

# Ten big problems with the Carbon Pollution Reduction Scheme

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## What's the task the CPRS is meant to be tackling?

The scientific evidence is clear that the world needs to reduce its carbon emissions by at least 60% by 2050 to avoid dangerous climate change.. In fact the latest science is telling us that that is not enough if we want to be fairly certain of having a safe climate. A 60% reduction by 2050 is likely to only stabilise carbon levels in the atmosphere at around 450 parts per million (ppm). This gives us a 50-50 chance of keeping warming to 2 degrees or less.

The latest science is saying that to ensure a safe climate to keep the arctic frozen and 'to not go beyond the point of no return' we should aim for a temperature increase of only 0.5 degrees above pre-industrial levels – which means cooling the planet from where it is now. That means stabilising carbon levels in the atmosphere at 300 -350 ppm – ie taking carbon out of the atmosphere given we are currently at 386 ppm, (and increasing by 2 ppm each year).

## So how much less carbon do we need to emit in Australia?

If we are aiming to stabilise atmospheric carbon at 450 ppm the *world* needs to reduce its carbon emissions by at least 60% by 2050. But in Australia we emit much more than the world average per head of population .For us to do our fair share we need to reduce our emissions by 90% or more by 2050. To be on our way there that means a reduction of 25-40% by 2020.

If we are aiming for 300ppm and a safe climate, we need to be beyond zero emissions by 2050, and well on the way there – say at least a 50% reductions by 2020.

## How does the Carbon Pollution Reduction Scheme work?

In contrast to the need to reduce carbon pollution by 25-50% by 2020, the Rudd CPRS only aims for a 5-15% reduction. But let's hold our scorn for the moment and explore how the CPRS aims to achieve those reductions. The whole basis of an emissions trading scheme is based around giving out licences to pollute. The top 1000 polluting industries in the country will have to have permits for their carbon emissions. The government will give out permits that will allow industry to emit 95% of the carbon emitted in 2000. So the permits are worth something. And once the permits are used up, no more polluting allowed. If you want to pollute and you haven't got enough permits you'll need to buy some more from someone else.

## Ten big problems with the CPRS

### 1. The target is a killer

If adopted globally, a 5%-15% target by 2020 would guarantee the loss of the Great Barrier Reef and the Kakadu wetlands. It would set us on the path for the irreversible melting of the Greenland ice sheet, leading to an eventual rise in sea levels of 6-7 metres, and wiping out the homes of billions of people around the world. By ruling out emissions reductions larger than 15%, Australia is ruling out its participation in an equitable international agreement that avoids dangerous climate change.

### 2 The target is locked in and the 5% reduction won't be increased for 5 years

That's right – in order to give certainty to industry!

### **3. And all voluntary action taken by the community is included within the 5% instead of in addition to it**

Any actions you and I do to reduce emissions – by insulating our homes, putting in solar panels etc– will not be counted on top of any reduction industry makes – they will occur instead of industry reductions. If the community reduces the demand for electricity from coal fired power stations that will mean that the power station won't need as many permits because they won't need to burn as much brown coal.

So those permits are freed up for the power station to sell. The power station can sell them off to Alcoa for example to allow them to pollute more. And if we do a really good job, then the permits will be really cheap, so they'll be allowed to pollute more and it will hardly cost them anything. Essentially the CPRS is actually a carbon pollution *transfer* scheme. You're paying thousands of dollars to make life easier for Alcoa.

There is a way to make your voluntary action count – if in addition to paying for greenpower, or your solar panels you also purchase carbon permits equivalent to the amount of carbon you are saving, and retire those permits – but this means you have to pay twice – once for the voluntary action and then for the permits.

### **4. Pollution permits are defined as property rights rather than allowances**

This means that if the government were to increase the emissions reduction target at a later date, taxpayers would be forced to compensate industry, leading to a significant burden on the Australian economy.

### **5. Free permits are given to the biggest polluters**

Dirty industries such as coal-fired power stations are being offered 25%-45% of permits for free. The list of “emissions intensive trade exposed” industries that will receive free permits is growing. This completely defeats the “market mechanism” of an ETS, which is that rising costs to polluters act as an incentive for industries to shift to less polluting industries. There is also \$3.9 billion being given to the coal-fired electricity generation industry, which has been identified as a “strongly affected industry”.

### **6. Polluters are allowed to 'offset' their pollution overseas**

The scheme allows companies to buy permits from overseas, so even though there are only permits issued in Australia for 95% of today's emissions, nothing has to change if the big polluters go out and buy carbon credits from Indonesia say. Australian big business buys credits based on protecting some rainforest instead of logging it, and keeps on polluting as much as it likes. There is also evidence that some current offset projects are extremely dubious and do not reduce greenhouse gases but perversely result in a net increase in greenhouse gas emissions.- for example first logging intact forest then claiming a carbon credit for establishing a plantation.

Plus if we are to go have a safe climate we need to both protect the forests of the world and reduce emissions – not one instead of the other

### **7. There is a price cap on pollution permits.**

The CPRS proposes a price cap on pollution permits of \$40/tonne. Emissions trading schemes depend on supply and demand determining the price of carbon. If an arbitrary maximum price is set, carbon will be sold too cheaply and defeat the purpose of the ETS. This price cap also means that if the market price of carbon were to rise above \$40/tonne, in order to push the price back down, the Government would have to loosen the scheme making the scheme completely useless.

## 8. Big polluters can buy now, use later

The big polluters are given the opportunity to buy permits now (when the price is likely to be low or free) but use them later — in effect, delaying cuts in pollution and the required changes to a low carbon economy for as long as possible.

## 9. The CPRS encourages reforestation, but also deforestation

Land clearing and logging of native forests have significant impacts on emissions — the “lungs of the Earth”. But the CPRS doesn’t count the carbon benefits of native forests. It does however count the carbon stored in plantations – which means it will be more profitable to manage plantations as “carbon sinks” than use them for wood — and increase the demand for native forest logging which won’t need any permits!

## 10. The CPRS makes people, not the polluters, pay

The public is already being warned of increases in electricity, transport and general living costs passed on to the consumer. The scheme will effectively be another tax on ordinary people while, business-as-usual is allowed to continue. There is no incentive for industry to change if it is given free permits and also allowed to pass on the costs to the consumer.

### In summary it’s a business as usual scheme

The whole aim of the scheme is to keep the resource intensive industries ticking over with no change to their operations, until the mythical carbon capture and storage technologies are available.

### What to do instead. Alternatives to the CPRS

If the government is serious about carbon pollution reduction the following must happen now:

- Cease all subsidies to dirty industries. Billions of taxpayer dollars are given away to coal, car and fossil fuel industries (including transport). Diverting these subsidies to renewable alternatives is needed now.
- Phase out coal exports and coal-based electricity and move to renewable energy technologies with industry and regional plans for coal communities.
- Embark on a massive public works program, creating green jobs in everything from sustainable agriculture to installing rainwater and solar harvesting systems in cities.
- •An immediate increase in public transport, walking and cycling; shifting to rail, light rail, very fast trains (instead of air travel) and electric vehicles.
- •End the logging of native forests.

### What you can do

- Be informed. Keep up with the debate so you can talk knowledgably to your friends and family. Climate Emergency Network (<http://www.climateemergencynetwork.org>) has a range of great resources and links. CSIRO Marine and Atmospheric Research (<http://www.cmar.csiro.au/research/climate.html>) has everything you want to know about Australia and climate change science. Professor Barry Brook Director of Climate Science at *The Environment Institute*, University of Adelaide has a very informative website (<http://bravenewclimate.com>), including detailed rebuttals of the arguments of climate change sceptics.
- Join WeCAN (<http://wecan.collectivex.com>) if you live in the western suburbs, or your local climate action group. If there isn’t a climate action group where you live, then start one! Then be active raising awareness in the community, educating and being heard about what the climate emergency we face
- Vote for change. Only vote for candidates and parties that are committed to acting to tackle our climate emergency.

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