

Inquiry into the exposure draft legislation to implement the Carbon Pollution Reduction Scheme

Australian Greens Minority Report

The Greens will withhold substantive comment on the CPRS legislation until we have had the opportunity to consider evidence presented to the ongoing Senate Select Committee on Climate Policy inquiry. Nonetheless, we flag five significant concerns.

1. The 2020 emission targets of 5-15 per cent below 2000 levels are much too weak to fairly contribute to the global task of preventing dangerous climate change – the only reason to adopt an emissions trading scheme in the first place.
2. The high level of compensation to the emission intensive trade exposed industries and coal-fired generators, which is largely based on maintaining their profitability, is unjustified and counter-productive.
3. Given the obvious inadequacies of both the emission targets and the industry compensation regime, and the urgency of the climate challenge, the length of time before these errors can be corrected is too long.
4. The weakness of the target, the compensation to industry and the widely-perceived problem of lack of additionality for voluntary action would dramatically undermine public support and action for emissions reduction efforts.
5. The absence of any restriction on the extent to which emission reduction obligations can be met through the purchase of foreign permits diminishes the incentive to restructure domestically.

Taken together, the Greens view is that the CPRS as currently proposed is not designed to drive the transition to a zero carbon economy, but rather is intended to maintain the profitability of existing fossil fuel based industries. As it stands, the legislation would actively prevent the kind of emissions reductions Australia needs to achieve in order to play an equitable role in the global effort to prevent climate catastrophe.

In passing we also offer the following observation. The most fundamental questions for Australian climate policy are:

1. By how much does the world need to reduce greenhouse gas emissions to avoid dangerous climate change, and;
2. To contribute fairly to that goal, by how much does Australia need to reduce its greenhouse gas emissions?

This inquiry did not investigate this first key question at all, but instead took the science as presented in the CPRS White Paper as final. The Greens do not accept this because a substantial body of scientific evidence has accumulated since the last report of the

Intergovernmental Panel on Climate Change which suggests that the Government's most ambitious goal of stabilising atmospheric greenhouse gases at 450 parts per million is dangerously weak.

On the second key question, the Committee report is biased. While it repeats the Government's argument that emission cuts of between 5-15 per cent below 2000 are fair because Australia has a high population growth rate (so our per capita percentage cuts would be comparable to other wealthy nations), there is no discussion of alternative methods to determine fair burden sharing between nations. For example, the evidence presented to the Committee by Dr Paul Twomey from the Centre for Energy and Environmental Markets, University of New South Wales should have been discussed in the report. Dr Twomey comments included:

"...a couple of months ago the European Commission's major document as we approach Copenhagen, called *Towards a Comprehensive Climate Change Agreement in Copenhagen*, analysed four metrics: GDP per capita, the emissions per GDP, early actions and population growth. They applied these to all developed countries across the world. So for the overall 30 per cent reductions of developed countries which is the global deal that Europe is aiming for, the reductions of Australia—which was combined with New Zealand in the statistics and calculations—by these four indicators that I mentioned would have been 34 per cent, 37 per cent, 48 per cent and six per cent—the last being the population growth adjustment. Evenly weighted on these four metrics, Australia and New Zealand would come out at minus 38. This is compared to the minus 15 which is the maximum that we would be going for."

and;

".. there is no obvious best choice of what is right. It clearly involves the difficult task of weighing up values and ethical principles. In practice, what we are likely to find and do find is that countries tend to focus on those indicators that favour them requiring less reductions. For this reason, it may be expected that some sort of averaging of these many measures would be used in the negotiation process, like in the EU paper."

Senator Christine Milne