

Submission to the Senate Inquiry into Exposure Draft of the Legislation to Implement the Carbon Pollution Reduction Scheme

The current scientific advice is that there is an urgent need to reduce global GHG emissions below business as usual scenarios. In order to limit atmospheric GHG concentrations to 450ppm CO₂ equivalent (generally accepted in the scientific community as an upper bound to avoid a high likelihood of severe climatic disruption) it will be necessary for global emissions to peak within the next several years. Given the likely consequences of severe climate climatic disruption, the stakes could not be higher.

It is essential that legislation relating to climate change is consistent with the above requirement. In particular, such legislation must not lock in upper limits on emission reductions which are inconsistent with this requirement. Doing so will severely and adversely impact on the probability of reaching an effective global climate deal. It would be grossly irresponsible.

It follows from the above that Australia's conditional reduction target is of key significance. The current upper limit of 15% is inconsistent with the goal of 450ppm, which requires industrialized nations to cut emissions by 25-40% by 2020.

The 15% ceiling should be removed. It will be highly damaging to international climate negotiations.

The legislation should not include an upper limit on emissions reductions by 2020. The government should to the climate change negotiations in Copenhagen willing and able to reduce emissions by the required 25-40%, on the proviso that other nations will take on their 'fair' share of obligations as well.

Compensation to polluters under the CPRS should be strictly limited. Compensation currently proposed under the CPRS does not send the required price signal to bring about the necessary change in technology mix in the energy sector. It effectively supports the status quo, which is no longer tenable. Further, the large amount of compensation shifts the costs of the CPRS onto ordinary people. Taxpayers will feel more pain than is necessary, while large polluters will have a windfall. One effect of this will be that the general public will be less willing for the government to implement the required larger emission reductions beyond 2020. To those who seek to torpedo climate change agreements, this would of course be a desirable outcome.

Arguments abound from the representatives of various emissions intensive industry groups that the CPRS will cost jobs, and should at the least be delayed given the current economic climate. I hope that the members of the committee will take on board the message from Australia's and the world's climate scientists that delay is not a prudent option. Instead, the legislation must seek to minimize job losses and, equally important, to provide a stimulus for the creation of 'green' jobs that will be sustainable in the long run.

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