.

Any assistance to coal producers and coal fired power stations under the proposed CPRS legislation must be given only to assist the transition to renewable energy (NOT 'clean coal' or any other fossil fuel) within a reasonable timeframe.

The Australian Government must ban new coal-fired power stations, new coal exploration licences, new coal mines and expansion to existing mines, as well as phasing out coal exports. **These changes should be legislated to take place during the decade from 2010.**

#### 4. Offsets for industrial emissions

##### a) Forestry credits

All vegetated areas set aside for a carbon 'sink' (thus providing a source of income for the landholder via the CPRS) should not be disturbed by logging or grazing. The scheme can (and will) be flooded with cheap credits provided for free beyond the cap to people growing forests, who will then be able to harvest those forests for timber unless the Regulations specifically prevent it.

##### b) Other forms of carbon 'sinks'

The Australian Government must be mindful of the limits of planet Earth to sustain the pollution burden through carbon sinks including forestry, biochar and increased use of the oceans. It must face the fact that we need to reduce substantially GHGs and make way for new forms of energy. Moreover, we are long past the discussion phase and should be well into planning and implementing our renewable energy society, which will obviate the need to sequester any form of carbon from our daily energy usage (the need to 'draw down' atmospheric carbon is separate from the proposal to keep a business-as-usual scenario by providing easy options such as carbon sinks).

#### 5. Transparency and review

##### a) Lack of third party rights

Section 342 of the Exposure Draft sets out the "reviewable decisions" in a table.

This table appears to ensure that most decisions against polluting entities are reviewable, but decisions in favour of them are not. This sets up a systemic bias against the goal of the act: to reduce emissions. Exclusion of third parties from being able to take civil or administrative action for breaches of the CPRS Act or against decisions made

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under the Act also weaken community input and the national interest of ensuring the Act is enforced.

Third party prosecutions have made a significant contribution to environmental and social law in Australia, and given the immense importance of this Bill for the future of Australian society, it is vital that third party rights be established under any CPRS Act.

## 7. Summary of requests

Due to the flaws in the CPRS stated above, and the urgency of addressing climate change, I urge the Australian Government:

a) to scrap the CPRS *unless* the draft legislation is changed to include strong targets of between 25 – 40% by 2020 and *unless* the clauses favouring exemptions for EITEs and other big industry up to 90% are deleted and *unless* third party rights are included

b) to introduce a carbon tax that requires all industries and businesses to pay for GHGs *or* initiate a carbon pricing mechanism which puts a heavy price on carbon

c) to remove subsidies for fossil fuels and to phase out coal-fired power in Australia

d) to introduce a gross National Feed-In Tariff

e) to produce an energy plan for the transition to a renewable energy economy that is simple and easy for all Australians, industries and businesses to follow and adopt

f) to make a heavy investment in public transport and rail freight

g) to allocate seed funding of a minimum \$500m to increase the input of solar energy into the grid and provide certainty to our renewable energy industries so they can make investments for the future

I look forward to learning of your initiatives to recommend the achievement of the above requests and I will be happy to provide further information in person.

Yours sincerely

Vicki Brooke