

## SUBMISSION TO SENATE INQUIRY ON CLIMATE POLICY

The Government's Climate Policy proposals for carbon pollution reduction (and for alternative energy and greater energy efficiency) are significantly inadequate. They will not achieve the reductions over the next 10 years and 40 years required to return CO<sub>2</sub> levels to less than 400ppm needed to avoid catastrophic impacts on life, both human and non-human. The 5-15% target for reduction by 2020 is too low and far too many free permits are to be allocated to industries which are significant producers of carbon dioxide emissions.

The Government must increase the targets for emissions reduction by 2020 and invest significantly more in renewables and efficiencies. Management of the cap and trade procedures will need very careful oversight indeed to avoid exploitation of the kind seen with financial derivatives and to ensure that irresponsible trading is not undertaken by those to whom permits are allocated. Whilst the international trading in permits which can lead to Australian industries supporting action by other countries such as reducing logging of forests is not of itself inappropriate, if the target for Australia's reductions are low then the result will be no actual reduction of Australian pollution reduction.

Future generations require us to move beyond Kyoto and to take urgent and effective action in the next few years. The Australian Government will be remembered for its response to the climate change challenge and not for its management of the current economic crisis.

The conference to be held in Copenhagen in December 2009 to consider Climate Change is perhaps the most important global conference ever. Without a substantially improved policy and targets Australia could well be marginalised at this conference or, even worse, undermine any chance of effective global solutions being agreed to.

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The Government White Paper on carbon pollution reduction specifies a target of 5-15% reduction in emissions below 2000 levels by 2020. The target is central to the arguments presented. This is a betrayal of those who voted for a government of change. Adopting a target level for the stabilisation of atmospheric greenhouse gasses of 450ppm defies the best scientific advice.

Professor Jim Hansen, until recently Chief Climate Scientist at NASA, has pointed out that atmospheric CO<sub>2</sub> levels, which are already at 385ppm compared with pre-industrial levels of 280ppm, could rise towards 500ppm by 2040 if world governments do not act decisively, and that it will still be more than 350ppm with the adoption of inadequate "caps" on emissions, as currently debated around the world. The Australian response has largely ignored such warnings.

The pressures from those with perceived vested commercial interests are causing a retreat from the strong and decisive policy implementation needed by Australia. If Australia is to provide a lead to the rest of the World, as indeed it is well placed to do, then it is imperative that the Australian Government adopt a strong domestic policy response that will reduce emissions and encourage the implementation of renewable energies in Australia.

As one group of economists has pointed out the Carbon Pollution Reduction Scheme (CPRS) actually rewards the major corporate emitters for failing to act despite their having been on notice since at least 1997 that emission reduction targets would be adopted.

Providing huge numbers of free permits to industries generating and/or using substantial amounts of energy from burning of coal, as proposed by the Government, will negate the strategies which should be adopted. Funding clean energy production whilst subsidising polluting industries will achieve no change. The threats by lobbyists for those industries that they will move offshore or close down with vast loss of jobs and other negative economic impacts are greatly exaggerated and conceal issues such as the operation of transnational energy consuming industries in countries using alternative energies and the substantial costs of such a move offshore. In fact the contribution to the economy by the energy intensive industries and the number of people employed in coal mining are both relatively small.

It is ridiculous to argue that Australia can make only a miniscule impact on CO<sub>2</sub> reduction and therefore there is no point in Australia taking action. It has already been agreed in international discussions that developed countries should take a lead role in measures to reduce carbon emissions. Failure to act will send signals that will lead to less uptake of appropriate action by governments of other countries.

It is short sighted and dangerous to argue that the present financial crises should be reason for delay in implementing necessary strategies. As Stanford University's Professor Stephen Schneider, a distinguished scientist and member of the IPCC, has pointed out delays will simply significantly increase the later cost, in real terms! It is likewise dishonest to claim, as are advocates for the coal and energy intensive industries, that massive job loss will result from implementation of appropriate measures to reduce emissions. Compared to the economic costs of dealing with the present financial crises the measures will be economically trivial!

Time and again it has been pointed out that the negative economic impact of measures to reduce emissions will be small and indeed will likely result in lifestyle rather than economic sacrifice. Investment in the various technologies to reduce carbon emissions through alternative energy generation and introduction of greater efficiencies in energy use, including greater emphasis on public transport and of alternative fuels for motor vehicles, will be a generator of jobs. Moreover, he proposals do not adequately reward energy savings made by house owners through their employment of renewable energy generation measures because the system is proposed as a net importer of energy; gross import systems are appropriate as has been shown in Germany.

Every day there are new reports that reveal that the IPCC forecasts of the extent and rate of global warming conservative. This has been consistently stated. The impacts are likely to be catastrophic unless urgent and substantial action is taken. One commentator has pointed out that the latest scientific information which has become available since the release of the IPCC 4th Assessment Report in 2007 suggest that the risks posed by climate change are now significantly worse than indicated in that Assessment.

Those impacts include greater instability in weather patterns with more violent storms, much greater ranges of temperature, broad changes rainfall patterns and more violent storms. Well known impacts include significant sea level rise,

decreases in pH – acidification – of sea water with severe effects on coral reefs and on animals such as shellfish and crustaceans and on land, major extinctions of animals and plants as a result of higher maximum temperatures.

Carbon capture and storage feature prominently in discussion. This is still being advocated by those associated with coal production and sale. However, many, many analysts and experts have pointed out that this will be totally ineffective, not least because the technology required will not come on stream until more than a decade away. Carbon capture and storage are not solutions in the short to medium term. The appropriate strategy is to eliminate as far as possible the mining of coal and reduction of its use. That reduction should be pursued for both domestic and export production. There is no point in reducing consumption within Australia and at the same time exporting coal for use by other countries.

The Australian Government must substantially increase the target for emission reduction by 2020, substantially reduce the number of free permits to be allocated to industry, and greatly increase the provision of incentives for an investment in renewable energy and energy efficiency including increased public transport

Above all, the Government must allocate primacy in decision-making to protection of the environmental life-support system rather than to expanding the economy. It is now clear that the priority given to economic growth in the past has been a fundamental cause of climate change and is not sustainable. The costs outweigh the benefits. The growth is in fact *uneconomic* growth in the sense of Herman Daly, past economist to the World Bank.

We would be pleased to expand on any points made in this submission and provide any other assistance the committee may require to assist in its deliberations

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