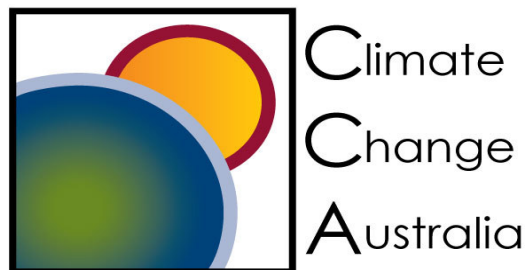


POSITION PAPER FROM
CLIMATE CHANGE AUSTRALIA
(HASTINGS BRANCH)

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The proposed Carbon Pollution Reduction Scheme (CPRS)

Climate Change Australia – Hastings Branch (CCA-H), is a climate change action group based at Port Macquarie. Members of our committee met recently to determine a position on the Federal Government's proposed Carbon Pollution Reduction Scheme (CPRS).

CCA-H supports urgent and decisive action to combat the effects of climate change by reducing greenhouse gas emissions from Australian industries, businesses, organisations, households and individuals. We believe this must also involve a commitment to renewable energy and a low-carbon economy.

CCA-H acknowledges that the Government has a mandate for introducing a cap and trade emissions trading scheme and we support this approach in principle. However we remain deeply sceptical about some aspects of the proposed scheme and **we see the following changes as being absolutely necessary** to achieve credibility and success:

1 The CPRS must achieve greenhouse gas emission reductions which will limit atmospheric CO₂ levels to less than 450 parts per million, equivalent to a 2° - 2.6°C rise in global temperatures by 2100. This equates to a target cap of 15% - 25% by 2020 and 80-90% by 2050 (see Garnaut, 2008:Table 12.3). CCA-H believes that the proposed target of 5%, even to start with, is far too low and will see CO₂ levels in excess of 550ppm resulting in a temperature rise of between 2.5° and 3.2°C by 2100. At these levels (550ppm) we will witness a level of impact at the extreme end of most scenarios, including the risk of triggering naturally-occurring feedback mechanisms and 'tipping points', **beyond which humans will lose all control we still may have over the rate of warming.**

2 The CPRS is one part of the total climate change policy response and we acknowledge the Government's commitment to a 20% MRET by 2020. However much more of the money raised through the sale of permits under the CPRS needs to go into **proven renewable energy technologies** such as solar, wind and hydro, and less to the still uncertain 'clean coal' technologies. We note with strong approval recent comments by Peter Newman, a member of the board of Infrastructure Australia, that 'plans to double the coal export capacity in Newcastle should be abandoned, and coalmining phased out'. Also, his observation that carbon capture and storage is 'not "anywhere near" developed enough to make coal-fired power stations environmentally acceptable' (Sydney Morning Herald Business, 4/4/09, page 7).

On the other hand, an innovative solar thermal proposal from Worley-Parsons for solar thermal power stations (the Advanced Solar Technology project), is stalled through lack of funding – an all-too-familiar theme in the Australian renewable energy industry (eg. Dr Zhengrong Shi and Professor David Mills). How long do we have to wait before we realise **the potential for renewable energy, especially solar technologies**, in our sunburnt country?

3 An independent regulatory mechanism is needed to set the CPRS targets. At present, we understand that Parliament will set the targets. This is clearly far too close to the political process and will see the target-setting process being mired in controversy. Rather, what is needed is an independent statutory authority to set Australia's emission reduction targets, similar to the way the Reserve Bank sets interest rates, at a distance from the political process. In a similar way, there are clear advantages in having an **independent authority to set the CPRS target**.

4 Further, CCA-H believes that in view of the urgency of the need to reduce emissions, both the CPRS target for emission reductions and the issuing of permits should take place **each year**. There has been some confusion in the media over this issue, with the Minister for Climate Change implying that target levels will be set each year. (She could be talking about the issuing of permits every year; in this case, the targets also need adjusting each year).

5 CCA-H supports the Climate Action Network of Australia's call for built-in '**emergency measures**' to allow the Government to respond more rapidly to new developments or climate change science, such as the recent weakening of the Wilkins Ice Shelf in Antarctica. (This will be achieved in part through point 4, setting targets each year).

6 The issue of free permits is complex. We accept the need for some free permits to manage the transition to a low carbon economy, however the over-allocation of free permits in the European Union emissions trading scheme is a lesson we should learn from. We believe not enough transparency or caution in the issue of free permits is indicated in the White Paper, resulting in some industries being given an almost free ride, and therefore having no incentive to clean up their emissions. **Free permits need to be subject to an on-going reduction** with no increases in allocations based on increases in production levels, as is currently proposed, if this scheme is going to work.

7 On the issue of individual actions, CCA-H believes it is essential to quarantine the CPRS reduction target to the top 1000 emitters list. This is the target that they, and they alone, must meet. Anything done by any other company, business, organisation, household or individual must be **in addition** to the target for the top 1000. As the lobby group GetUp says in its recent campaign,

'Please Mr Rudd – do your bit to fight climate change and let me do mine'.

If this part of the CPRS is not changed, CCA-H believes there will be massive public disillusionment with the Government's efforts on climate change.

Individuals will not switch off their lights, they will switch off their support for the CPRS, and in all likelihood, support for the Government. To avoid this, and increase public support for emissions reductions, **we recommend that two targets for greenhouse gas reductions be used:**

- An industry target, through the CPRS as proposed
- A community target, through the MRET

and that these be published, promoted, and monitored to achieve a higher overall emissions reduction outcome for Australia.

Reference

Professor Ross Garnaut, 2008. Climate Change Review – final report

ENDS

For more information, please respond to the President or the Coordinator of Climate Change Australia – Hastings Branch, on jem@impactenviro.com.au