Senator the Hon Penny Wong  
Minister for Climate Change and Water  
Senator for South Australia  
Department of Climate Change  
GPO Box 854, Canberra ACT 2601

Dear Minister

We note commentary in last week’s press over the policy demands of “conservation groups” as being “economically destructive and environmentally irresponsible because they would drive jobs and pollution offshore”\(^1\).

In this context, 65 Climate Action Groups from across the ACT, New South Wales, Queensland, South Australia, Victoria and Western Australia would like to take this opportunity to clarify our position on these important issues.

**Overview**

Over the past few weeks, we have witnessed the most devastating bushfires in Australia’s history. The loss of life, animals and property have left us deeply shocked and in a state of mourning. In addition, many other people have lost their lives this summer due to heat stress in South Australia, Victoria and Northern Tasmania. We have also seen extensive flooding in Queensland and central NSW as well as the ongoing collapse of our nation’s foodbowl in the Murray-Darling basin.

For the Climate Action Groups signing this letter, these tragedies have strengthened our resolve to do everything we possibly can to reduce our emissions in Australia and facilitate a global climate agreement that includes urgent, deep cuts in emissions (in line with the best available science).

The protection of the ecological and climatic systems that support life on earth is essential. We believe that every emissions reduction tool and Government expenditure package being considered in Australia should be underpinned by the need to return our planet to a safe climate zone.

Climate Action Groups are extremely disappointed with the Government’s target band of 5-15% below 2000 levels and note that these targets are

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\(^1\) SMH (23 Feb 09), “Get Real, Wong Tells Greens”.

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completely out of step with both current climate science and targets in other developed countries (such as the EU and UK).

Climate Action Groups note that if the deeply flawed CPRS becomes legislation in June 2009 as planned, this will lock in our low target range of 5-15% until 2020 (as the cap cannot be changed before 2020 without paying substantial compensation to industries covered by the Scheme). By locking in a low target now, Australia will effectively undermine the Copenhagen UN Climate process in December, betraying not only the Australian people in its duty of care, but also people and nations across the globe.

In light of the substantial flaws in the CPRS (which includes the end of meaningful individual action on climate change), over 150 Climate Action Groups from across Australia have decided to oppose the current CPRS and prevent it from becoming law before the Copenhagen talks.

When it comes to the economy and jobs, Climate Action Groups believe that swift, strategic action to dramatically reduce emissions will not only help mitigate dangerous climate change, it will also create an investment pathway for the development of an emissions-free economy in Australia. Treasury modeling indicates that the aggregate economic impacts of deep emissions cuts are fairly low, with GDP growth expected to slow by a mere 0.2% per year if emissions were reduced by 25% by 2020. All available economic modeling (including by Garnaut and Stern) demonstrate that the costs of inaction (or ineffectual action) far outweigh the costs of action (in both economic and environmental terms).

As we move towards a zero-emissions economy, the labour intensity of our economy is expected to increase, with studies suggesting that an additional 500,000 jobs could be created in Australia by 2030 in the areas of renewable energy, energy efficiency, sustainable water systems, biomaterials, green buildings and waste and recycling. In addition, these new industries are expected to derive substantial export revenues for Australia.

In terms of communicating the costs and benefits of action on climate change, we urge the Government to start focusing on the immense employment and export opportunities that the transition to an emissions-free economy would present for all Australians.

Climate Action Groups believe that Australia is being presented with a priceless opportunity to deal coherently with the dual threats of climate change and the global economic meltdown. This invaluable opportunity must not be missed.

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2 Position adopted climate groups on 2 Feb 2009 in Canberra at “Australia’s Climate Action Summit”, with participation from 150 Climate Action Groups from across Australia.

3 Ibid, pg 149.

1. Emission Reductions Must Be Underpinned By Science, Not Politics

Climate Action Groups recognise that “if humanity wishes to preserve a planet similar to that on which civilisation developed and to which life on Earth has adapted” then “CO₂ will need to be reduced from its current 385ppm”⁵. At this level, we are already observing:

- Increased aridity in the southern United States, Mediterranean region, Southern Australia and parts of Africa.
- Alpine glaciers in near-global retreat, posing substantial threats for millions of people dependent on fresh water supplies originating in the Himalayas, Andes and Rocky mountains.
- Accelerated mass losses from Greenland and West Antarctica ice sheets, heightening concerns about ice sheet stability and predictions of sea level increases by at least several metres.
- Increased intensity in Australian climatic conditions, with the current combination of floods, fires and continuing drought placing enormous strain on the national purse - and more importantly, the national psyche.

In this context, over 150 Climate Action Groups from across Australia recently adopted a position of working towards stabilising global levels of CO₂ at 300ppm, enabling the Arctic sea ice to refreeze and thereby facilitating a return to a safe climate zone⁶.

Australia’s current policy frameworks/agreements (including the Government’s proposed Carbon Pollution Reduction Scheme) lock us into CO₂ stabilisation targets of 500ppm or more, which, according to the world’s top scientists, would commit us to even more dangerous climate change.

Climate scientists from around the world are making it clear that strong, decisive action is required to dramatically reduce emissions and facilitate a global agreement that aims to return our planet to a safe climate zone within the next few decades.

Climate Action Groups believe that EVERY emissions reduction tool and Government expenditure package currently being considered in Australia should be underpinned by this global imperative of stabilising CO₂ at 300ppm.

Achievement of a 300ppm CO₂ stabilisation scenario will require net global emissions to fall to zero as quickly as possible. However, even if global emissions fell to zero within the next five years, we would still be looking at CO₂ levels of around 400ppm or higher. Therefore, global carbon sequestration of this historical carbon debt will play a critical role in our ability to transition back to a safe climate zone.

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⁶ Position adopted climate groups on 2 Feb 2009 in Canberra at “Australia’s Climate Action Summit”, with participation from 150 Climate Action Groups from across Australia.
Climate Action Groups note that Australia has emitted around 7.6 gigatonnes of excess carbon between 1750 and 2001, which is quite staggering when compared to India’s historical carbon debt of 15.5 gigatonnes over the same period. Climate Action Groups call on the Government to take into account Australia’s historical carbon debt when designing Australia’s emissions reduction plan.

2. Australia’s 2020 Emissions Reduction Targets Fall Way Too Short

Climate Action Groups are extremely disappointed with the Government’s emissions reduction target range of 5 - 15% below 2000 levels (or 4 - 14% below 1990 levels).

Not only are these targets completely out of step with current climate science, they are also out of step with other developed countries, such as the EU and UK which have already committed to reduce emissions by 20-30% and 26-32% below 1990 levels respectively.

Climate Action Groups believe that the emissions reduction targets to be negotiated this December in Copenhagen should reflect the best available science and be underpinned by the need to return our planet to a safe climate zone as quickly as possible. We urge you to adopt this as Australia’s negotiating position at Copenhagen.

We note that if every country on this planet agrees at the upcoming climate talks in Copenhagen to reduce emissions by Australia’s target of 5-15% (below 2000 levels) by 2020, it is very likely that we would lock our planet into a CO₂ scenario of 550-650ppm.

In this scenario we are most likely looking at a 2-plus degree C temperature increase above current temperature initially, which could result in abrupt and large climate changes and prove disastrous for millions of people, species and habitats. We then have the added risk of the potential melting of permafrost and resultant release of tens of billions of additional tonnes of CO₂ and methane, which could lead to unliveable temperatures on this planet.

While the 5-15% target may be what the Government thinks is realistic or fair for the Australian economy, how can we possibly expect or ask other countries to do more than we are willing to do ourselves.

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8 Australian Government Fact Sheet (December 2008), “What the rest of the world is doing on climate change”, pg 2.
9 Ibid, pg 2.
10 Note: the best estimate of climate sensitivity is 3 degrees C, which is the short-term temperature rise for a doubling of CO₂. So 550ppm CO₂ means 3 degrees C above pre-industrial temperatures or 2+ degrees C above current temperature.
By locking in a low target now, Australia will effectively undermine the Copenhagen UN Climate process, betraying not only the Australian people in its duty of care, but also people and nations across the globe. We would also miss a dramatic opportunity to provide new employment and derive export revenue from smart, innovative technologies (some of which were originally developed in Australia, for example Ausra’s solar thermal technology and Suntech’s solar PV technology).

We are an affluent, developed country that believes in social justice, equity and doing our fair share. We have never turned our back on nations in need and we have always opened our hearts and homes to the plight and suffering of others.

It is not the Australian way to do as little as we possibly can at the expense of the millions of people, species and habitats that will be affected by climate change (including our own). This is not the legacy we wish to leave for our children.

3. Climate Action Groups Support Green Jobs in Australia

Climate Action Groups are deeply committed to facilitating the development of green jobs and industries in Australia. In addition, we believe that a comprehensive “Just Transitions” plan (including financial assistance) is required for communities and industries affected by the transition to an emissions-free economy.

Modeling undertaken by the Federal Treasury in October 2008 indicated that a reduction in emissions would lead to “a shift towards low-emission labour intensive sectors (such as services)” ¹².

While there will clearly be a structural shift away from emissions-intensive employment (and hence the need for a “Just Transitions” plan), the move towards higher labour intensity in the Australian economy will mean that more green jobs will be locally available.

A joint report prepared by the Australian Conservation Foundation and the Australian Council of Trade Unions found that appropriate policy frameworks that facilitate growth and investment in 6 key green industries (renewable energy, energy efficiency, sustainable water systems, biomaterials, green buildings and waste and recycling) would generate an additional 500,000 jobs in Australia by 2030 above a business-as-usual scenario ¹³.

Apart from the climate mitigation benefits, Climate Action Groups believe that strong emissions reductions in Australia will result in tremendous opportunities, in particular through the emergence of thousands of green jobs across a wide range of sectors as well as new avenues for export income as green industries expand in coming years.

¹² Ibid, pg 150.
4. Economy Wide Impacts of Strong Emissions Cuts

When it comes to economy wide impacts, the Government has often stressed that higher emissions reduction targets would be economically irresponsible and potentially destructive. This position is inconsistent with the modeling undertaken by the Federal Treasury.

For example, Treasury estimates that a 25% reduction in emissions by 2020 (based on 2000 levels) would lead to:

- An average annual GDP growth rate between 2010 and 2050 of 2.2% compared to 2.4% (in the absence of emissions cuts)\(^\text{14}\).
- An average annual per capita income growth rate of around 1.0% compared to 1.2% (in the absence of emissions cuts)\(^\text{15}\).
- Average annual growth in domestic consumption between 2010 and 2050 of 2.2% compared to 2.4% (in the absence of emissions cuts)\(^\text{16}\).

The Treasury figures indicate that the cost to the economy of reducing emissions by 25% by 2020 is to reduce GDP by around 1.6% by 2020 (or around 0.2% per year)\(^\text{17}\). As Treasury notes “Australia’s aggregate economic costs of mitigation are small”\(^\text{18}\). While GDP is clearly being reduced under a 25% emissions reduction scenario (which is well above the Government’s 5-15% target band), we are certainly not looking at a destroyed economic system.

McKinsey & Company estimates that the cost of achieving a 30% reduction in emissions (below 1990 levels) will be around A$290 per household (per year) in 2020 (or around A$2.9 billion) and that a 60% emissions reduction by 2030 would cost A$590 (or A$7.0 billion)\(^\text{19}\).

The McKinsey costs of achieving a 30% reduction in emissions are substantially smaller than the current $42 billion stimulus package, which was approved by the Government last month and is equivalent to 4% of GDP. There is no guarantee that this package will actually stimulate the economy or create jobs and yet the Government did not hesitate to approve this package at emergency speed.

Unfortunately, the same cannot be said for the Government’s response to climate change. Any calls for reductions above the 5-15% emissions reduction target band are labelled as economically irresponsible and potentially destructive. And yet, Treasury’s own figures indicate that a 25% cut in


\(^{15}\) Ibid, pg 187.

\(^{16}\) Ibid, pg 156.

\(^{17}\) Ibid, pg 149.

\(^{18}\) Ibid, pg 137.

emissions would lead to our economy slowing by a mere 1.6% of GDP by 2020 (or around 0.2% per year).

Climate Action Groups cannot help but feel that while the Government’s climate change rhetoric is strong, their commitment to meaningful action on climate change is not.

5. A Call for New Scenario Modeling by Treasury

As outlined in section 2, Climate Action Groups believe that emissions reduction targets need to be based on science. Current climate science suggests that emissions may need to be reduced by 60% or higher by 2020 (based on 1990 levels).

Climate Action Groups note that Treasury has not published modeling results for emissions reduction scenarios above a 25% reduction (based on 2000 levels). We urge the Government to commission modeling of these higher range scenarios (including a scenario of zero emissions by 2020) so that Government, industry, business and communities can have the best possible data with which to make investment and consumption decisions.

6. The End of Individual Action Under the CPRS

In light of the substantial flaws in the CPRS (which includes the end of meaningful individual action on climate change), over 150 Climate Action Groups from across Australia have decided to oppose the current CPRS and prevent it from becoming law before the Copenhagen talks20.

Climate Action Groups understand that while the CPRS will set a ‘cap’ on emissions, by issuing a fixed number of permits to pollute equivalent to 5% below 2000 levels, it “will also impose a ‘floor’ below which emissions cannot fall”21.

As noted by the NSW Independent Pricing and Regulatory Tribunal (IPART), “additional measures to reduce emissions in sectors covered by the scheme would not result in an increase in emissions abatement ... the emissions avoided through undertaking an additional measure would result in an equivalent increase in emissions elsewhere.”22

As total emissions are unable to fall below the 5% emissions reduction target under the CPRS, green industries (including renewables), State/Territory governments, local councils, businesses, communities and households will be completely disempowered and prevented from making a meaningful difference when it comes to climate change.

20 Position adopted climate groups on 2 Feb 2009 in Canberra at “Australia’s Climate Action Summit”, with participation from 150 Climate Action Groups from across Australia.
Climate Action Groups note your comments with Kerry O’Brien on the 7.30 report (23 Feb 2009) that “what we will be able to do as we set our targets is … to recognise the fact that a range of measures can contribute to those targets … so it is the case that voluntary measures can contribute to the target that Australia achieves.”

Climate Action Groups note that once the CPRS becomes legislation the cap cannot be reduced beyond the 5% target before 2020 without paying substantial compensation to industries covered by the CPRS. This means that no-matter how hard individuals work to reduce their emissions, we can never go beyond the 5% target. That is:

- If individual action achieves the 5% within two years then other sectors of the economy covered by the CPRS can continue emitting in a business-as-usual scenario for another 8 years (until 2020).
- If individual action exceeds the 5% target at any time during the 10-year period (between 2010-2020) then other sectors can increase their emissions to bring us back down to the 5% target by 2020.

The fact remains that any reductions individuals achieve in their personal emissions will simply enable other industries covered by the CPRS to increase their emissions by the same amount and at a cheaper price.

This emissions floor, combined with such a low emissions reduction target, is simply untenable for Climate Action Groups (who are dedicated to working within their communities on a voluntary basis to raise awareness about climate change, energy efficiency and renewable energy etc).

Climate Action Groups are not ‘politicising’ the process, we are fighting for our right to make a meaningful difference on climate change and to work towards a safe climate future for our planet. This is the most important issue of our time – perhaps the most important issue that humanity has ever faced. We cannot and should not put all of our eggs into a flawed CPRS or a highly limited and short-sighted emissions trading scheme.

7. The Current CPRS Promotes Green Jobs Overseas

Climate Action Groups note with dismay that the Government has stated that if the CPRS caps on emissions are not in alignment with new international targets the “Government will make up the shortfall in internationally agreed targets by purchasing eligible international units.”

Given that our current emissions reduction target band of 5–15% is well below that of the EU and UK and completely out of step with the science, it seems fairly certain that our target band will fall short of the international targets likely to be agreed to in Copenhagen in December.

If the CPRS becomes law in June 2009 as planned, then the Government will use tax-payer money to purchase carbon offsets overseas to make up the shortfall. This would drive investment in green jobs overseas at the expense of green jobs in Australia.

Similarly, the CPRS is also likely to lead to the end of the voluntary offset market in Australia since offsets cannot be purchased in covered sectors (the only sectors not covered by the CPRS are Forests, Waste and Agriculture). Climate Action Groups note that the inclusion of forests in the CPRS is voluntary and the quantification/lifetime of offsets in waste and agriculture are unlikely to be finalised before the start of the Scheme next year.

This means that Australian businesses wanting to purchase offsets for the parts of their footprint they cannot reduce will have no choice but to purchase offsets in emissions reduction projects overseas rather than investing in emissions reduction projects in Australia. Once again, this will drive investment in jobs overseas rather than much needed investment in green jobs in Australia.

8. Sovereign Risk and Compensation under the CPRS

Another major area of concern for Climate Action Groups is that the CPRS will lock in ‘property rights’ for emissions intensive industries that are covered by the scheme.

As part of this, the Government will need to compensate industries covered by the CPRS if they decide to change Australia’s emissions reduction target before 2020. For example, if the Government decided to reduce emissions by another 5% by 2020 it would roughly result in a compensation payment to industries covered by the CPRS of around $684 million$^{24}$.

As noted in Section 2, our current 2020 emissions reduction target range is completely out of step with current climate science and targets in other developed nations. It therefore seems likely that the international community will expect us to reduce our emissions by more than our current target band.

If the CPRS legislation is passed (as planned) by the end of June 2009, there is a strong chance that in December 2009 the Government will have little choice but to pay compensation payments to industries covered by the Scheme for changing the targets. Alternatively, the Government can make up the shortfall (as stated in Section 7) by purchasing international offsets. Either way, Climate Action Groups do not believe this is an effective use of taxpayer money.

As stated above, over 150 Climate Action Groups from across Australia have decided to oppose the current CPRS and prevent it from becoming law before the Copenhagen talks.

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9. The Need for A Senate Inquiry on the CPRS

Climate Action Groups were extremely disappointed to learn that the House of Representatives Inquiry into emissions trading had been cancelled.

Undoubtedly, climate change is the most important issue of our time. If the Government is truly confident about the CPRS and its emissions reduction targets then it should be able to stand the test of transparency, accountability and rigorous analysis and debate.

Groups strongly support the call by the Greens and Coalition for a Senate inquiry into the CPRS.

Conclusion

As stated above, Climate Action Groups believe that Australia is being presented with a priceless opportunity to deal coherently with the dual threats of climate change and the global economic meltdown. We do not wish to miss this invaluable opportunity.

We thank you for taking the time to consider our views.

More about Climate Action Groups

Climate Action Groups are collectives of ordinary but impassioned Australians who have come together in their local communities to act on climate change.

Climate Action Groups have experienced extraordinary growth over the past few years, with over 200 groups (representing thousands of people) currently operating in local communities across Australia.

The dedication and determination of these groups is testimony to a deeply felt community concern about the threat of climate change and increasing unease in the community about the direction of climate policy in Australia.

Climate action groups generally have no political affiliations, and often represent the people and sentiments of ‘middle Australia’ and beyond.

In early February 2009, the first ever Climate Action Summit was held in Canberra, bringing together over 500 participants representing around 150 Climate Action Groups. The summit was a tremendous success and has lead to greater organisation, communication and collaboration among groups.

Climate Action Groups are rapidly proving themselves to be a powerful force in the public climate debate in Australia.
Signatories to this Letter:

65 Climate Action Groups from across Australia have signed this joint letter. They have a combined membership of well over 6,500 people and are doing phenomenal work in each of their communities / regions to raise awareness on climate change and facilitate the transition to a safe climate zone.

The contact for this letter is Tracey Tipping (Climate Action Pittwater, tracey@eternalsource.com.au, ph: 0411 861 269).

Climate Action Group signatories are listed below:

1. Alstonville High School Sustainability Committee, NSW
2. Ararat Greenhouse Action Group Inc, VIC
3. Australian Forest and Climate Alliance, National
4. Ballina Climate Action Network, NSW
5. Bathurst Community Climate Action Network, NSW
6. Bayside Climate Change Action Group (BCCAG), VIC
7. Beenleigh Community for Cool Change, QLD
8. Bendigo Sustainability Group, VIC
9. Boroondara Sustainability Network, VIC
10. Broadwater Community Dunecare, NSW
11. Citizens Climate Campaign, NSW
12. Clean Energy For Eternity - Bega, NSW
13. Clean Energy For Eternity - Eurobodalla, NSW
14. Clean Energy For Eternity - Cooma-Monaro, NSW
15. Clean Energy For Eternity - Manly, NSW
16. Clean Energy For Eternity - Mosman, NSW
17. Clean Energy For Eternity - Palerang, NSW
18. Clean Energy For Eternity - Snowy River, NSW
19. Climate Action Coogee, NSW
20. Climate Action Newcastle (CAN), NSW
21. Climate Action Newtown, NSW
22. Climate Action Pittwater, NSW
23. Climate Action Now Wingecarribee (Canwin), NSW
24. Climate Change Balmain-Rozelle, NSW
25. Climate Emergency Network, VIC
26. Climate Emergency Action Network (CLEAN), SA
27. Coalition for a Safe Climate, WA
28. Crisis Coalition, NSW
29. Dandenong Ranges Renewable Energy Association Inc, VIC
30. Darebin Climate Action Now, VIC
31. EcoNetwork Port Stephens, NSW
32. Emerald for Sustainability, VIC
33. Epping Beecroft Climate Action Group, NSW
34. Families Facing Climate change, VIC
35. 450ppm, NSW
36. Greenleap Strategic Institute, VIC
37. Gold Coast & Hinterland Environment Council (GECKO), QLD
38. Katoomba Area Climate Action Now, NSW
39. Kyogle Climate Action Network, NSW
40. Lighter Footprints, VIC
41. Lismore Climate Action Group, NSW
42. Locals into Victoria’s Environment (LIVE), VIC
43. Mount Alexander Sustainability Group, VIC
44. National Toxics Network, NSW
45. Otway Ranges Climate Action (ORCA), VIC
46. Our Future is the Natural World, NSW
47. Outdoor Lighting Reform Action Group, ACT
48. ParraCAN, NSW
49. People for a Safe Climate, NSW
50. Plug-In Australia, NSW
51. Quest 2025, QLD
52. South-East Region Conservation Alliance (SERCA), NSW
53. Surf Coast Energy Group, VIC
54. Sustainable Environment Education Development Inc, VIC
55. Sustainability in Stonnington, VIC
56. Sutherland Climate Action Network, NSW
57. Transition Towns Triangle Plus, NSW
58. Upper Yarra & Dandenongs Environmental Council, VIC
59. Woden SEE Change Inc, ACT
60. Wodonga and Albury Towards Climate Health (WATCH), VIC
61. Women’s Environment Network Australia, National
62. Victorian Climate Action Centre, VIC
63. Yarra Climate Action Now!, VIC
64. Yarra Valley Climate Action Group, VIC
65. Zero Carbon Network

This Letter has also been Endorsed by:

1. Conservation Council ACT Region (incl. 120 Member Groups)
2. Conservation Council of South Australia (incl. 50 Member Groups)
3. Conservation Council of Western Australia (incl. 95 Affiliate Groups)
4. Environment Tasmania Inc (incl. 26 Member Groups)
5. Nature Conservation Council of NSW (incl. 120 Member Groups)