

# TOWARDS AN EFFECTIVE AND FAIR RESPONSE TO CLIMATE CHANGE

6 July 2008



## **A Joint Statement by the Australian Conservation Foundation, Australian Council of Social Service, Australian Council of Trade Unions and The Climate Institute.**

The Southern Cross Climate Coalition (SCCC) has been formed by some of Australia's leading social, union, environmental and independent research organisations to help lead an effective and fair response to climate change.

Climate change is one of the most significant challenges to our planet and our future wellbeing.

We share the view that Australia faces major climate change risks unless the nation makes an urgent and orderly shift towards a low-carbon economy. We acknowledge that the transition poses challenges for some of our communities. But we believe that it will also create great potential for long term prosperity and jobs growth.

We aim to build on the Australian tradition of working together through challenging times.

We seek to advance constructive and long-term proposals for Australia and to work with government, industry, our constituents and the community to unlock the substantial economic, social welfare and environmental opportunities that will emerge from Australia's response to climate change.

We believe collaboration across all sectors of Australian society will be critical to achieving an effective, fair and lasting response to climate change.

We understand that effective action on climate change means much more than reducing greenhouse emissions. It means grabbing hold of new economic and job creation opportunities at the same time as improving the living standards of all Australians fairly and sustainably. For example:

- Policies to improve fuel economy and deliver fast and reliable public transport can reduce the economic and health impacts of air pollution and traffic congestion. They can also reduce our nation's vulnerability to global oil price fluctuations.
- Action on energy efficiency can help low-income households overcome fuel poverty and make our businesses and workplaces more productive.
- Measures that drive the use of clean energy can support regional job creation and build export industries based on Australian technology innovation, skills and know-how.

We believe that the cost of inaction far outweighs the cost of action to reduce emissions. Fortunately, Australia has the capacity to act and to positively influence other countries in our region and beyond.



## Foundations for a response to climate change



Don Henry  
Executive Director  
(ACF)

*"Together we're calling for urgent action to cut emissions and grab hold of new economic and job opportunities. With the right policies Australia can move to the front of the pack on action to tackle climate change."*

The SCCC believes that there are four foundations for a fair and sustainable long-term plan for Australia's future: urgency, investment, fairness and jobs.

### 1. Urgency

Time is running out. Climate change is occurring more rapidly than anticipated.

There is broad scientific consensus that global warming of more than 2°C threatens dangerous and probably irreversible impacts. The Intergovernmental Panel on Climate Change conclude that holding global temperatures to 2-2.4°C would require developed countries as a group to reduce emissions by 25%-40% below 1990 levels by 2020 and for global emissions to peak by 2015.

*"Australia's interest lies in the world adopting a strong and effective position on climate change mitigation [because of] our exceptional sensitivity to climate change and our exceptional opportunity to do well in a world of effective global mitigation".*

(Professor Ross Garnaut, Garnaut Climate Change Review Interim Report p4)

In order to avoid a devastating increase in global temperature, the international community needs to forge a concrete agreement before 2010 that aims to stabilise greenhouse gas levels at less than 450ppm-e.

**To achieve this, developed countries like Australia will need to commit to strong and binding emissions reduction targets post 2012 and support fair commitments for developing countries to ensure their emissions peak and decline before 2020.**



John Connor  
CEO  
(The Climate  
Institute)

*"Helping avoid the worst costs of dangerous climate change requires policies that boost investment in clean technology and putting a price on greenhouse pollution"*

This will require major investments from government and the private sector in restructuring national economies and taking responsibility by supporting low carbon technologies and infrastructure for developing countries. It will also need financial support for developing countries to prepare for the unavoidable climate impacts mostly caused by the developed world's past emissions.

### 2. Investment

Switching the global economy to a low-carbon pathway will create multi-trillion dollar markets for low carbon and clean energy technologies and infrastructure. Australia needs to ensure that it is competitive in this global low carbon economy.

**We believe that a broadly based domestic emissions trading scheme, including transport, with a strong emissions reduction cap is essential to drive long-term structural changes in the economy.**

Emissions trading and additional measures that encourage the uptake of energy efficiency and low-carbon technologies will cut long term costs and maximise jobs growth. These policies need to be in place by 2010.

As an immediate priority, Australia has huge potential to cut energy waste. By focusing on energy efficiency across all sectors of the economy, we can save on energy bills and reduce the cost of meeting emissions reduction targets. The SCCC is encouraged by the Federal Government's pre-election commitment to put Australia "at the forefront of OECD energy efficiency improvement" but recommends a 2015 target for this goal.

To ensure long-term cost effectiveness and to spread the risks of some technologies not succeeding, Australia must embrace a diverse portfolio of clean energy generation and supply options.

**The SCCC believes the Government's 20% by 2020 Renewable Energy Target is an important foundation for clean energy technologies that are already commercially available in Australia. To build on this foundation, the SCCC supports additional measures to stimulate the uptake of newer "breakthrough" clean energy technologies at commercial scale by 2020.**

We support the full auctioning of permits under the Emissions Trading Scheme. The fair distribution of the auction revenue must:

- prioritise those on low-incomes and working communities disproportionately impacted by the Emissions Trading Scheme, and;
- unlock investment in low-carbon technologies and infrastructure, both here and in developing countries, as well as helping developing countries prepare for unavoidable climate impacts mostly caused by developed countries' emissions.

Investment in, and preparedness support for, developing countries is not only equitable but critical to securing the global emissions reduction deal that is in Australia's national interest.

The Government should also consider, using transparent processes, supporting emissions intensive industries that are genuinely trade exposed as a result of the Emissions Trading Scheme, to achieve world's best practice in emissions intensity and technology development.



Gregor Macfie  
A/g CEO  
(ACOSS)

*"Climate change affect will low income households disproportionately. In shaping our responses we must ensure that low income households are able to benefit from new opportunities and are shielded from price hikes for essential goods and services. We must ensure that low income households are a real part of our solution to this serious issue."*

### 3. Fairness

Questions of fairness are central to any long-term plan on climate change. The impacts of climate change will be felt across all sectors of Australian society, and everyone will have to contribute to the solutions, including business, government and households.

Responding to climate change demands major economic reform. We need to learn from the past - and ensure that all Australians participate in the solutions and share the economic costs and benefits of change. In particular, working Australians and their families should not be abandoned and put at risk by potential job and income losses.

We also need to recognise that low-income earners tend to live in areas more likely to be adversely affected by climate change, and are less able to move or make other necessary adjustments to their living circumstances. On average, low-income earners spend a greater proportion of total weekly household budget on energy than wealthier households, making them more exposed to any price increases. Low-income households are generally less able to introduce measures to improve energy efficiency.

Fairness must also be extended to future generations and to those in Australia and abroad who are most vulnerable to the impacts of climate change. Timid action on climate change today is unfair to future generations as it will increase the scale of climate change impacts faced by them, and will reduce their economic opportunities to respond to the challenge.

This requires decisive nation-building initiatives and planning to unleash investment in crucial new areas, including increasing preparedness for climate change impacts in vulnerable communities.

With the right planning and investment, governments can help Australians move to more sustainable ways of living. Our nation-building effort for a low-carbon future must aim to offer all Australians access to low-carbon housing, transport and food that is affordable, safe and reliable – within a generation. This is the only way to assure Australians of lasting protection from rising petrol, electricity and food prices.



Sharan Burrow  
President  
(ACTU)

*"Australians expect that all of us, workers, business, government and the community will work to tackle climate change in ways that protect the most vulnerable, grows jobs and helps our neighbours in developing countries. Everyone must do their bit."*

### 4. Jobs

Australians are innovators and problem-solvers, and we have the resources to create the clean energy opportunities we need. However, there is a real danger that unless we act quickly Australia will be left behind. The international market for climate change solutions is rapidly expanding and provides potential job and export opportunities for Australians.

The transition to a low-carbon sustainable economy will also require the mobilisation of skills and training. It will take concerted action by governments, businesses, unions, community sector, environmental organisations and education and training institutions to develop and implement new approaches to world best practice green education, training and job design. Australian workers need to be closely involved in the greening of their jobs and workplaces.

**We must begin to identify the job and industry development opportunities and stimulate the green skills, knowledge and work needed for a low-carbon economy. We should embark upon skilling Australia to green every workplace, establishing retrofitting programs and developing new service industries:**

- Skills Australia should lead a national program to identify and stimulate the green skills, knowledge and work needed for a low-carbon economy
- By the end of 2010, at least 40,000 training opportunities in the Productivity Places Program should be allocated to the development of green skills in priority areas, including: building and construction; energy; agriculture; transport; and green finance, auditing and accounting
- Australia's universities, TAFE and training sectors should create 'green-collar partnerships' to advance the workplace and industry skills, knowledge and innovations required for the transition to a low-carbon economy e.g. a 'Sustainability Innovators' program of industry-university-TAFE incubators.
- Allocation of immediate funds for sustainability training, skills and workplace programs, to be boosted from 2010 with a proportion of revenues from the proposed Emissions Trading Scheme.

### **Core Policy Actions**

The SCCC puts forward the following core policy actions:

1. A broadly based, domestic Emissions Trading Scheme, including transport, with a strong emissions reduction cap is essential to drive long-term structural changes in the economy.
2. The full auctioning of permits under the Emissions Trading Scheme. The fair distribution of the auction revenue must prioritise low-income households and working communities disproportionately impacted by the Emissions Trading Scheme. It should also support investment in clean energy and low-carbon technologies, and provide dedicated funding for developing countries to help build clean energy infrastructure and help prepare them for the impacts of unavoidable climate change.
3. Implementation of measures to protect low-income Australian households including a national program that leverages significant investment to improve energy efficiency and the establishment of safety net provisions to ensure that low-income households are shielded from any price increases for essential goods and services.
4. The Government should also consider, using transparent processes, supporting emissions industries that are genuinely trade exposed as a result of the Emissions Trading Scheme, to achieve world's best practice in emissions intensity and technology development.
5. A National Energy Efficiency Target with mandatory measures to lift Australia to world-class energy saving standards across all sectors by 2015.
6. The Government's 20% by 2020 Renewable Energy Target is an important foundation for clean energy technologies that are already commercially available in Australia. Additional measures will be needed to stimulate the uptake of newer "breakthrough" clean energy technologies at commercial scale by 2020.
7. Skills Australia should lead a world's best practice national program to identify and stimulate the green skills, knowledge and workforce needed for a low-carbon economy.
8. By the end of 2010, at least 40,000 training opportunities in the Productivity Places Program should be allocated to the development of green skills in priority areas.

