

March 26, 2009

The Secretary
Senate Standing Committee on Economics
PO Box 6100
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CANBERRA ACT 2600

Submission in response to the Senate Inquiry into the exposure drafts of the legislation to implement the Carbon Pollution Reduction Scheme (CPRS)

The world's most respected climate scientist, NASA Goddard Institute for Space Studies' Director, Dr James Hansen, states that **catastrophic** climate change and a 'transformed planet' - will be the result of not taking urgent action **immediately** to bring GHG emissions down to **zero**, combined with strategies to actively cool the planet. Dr Hansen believes that a safe climate cannot exist without polar sea ice and that CO2 of 300-325ppm (we are currently at 385ppm) is needed to restore it to the state it was in 25 years ago². Due to inertia in the climate system, climate scientists believe we still have a limited, but rapidly closing, window of opportunity to move to zero emissions and pull excess carbon out of the atmosphere in order to return to 320ppm³. Proponents of the status quo, or of gentle transition, are ignoring the current science and would have us head to a catastrophic point of no return.

Further, scientists at the recent International Scientific Congress on Climate Change in Copenhagen on 10-12 March 2009, scientists stated that:

"Recent observations confirm that, given high rates of observed emissions, the worst-case IPCC scenario trajectories (or even worse) are being realised. For many key parameters, the climate system is already moving beyond the patterns of natural variability within which our society and economy have developed and thrived. These parameters include global mean surface temperature, sea-level rise, ocean and ice sheet dynamics, ocean

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¹ David Spratt and Phillip Sutton, *Climate Code Red* (Scribe Publications, 2008)

² Target atmospheric CO2: Where should humanity aim? http://arxiv.org/ftp/arxiv/papers/0804/0804.1126.pdf (accessed 9/09/08)

³ Ibid

acidification, and extreme climatic events. There is a significant risk that many of the trends will accelerate, leading to an increasing risk of abrupt or irreversible climatic shifts."

Source: http://climatecongress.ku.dk/newsroom/congress_key_messages/

These statements by the world's climate scientists underscore our concern about the inadequacy of the Carbon Pollution Reduction Scheme to acknowledge or address the climate crisis and the urgency of the need for global emergency action.

Its fundamental flaws are:

- The unconditional greenhouse target of 5% emission reductions by 2020 is far lower than the 25% to 40% target range flagged at the United Nations Bali Convention on climate change in 2008.
- It encourages the growth of highly polluting Energy Intensive Trade Exposed (EITE) industries' (such as aluminium smelters) by allocating them 25% of permits free of charge, increasing to 45% by 2020. This is in direct conflict with the recommendations in the final Garnaut report.
- Free permits are given to coal power over the first 5 years. This
 provides windfall profits to polluters and encourages dirty coal power to
 continue in the short term.
- Permits are property rights instead of temporary licences. This means that polluters who get them will be paid compensation in the future if more stringent emission reductions are introduced.
- There is no limit on overseas offsets, so Australia's emissions could increase and emission permits bought from overseas to "offset" them.
- The cap on the CO2 price of around \$40/tonne for the first 5 years excludes renewable energy in the absence of other incentives.
- 'The high "cap" is also a "floor"" so emission reductions by households will be simply on sold by power stations to other polluters, resulting in no actual emission reductions.

The combined effect of these flaws is that Australia's actual carbon emissions will rise by 2020 rather than fall. The CPRS legislation fails to make the slightest impact on addressing climate change.

In Australia, we are experiencing extreme weather events such as devastating floods in Queensland and the hottest day on record in Victoria on 7 February 2009, which contributed to the severity of the disastrous bushfires on the same day. We are also experiencing dramatic reductions in rainfall across southern Australia. The Murray Darling river system is in jeopardy and water supplies for major cities such as Adelaide, Melbourne and Sydney are at risk.

The Copenhagen Scientific Congress also found that:

"Recent observations show that dangerous climate change will cause serious social disruption, particularly with societies that are highly vulnerable to even modest levels of climate change, with poor nations and communities

particularly at risk. Temperature rises above 2C will be very difficult for contemporary societies to cope with.

- Rapid, sustained, and effective mitigation based on coordinated global and regional action is required to avoid "dangerous climate change" regardless of how it is defined.
- Weaker targets for 2020 increase the risk of crossing tipping points and make the task of meeting 2050 targets more difficult. Delay in initiating effective mitigation actions increases significantly the long-term social and economic costs of both adaptation and mitigation.
- There is no excuse for inaction. We already have many tools and approaches, (economic, technological, behavioural, management) to deal effectively with the climate change challenge.
- These tools must be vigorously and widely implemented to achieve the societal transformation required to decarbonise economies.
- A wide range of benefits will flow from a concerted effort to alter our energy economy now, including sustainable energy job growth, reductions in the health and economic costs of climate change, and the restoration of ecosystems and revitalisation of ecosystem services."

To achieve the societal transformation required to meet the climate change challenge, we must overcome a number of significant constraints and seize critical opportunities."

We strongly urge the Australian government to build on a growing public desire for governments to act on climate change; remove implicit and explicit subsidies; reduce the influence of vested interests that increase emissions and reduce resilience; enable the shifts from ineffective governance and weak institutions to innovative leadership in government, the private sector and civil society; and engage society in the transition to norms and practices that foster genuine sustainability.

Specifically, we urge the government to recognise we face a climate emergency and to adopt policies as part of an emergency program to:

- Transition to 100% renewable energy by 2020, creating new industries and thousands of jobs in doing so.
- Achieve immediate reductions in greenhouse gas emissions every year forthwith.
- Adopt a target of 300ppm atmospheric C02 for a safe climate future.
- Adopt targets of 80% reduction on 1990 levels by 2020 and zero carbon emissions by 2030.
- Provide federal funding for increased public transport infrastructure and services and cycling infrastructure in urban and rural areas.
- Ensure all funding programs for the Australian car industry are contingent on building low emissions electric drive train vehicles only.
- Place a moratorium on building any new coal-fired power stations
- Introduce a national gross metered uncapped feed in tariff in 2009

- Cease logging of Australian native forests to protect the carbon they store and effect an immediate transition to available plantation wood supplies.
- Ensure that tangible emission reductions acheived by households, businesses, and local and state governments are not reallocated to other polluters.

Yours sincerely

Rebecca Szwe