

Govt breaking election promise with 5% target, GetUp! says

Online Advocacy group, GetUp! has said today that the federal Government's emission reduction target of **5% will condemn our Great Barrier Reef, Murray Darling Basin and the Kakadu region to destruction** by derailing any possibility a global deal strong enough to save these icons.

While the Government has announced a target range of 5-15%, **GetUp has discovered in an Australian Government briefing that the scheme is based on an initial 5% target.**

"5% is not a balanced option between not acting and the 40% target most groups have been asking for," said GetUp National Director Simon Sheikh.

Over 120,000 Australians signed GetUp's petition calling for strong action on climate change and GetUp has been active on the issue for some time. Today GetUp's 300,000 members will be expressing their outrage to the Prime Minister.

"The Federal Government went to the election promising strong action on climate change. There expected announcement doesn't constitute a genuine response."

Mr Sheikh went on to say "Professor Ross Garnaut found that to get a global deal that saves the Great Barrier Reef, the Murray Darling Basin and Kakadu, we need to set emission reduction targets of at least 25% on 2000 levels by 2020."

"By not making a decision to tackle climate change this Government is rejecting the mandate given to them by the Australian Public," Mr Sheikh said.

"That's why today GetUp will be sending the Prime Minister a trip to the Great Barrier Reef to see first hand what he is condemning to destruction through his weak response.

"The Rudd Government promised international leadership on climate change. The targets announced today will mean that Rudd has not left the door open, as was previously expected, to any real global deal.

"What's more, this Government has failed to design an effective scheme.

"It was revealed in the pre release lock up that the assistance to emissions intensive industries is based on the principle of supporting the growth of these industries.

"This means that a trade exposed and emissions intensive company that doubles its output and doubles its pollution will double the amount of Rudd hush money they receive".

"We know the future must be renewable, and the winners of this new global economy will be the countries that can get there first," Mr Sheikh said.

GetUp intends on continuing its campaign on the climate issue in the lead up to the next Federal Budget.

For more information please contact Simon Sheikh on 0422 252 483 or Chris Johnson (EMC) on 0432 828 003.

Fact Sheet on Australia's "Low" Pollution Future

Prepared by GetUp National Director Simon Sheikh through questions asked of the Department of Climate Change and the Commonwealth Treasury.

Target Range:

The Government's household support package, its industry support package and the carbon price it is using are all based on a 5% target. So while they are attempting to package this up as a 5-15% target range, they are in actuality locking in a meaningless 5%.

The Government did not, as expected, leave the door open to a 25% target. The target can ONLY be changed AFTER 2020.

Impact of the target range:

The target range will derail any global deal that would save the Murray Darling Basin, Kakadu and the Great Barrier Reef.

It will hold back the growth of green industries and will not lead to significant rises in investment in renewable energy industries on our shores.

Clean green jobs and investment will flow to countries with more ambitious targets, at a time when Australia needs all the investment it can get.

Compensating those who emit:

The principle of growth has been used to set the compensation package to trade exposed emissions intensive industries.

This means the Government is not seeking any meaningful structural adjustment to a clean energy future.

In fact if a firm in this category doubles its output and doubles its pollution it will get double the amount of free permits.

The impact of the Global Financial Crisis

The Australian Government's fact sheet states that the "Global Financial Crisis does not diminish the risks of climate change or the benefits of action".

We know that a strong carbon pollution reduction scheme would have attracted investment to Australia's shores and grown green jobs and prosperous green industries.

The Federal Government's own documents show that the GFC is no reason for a weak response to climate change and yet that is exactly what they've announced.

The total cost:

The White Paper suggests that the cost of compensating business will be fully met by the revenue received from the auctioning of permits. The scheme however allows polluters to deduct the cost of the permits they need to buy from their taxable income.

This means the Government will likely receive less tax from our major corporate which will impact the bottom line leaving less money for schools, hospitals and public transport.

The impact of individuals making individual changes:

Currently the scheme 'locks in' net emissions, aside from reductions in total permits through people buying and retiring permits.

This means that if an individual decides to 'do their bit' and reduce their energy usage or put up a solar panel, they are making no difference our total levels of carbon emissions. In fact they are simply lowering the cost of permits to the corporates using them.

Case Study:

Tim and Jill decide they are unhappy with the Government's Carbon Pollution Reduction Scheme. They decide to take their own action and purchase a solar panel for their hot water system that was previously powered from the electricity grid.

Their electricity consumption goes down and so their electricity provider doesn't need to purchase a permit for Tim & Jill's hot water system.

At the same time Robert who runs an aluminium smelter wants to increase his production. He needs to therefore buy more permits.

Tim and Jill's permits that were previously owned by the electricity company go back into the market place as the company no longer needs them.

This increases the supply of permits available for sale, and therefore reduce the price.

Robert sees the permit available and purchases it at the lower price such that he can increase production at his aluminium smelter.

The winner in this example is the aluminium smelter, who achieves more revenue at less of a cost thanks to the work of Tim and Jill and there's been no reduction in emissions.

Solution to this situation:

The Federal Government must announce a secondary market for the retiring of permits in the case described above rather than locking in better prices for corporate polluters.

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