

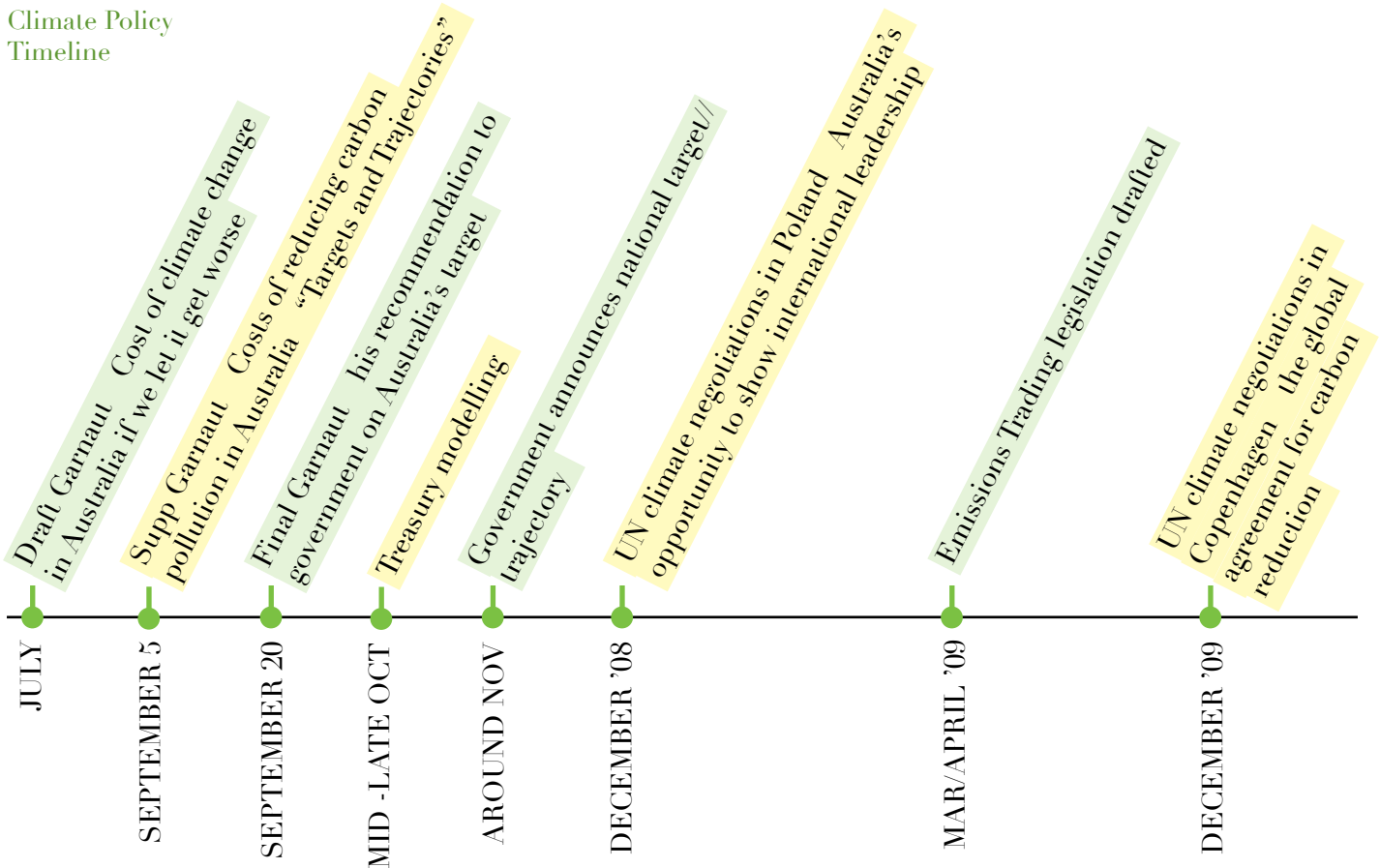
CLIMATE POLITICS UPDATE

CLIMATE
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Climate Policy Timeline



July and August were extremely significant months for the development of climate politics in Australia. Can't keep up with all the news? Haven't found time to read all 600 pages of the Garnaut review? Want to understand what this 'Green Paper' thing is all about, and what it means for our children's future? Read on below! The QPSU climate heroes team, with the help of the Australian Conservation Foundation, have put together this short briefer to help you understand the big picture.

If all this talk of emissions trading is still over your head, or if you have interested family members or colleagues who are just beginning to learn about an ETS, visit ACF's website for their brief on 'What is an emissions trading scheme? The basics.' at http://www.acfonline.org.au/articles/news.asp?news_id=1817.

Garnaut Summary:

For the Australian Conservation Foundation's submissions and response to Garnaut, see http://www.acfonline.org.au/articles/news.asp?news_id=1730

The Garnaut Review will release its Supplementary Draft Report on 5 September at the National Press Club. The Final Report is due by 30 September, and will make concrete recommendations for Australia's emissions reduction targets.

The September reports will make recommendations to government for emissions reduction trajectories and targets for Australia, and budgets, based on economic modelling from both the Australian Treasury and the Review itself. It will also include more detailed proposals on the structure of an emissions trading scheme, including effects on petrol and electricity prices, the supporting policies that are needed to address adaptation, income distribution and investment, and will also include the quantitative results of the benefits of climate change avoided.

Professor Ross Garnaut's Draft report released at the start of July, on Australia's response to climate change recognises that it is in our national interest to act early and decisively on climate change and to show international leadership by encouraging other countries to do the same. Unequivocally, the report argues that action must be taken in the next few years, as the costs of further delay are high.

The Draft report says Australia has an "exceptional sensitivity to climate change", with potential severe and costly impacts on agriculture, infrastructure, biodiversity and ecosystems if climate change proceeds unchecked. However, the report also stated that Australia had an "exceptional opportunity to do well in a world of effective global mitigation".

Australia can make a big difference internationally, especially by encouraging the United States to join the global effort, but to be a leader internationally, we need to first get our own house in order.

A major weakness of the Garnaut review was that it seems to aim for an overall greenhouse 'stabilisation' target of 550ppm of Carbon Dioxide-equivalent in our atmosphere, which leaves a greater than 50% chance of global warming exceeding 2 degrees Celsius and cause extensive bleaching of the Great Barrier Reef. ACF is calling for a stabilization target that is less than 400ppm.

The initial cost impact analysis of the Garnaut review indicated that with unmitigated growth in greenhouse gas emissions, real GDP will fall by at least 4.8 per cent, household consumption by 5.4 per cent and real wages by 7.8 per cent by 2100. Further detail on the full economic impacts of failing to act will be included in the September reports.

Garnaut argued in strong support of an emissions trading scheme with broad inclusion of all industries including petrol and transport. Forestry, waste and agriculture should also be included as soon emissions from these sectors can be properly measured and accounted for. Garnaut's recommendations stated that permits under an ETS should be auctioned, and proceeds from that auction allocated 50% to low-income households, 30% to 'trade exposed' industry whose international competitors don't have similar costs imposed, and 20% going to research and development.

Green-up the Green-Paper:

Timeline:

The government has released a Green Paper, or 'discussion paper', on the Carbon Pollution Reduction Scheme to provide everyone – business and citizens alike – with the opportunity to express their opinions in the formation of this crucial legislation. Everything in the Green Paper is open for discussion, and submissions are due on 10 September.

Following Treasury modeling being released in October, the government will issue a White Paper – their final positions – and 'Draft Exposure Legislation' by the end of 2008, which will inform Australia's position at the UN climate negotiations in December this year.

Legislation for the Carbon Pollution Reduction Scheme will be introduced in 2009, with the scheme beginning mid 2010.

Households:

While Ross Garnaut recommended half the permit revenue should go to households, the Government has not indicated what percentage of the money raised by the scheme would go towards helping households and companies become more energy efficient.

Government help for households and companies to be more efficient with lighting and heating, to install insulation and efficient hot water systems will cut emissions – and energy bills.

Transport:

Transport generates about 14 per cent of Australia's greenhouse pollution, so it's important these emissions are counted in the scheme.

The Green Paper proposed cutting fuel excise initially to offset the carbon-price impact on fuel. However, cutting the fuel excise means that the Government will have less money to invest in public transport and building more efficient cars. Better public transport will provide the long-term solution to petrol price rises and our greenhouse emission problems.

Trees and Forests:

The scheme recognises the greenhouse benefits of tree planting but its failure to recognise the emissions generated by tree clearing is unbalanced and disappointing.

Compensation to industries:

Under the scheme as proposed in the Green Paper, compensation would be paid to the coal-fired power sector, in the form of an allocation of free permits. In addition, Emissions-Intensive Trade-Exposed (EITE) industries would be freely allocated around 30% of the scheme's total carbon pollution permits, rather than having to purchase them, with the most emissions-intensive firms being given either 60% or 90% of their emissions permits free of charge, depending on their level of emissions.

The more compensation that goes to big polluters, the bigger the financial burden on the poor, the most vulnerable and rural Australians.