

## Climate Solutions Info Sheet



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Climate change science & politics are moving very quickly.

We know that most Australians are confused about the severity and solutions. The government has done a poor job thus far at bringing the electorate with them to face the challenge. That's why we want GetUp members to help lead the debate around the impacts of climate change and what needs to be done.

This period following the release of the draft Garnaut Report is vital to help shape this debate, as the government formulates its short and long term response. We must make certain that the government does not pander to the polluter industries and is reminded both of the reason they were elected and the importance of making the hard decisions now. This Info sheet is designed to give you some of the key facts to help you make an informed contribution to the debate.

We encourage you to take the next step and use our online tools to write a letter to the editor of your local paper about climate solutions. More understanding of, and support for, effective climate solutions, means more pressure on Kevin Rudd to pass strong laws to reduce greenhouse pollution.

## The Garnaut Review

The Federal government commissioned the economist Ross Garnaut to do a study into the effects of climate change on Australia and the design of the emissions trading scheme (see over for explanation). The draft Garnaut report was released on Friday 4th July, which the Government will respond to in a 'Green Paper' on July 16th. Professor Garnaut's final report will be released on September 30. It is likely that the government will pass emissions trading legislation in March 2009, with the scheme starting in 2010.

GetUp believes that the Garnaut Report is to be supported. It is a strong wakeup call to Australians and our politicians that there is no time for delay. But we believe it can go even further. In essence, Garnaut's draft report is the very minimum that should be done. We have outlined below where we think it is has fallen short.

## The Recent Science – Climate Change is Getting Worse, Faster.

The world's top scientists and climatologists agree that climate change is happening much faster than predicted by the UN Intergovernmental Panel on Climate Change (IPCC). Australian scientist Tim Flannery points out that, "For the rate of warming, rate of sea-level rise, and extent of carbon dioxide accumulation, the real-world data all lie beyond what IPCC projections allow for. This indicates that we're heading towards a catastrophic scenario."

For example, models developed by the CSIRO indicate that climate change will continue to reduce stream flow in the Murray-Darling Basin, with a 10% probability of the river system drying up almost entirely. However, Tim Flannery points out that the state of the Murray today indicates this chance is higher than 10% - with the lower Murray, in particular, already at crisis point.

Recent evidence, such as last year's dramatic Arctic melt, shows that the climate system is responding faster than expected to increasing greenhouse gas emissions, with observed data being at the upper end, or exceeding, IPCC climate model predictions. Melting is occurring so rapidly in the Arctic that scientists now suggest that there will be no summer ice by 2013, 90 years earlier than IPCC predictions. This is made worse by the fact that global emissions are rising much more quickly than predicted in even the worst case scenarios projected by the IPCC.

## The Garnaut Review: Key Findings

Australia will be one of the worst affected countries from climate change. This is because:

- Since Australia is hotter and drier, small variations in temperature have a bigger effect.
  - Because Australia is in a region that contains some of the most vulnerable, poor countries in the world, such as Indonesia and the small states of the South Pacific, we will be affected by their problems
  - The structure of our economy means that export prices will be punished severely by the climate-related slowdown in poor countries.
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- Garnaut found that climate change will cause up to 9500 heatwave deaths a year in Queensland by 2100
  - If we don't act, by 2100 climate change will have destroyed the Great Barrier Reef, reduced irrigated agriculture in the Murray-Darling Basin 92% by 2100, and caused 5.5 million Australians to be exposed to dengue virus.
  - If we don't act, snow-based tourism in Australia will be longer viable by 2100; there will be an up to 35% increase in cost of supplying urban water, and significant risk to coastal buildings from increased storm events and sea-level rise – leading to coastal and flash flooding & extreme wind damage.
  - Climate change will have a disastrous impact on the Australian economy. Garnaut estimates this to be a GDP collapse of 4.8 per cent, with a 7.8 per cent falls in real wages.
  - Climate change will worsen political instability in Australia's neighbouring countries.
  - Garnaut found that the high emissions intensity of Australian energy use is mainly the result of our reliance on coal for electricity.

## The Federal Government's Proposed Emissions Trading Scheme

### ***What is an emissions trading scheme?***

Before the last election, Kevin Rudd promised he would introduce an emissions trading scheme (ETS) by 2010. The emissions trading scheme is the main focus of the Garnaut Review. Under the ETS, companies will have to buy permits to emit greenhouse gases within an overall emissions target (currently the target is 60 per cent reductions by 2050 over 2000 levels) set by the Rudd Government. Those companies can trade those permits, allowing companies who pollute more to buy extra polluting power and smaller polluters to make some money from polluting less. But the overall emissions cannot exceed the government's target. Australia's emissions trading scheme will be designed to ensure Australia meets its target as part of a global agreement to reduce greenhouse pollution – an agreement that will make up the 2nd phase of the United Nations Kyoto Protocol.

### ***Who is included in it and when will it start?***

The Garnaut review says the ETS should be as broad as possible because the more companies and industries who have to pay, the lower the price will be. That means power companies, agriculture companies and transport companies should all be included. GetUp is campaigning for petrol to be included in the scheme. The scheme is due to start in 2010, but the Opposition and carbon-polluting industries are pushing Kevin Rudd to break this pre-election promise, and hold off the scheme until 2012.

## ***So how will an ETS work?***

To begin with, the government will need to auction emissions permits (although industry is lobbying for permits to be given away for free). Companies should have to pay for their original allocation of permits and for any they buy from other companies later on. Heavy polluters will need to buy more permits than light polluters while they work out how to cut their emissions. The Garnaut Review suggested an independent authority set up to monitor the ETS. This emissions umpire could act as a Reserve Bank for carbon, issuing extra permits to drive down the price or holding them back to prop it up, although the review says that might end up being too much trouble. The umpire would also have the power to penalise companies that exceed their allowed emissions. That would probably take the form of heavy fines. The draft review said fines would need to be big enough to make companies sit up and take notice, rather than it being cheaper to cop the penalty than cut emissions.

## ***What would an effective ETS look like?***

There is a lot of potential for an emissions trading scheme to be undermined by carbon-intensive polluting industry lobby groups. The Draft Garnaut review found that a carbon tax would be more effective in reducing emissions than a heavily compromised emissions trading scheme. GetUp has developed a checklist of factors that an ETS would need to satisfy to be effective in changing Australia's economy to a low-carbon one.

- A strong emissions cap. Australia's greenhouse pollution must begin declining by 2010, and be reduced 50% over 1990 levels by 2020.
- Coverage of all sectors emitting greenhouse pollution including transport (esp. aviation).
- Auctioning of emissions permits - no free 'permits to pollute' for carbon-intensive industries.
- No compensation to industry, but assistance to low-income households to reduce energy.
- Revenue from the trading scheme to go to energy efficiency, renewable energy and public transport. The Draft Review only recommends 20% go to deploying renewable energy – this is not enough.
- Scheme to begin operating fully in 2010 – no "soft start" to ease companies into it.

## ***Where does the Garnaut Report fall short?***

GetUp believes that the Garnaut Report does not, ultimately, go far enough in recommending the fundamental changes we need.

- Garnaut accepts that a 'second-best' option would be for the ETS to have a 2-year 'slow start' where the price of carbon is fixed and where we only aim to meet our Kyoto targets – which are very weak – an 8% increase in emissions over 1990 levels! GetUp believes an unconstrained ETS must begin in 2010.
- The Report proposes that half the proceeds from the sale of all permits is allocated to households, around 30 per cent provided for structural adjustment needs for business (including any payments to trade-exposed emissions intensive industries), and the remaining 20 per cent allocated to research and development, and the commercialisation of new technologies. GetUp is concerned that this is a missed opportunity to use the revenue to fundamentally change Australia's economy to a low-carbon one. 30 per cent is too large an amount for compensating industry. More of this money should go to large-scale deployment of energy efficiency and renewable energy, as well as used to create new green jobs so we have the people to do the work to save the climate.
- Money to assist low-income households is important, and should help these households reduce their reliance on fossil fuels, thus saving large amounts of money over time. This means energy efficiency programs and huge investments in public transport in outer suburban areas. Providing low-carbon alternatives gives permanent relief from rising prices and supports the scheme's goal of reducing greenhouse emissions.



## NOW IS THE TIME FOR YOU TO ACT

Politicians will take necessary action on climate change when the voices of ordinary people demanding change are impossible to ignore. We're up against very powerful industries, so we need to come together and organise to demand change!

This is a very important time to make your views heard. Over the next fortnight the government will formulate its response to Garnaut in the form of a Green Paper. We can help shape that debate by writing a letter to the editor of a few newspapers, or writing a blog post or comment. Politicians closely monitor newspapers and online blogs to gauge the mood of the public on current issues.

If you see an article that you agree with, send a letter to say why you agree. If there is an article from someone who denies climate change is happening, write in and tell them to get their facts straight. There's a great toolkit on how to respond to climate change denialists: <http://gristmill.grist.org/skeptics>.

### ***To Write a Letter to the Editor using GetUp's online tool:***

1. Go to the GetUp website: [www.getup.org.au](http://www.getup.org.au)
2. On the front page, click on 'Garnaut Climate Change Review: GetUp Responds'
3. This will take you to a campaign page where you enter your details and your postcode and write a short letter to the editor of your newspaper.

### **Key points to make (you might want to focus on just a few of these)**

- Climate change matters to you. Say why.
- The Garnaut Report is a wakeup call to Australians and should be adopted by the government at a minimum.
- We need an effective emissions trading scheme urgently. The scheme must start in 2010, not 2012 as proposed by the Opposition.
- Adopt strong targets for reducing greenhouse pollution – Australia's emissions should begin to decline by 2010, and be cut 50% by 2020 over 1990 levels. The government's current target of 60% by 2050 over 2000 levels is not enough to save our future.
- Reject the claims by polluters for free permits to pollute – they should bear the cost of greenhouse gas emissions, not our environment.
- Include as many sectors of the economy as possible in the emissions trading scheme, including transport and forestry.
- Use money raised from the emissions trading scheme to invest in energy efficiency, deploy large-scale renewable energy, help low income homes save energy, and restore Australia's forest cover.
- The mandatory renewable energy target and other measures to increase renewable energy are really important – the emissions trading system won't be able to reduce emissions without other measures.

We also encourage you to

- 1) write to, and meet with, your local Member of Parliament; and
- 2) Join your community climate action group - [www.climatemovement.org.au](http://www.climatemovement.org.au)