



**The *Safe Climate (Emissions Trading Scheme) Bill 2009***  
**The *Safe Climate (Renewable Energy Electricity) Amendment Bill 2009*** [Renewable Energy Target]  
**The *Safe Climate (Renewable Electricity Feed-in Tariff) Bill 2009***  
**The *Safe Climate (Renewable Energy Infrastructure) Bill 2009***  
**The *Safe Climate (Energy Efficiency Access and Savings Initiative) Bill 2009*** [The EASI scheme]  
**The *Safe Climate (Energy Efficiency in Non-Residential Buildings) Bill 2009***  
**The *Safe Climate (Energy Efficiency Opportunities) Bill 2009***  
**The *Safe Climate (Energy Efficiency Target) Bill 2009***  
**The *Safe Climate (Sustainable Transport Infrastructure) Bill 2009***  
**The *Safe Climate (Fringe Benefits and Fuel Credit Restrictions) Bill 2009***  
**The *Safe Climate (Native Forest Carbon and Biodiversity Protection) Bill 2009***  
**The *Safe Climate (Green Carbon) Bill 2009***

*Our goal is not simply to reduce carbon emissions.*

*Our true goal must be to pass on to our children, and our children's children, the safe climate that has nurtured us and made human civilisation possible.*



The Greens' **Safe Climate Bill** is the first legislative attempt to transform Australia as swiftly as possible into a flourishing carbon neutral powerhouse.

Where the Rudd Government's Carbon Pollution Reduction Scheme locks in failure on the climate crisis by sidelining the science and sandbagging old polluters at the expense of the sunrise industries, the Greens' **Safe Climate Bill** gives us a real chance of success by aiming for the goal we know we need to achieve and then setting out how to get there.

Our goal is not simply to reduce carbon emissions. The true goal we must aim for is to pass on to our children, and our children's children, the safe climate that has nurtured us and made human civilisation possible.

For many, this might seem out of reach, but we humans are capable of amazing things when we set our minds to it. Setting a safe climate target would inspire the community and unleash a wave of creativity, of innovative job creation that is right now champing at the bit, as well as improving our quality of life and reconnecting our communities.

The **Safe Climate Bill**, unlike the CPRS, will deliver a massive transformation in the Australian economy, a transformation that will require the creation of hundreds of thousands of new jobs. Some industries will inevitably be replaced, as thousands of industries such as photo film and horse power have throughout history. Part of the job of government is to make that transition as painless as possible, not pretend that it will not have to happen and work to delay the inevitable – in fact smart Governments position their nations ahead of the curve.

The **Safe Climate Bill** puts equity at the heart of climate action, investing in upgrading homes of low income Australians for energy efficiency, rolling out transport alternatives in disadvantaged areas, retraining workers in polluting industries for the clean jobs of the future, and funding climate adaptation and emissions cuts in developing countries.

The **Safe Climate Bill** is a collection of 12 linked bills based around the pillars of renewable energy, energy efficiency, clean transport and forest protection, supported by a real carbon pricing scheme. The Bill as a whole and each of its constituent elements are intended as exposure drafts for public comment and debate. Some of the Bills have already been introduced in the Senate, others are in exposure draft form, and still others are in consultation phases.

## Targeting a safe climate

*"It's no use saying we are doing our best, we have to succeed in doing what is necessary."*  
Winston Churchill

The critical question with any climate action is how much it will reduce carbon emissions. With over-arching policies such as the *CPRS* or the *Safe Climate Bill*, and even more so with international negotiations, we must ask first of all whether they will deliver the necessary outcome.

Recently, at both the domestic and international level, the Rudd Government has joined other major economies in proclaiming that we must aim to limit warming to 2C above pre-industrial levels by constraining carbon concentrations in the atmosphere to 450 ppm, delivered by reducing global emissions by 50% by 2050. This is fundamentally flawed at each step:

- Firstly, it is unlikely that halving global emissions by 2050 will achieve the 450 ppm goal.
- Secondly, even the conservative and out-of-date Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) said that stabilising carbon at 450 ppm in the atmosphere gives us a 50-90% chance of *exceeding* the 2C limit. If we are serious about the 2C limit, that is obviously not an acceptable level of risk.
- Finally, many climate scientists now argue that 2C warming is not a safe climate goal, but in fact one that will jeopardise the lives, livelihoods and homelands of hundreds of millions of people around the world, including all those Australians who depend on the ongoing health of the Great Barrier Reef and Murray Darling or live on the coast.

The clear scientific evidence is that, in order to deliver a safe climate, we must bring greenhouse pollution in the atmosphere back down to 350 ppm or lower. No one alive today may be around to see this goal achieved, but its eventual achievement is nonetheless entirely in the hands of today's decision-makers since further delay risks triggering positive feedbacks that will take global warming out of humanity's hands. Eventually achieving 350 ppm means global emissions must peak within years and start coming down as swiftly as possible. A fair contribution to this global challenge from a rich, high-polluting country like Australia means we must transform into a net zero carbon economy within the coming decades, cutting our emissions to at least 40% below 1990 levels by 2020.

For many, this might seem out of reach, but we humans are capable of amazing things when we set our minds to it. As Gandhi once said, "The difference between what we do and what we are capable of doing would suffice to solve most of the world's problems." We only need to recall the incredible venture of putting a man on the moon and bringing him safely home, achieved in only eight years from start to success. Or the retooling of the US economy for the war effort. Or we can look around at the world of the iPhone, at how our lives today are shaped by instant wireless communication, and recall that, a mere twenty years ago, mobile phones were in their infancy and email was unheard of.

Setting a zero emissions safe climate target would inspire the community and unleash a wave of creativity, of innovative job creation that is right now champing at the bit, as well as improving our quality of life and reconnecting our communities.

The Greens' *Safe Climate Bill* will set Australia on the safe climate path by:

- requiring that, in the context of a global agreement, Australia's emissions will be reduced to at least 40% below 1990 levels by 2020, and that the 350 ppm goal is enshrined in law; and
- transforming the way we generate and use energy, the way we travel and the way we look after our land, through carbon pricing, regulation and direct investment.

## Making polluters pay, not paying polluters

Lord Nicholas Stern, author of the Stern Review, called climate change the world's biggest market failure. The core objective of emission trading is to correct that market failure, making polluting firms pay for the cost of their pollution, thereby allowing new firms which pollute less or not at all, to compete with the old. It's fundamentally about creating a fair, level playing field. At its heart is the polluter pays principle - a fundamental principle of environmental law and ecological politics.

Arguments about how best to make carbon emitters pay for the cost of their pollution (to internalise the externality) are ongoing. In the context of the current debate, the Greens believe that a well-designed emissions trading scheme, while it is not a silver bullet, can work effectively as one element among many in the effort to transform the way we use and produce energy in particular.

The Rudd Government's *Carbon Pollution Reduction Scheme*, however, does neither. Its targets are so woefully weak, and so difficult to change once passed into law, that it actively locks out an effective environmental outcome. And its design is so compromised that it will often *pay the polluter* to keep polluting instead of making the polluter pay. However, the failure of the CPRS does not mean we need to abandon emissions trading altogether.

### The **Safe Climate (Emissions Trading Scheme) Bill**:

- Sets a **science-based national emissions reduction target** of at least 40% below 1990 levels by 2020 in the context of global agreement.
  - With global agreement, scheme caps must be set in line with the ultimate 350 ppm goal.
- **Auctions all permits** instead of free 'grandfathering', as per the clear recommendations of the Garnaut Review, the experience in Europe, and the best independent economic advice.
- Applies Professor Garnaut's model for **emissions intensive trade exposed industries**, requiring the Productivity Commission to advise on the minimum level of assistance necessary to compensate for loss of international competitiveness.
  - There is no justification to compensate businesses for loss of profit.
  - There is no justification to compensate electricity generators. The scheme must be designed to encourage investment in new technology, not prop up old polluters.
- Covers the same sectors as the CPRS but ensuring that the **transport sector is effectively included** in the scheme instead of offsetting the entire price signal with reductions in fuel excise.
- Rules out the use of a **price cap** which would distort the price signal and undermine the scheme's economic and environmental efficiency.
- Limits the use of **imported permits** in the scheme to 20% in total, and only allows the use of 'Gold Standard' credits to ensure emissions reductions are genuinely additional and permanent.
- Allocates a portion of revenue from the scheme to **financing** adaptation and mitigation measures in developing countries over and above existing overseas development aid.
- Ensures that **voluntary action** by governments, groups or individuals is encouraged by subtracting total voluntary emissions reductions in each year from the following year's target.
- Collects very significant **revenue**, much of which can be invested in:
  - upgrading energy efficiency in homes, commercial buildings and industry;
  - R&D and commercialisation funding for renewable energy, as well as upgrading to a smart electricity grid to enable energy efficiency and renewable energy;
  - providing debt guarantees to those wishing to invest in large renewable energy generation;
  - implementing 'Just Transitions' plans for communities most at risk from the transition, investing in skills audits, training programs and seed funding for new clean industries;
  - some direct compensation measures for low income earners; and
  - bus, rail and bike infrastructure and redesigning urban areas around people instead of cars.

## Repowering Australia with renewable energy

The Greens have a vision for a 100% renewably-powered Australia, with a minimum of 30% by 2020.

There is no technical or economic reason why Australia cannot get a steady, safe and reliable supply of energy from a mix of solar, wind, ocean, biomass and geothermal power. Many of these technologies are made in Australia, are ready to scale up to utility size now, and will revitalise regional communities across Australia with new, long-term and high-quality jobs.

But, with coal holding an effective monopoly on our energy networks, we will need a broad range of policies and measures to make a 100% renewable Australia a reality. It is vital to remember that price is not the only lever – the confidence of investors, whether private or public, in new technology needs to be supported. Those renewable energy technologies which are cheapest now may not be the ones that will be cheapest and most reliable in the longer term.

With the right policies and measures, we can put Australia on track to 100% renewable energy with existing technologies before we even know whether or not carbon capture and storage will work.

The ***Safe Climate (Renewable Energy Electricity) Amendment Bill 2009*** [Renewable Energy Target]:

- Increases the mandated renewable energy target, which supports those technologies which are cheapest right now, to 30% by 2020, up from the current 20% target.
- Removes native forest furnaces from the definition of renewable energy, along with solar water heaters and heat pumps, (which while essential, are energy efficiency technologies and should be supported with other mechanisms detailed below).
- Replaces the ill-thought-out solar multiplier with a feed-in tariff (see below).

The ***Safe Climate (Renewable Electricity Feed-in Tariff) Bill***:

- Lifts Australia's renewable energy ambition well above 30% by 2020, ensuring that the clean, green and clever industry can expand as far and as fast as it can deliver.
- Gives investors the certainty they need to invest in renewable energy by assuring a market for the energy they generate at a guaranteed price for 20 years.
- Gives targeted support to all renewable energy technologies at any size – from rooftop solar panels to gigawatt scale solar thermal or geothermal power stations.

The ***Safe Climate (Renewable Energy Infrastructure) Bill***:

- Assigns to Infrastructure Australia a new role to:
  - map Australia's renewable energy resources;
  - work with communities, renewables developers and governments at Commonwealth, state and local levels, to pre-permit 'renewable energy zones' shared with other land uses; and
  - fund appropriately sized smart electricity grid connections to the renewable energy zones.
- Establishes an expert advisory committee to advise on potential technologies, zones and infrastructure needs to achieve targets of 60, 80 or 100% renewables by 2030.

The ***Safe Climate Bill*** envisages a range of other policies to support the transformation to 100% renewable energy which are not in legislative form (although may be in the future). These include:

- A **Sun Fund**, supporting R&D and commercialisation from innovation to implementation of a range of prospective renewable energy technologies;
- Government **debt guarantees** for investors looking to invest in utility scale renewable energy;
- Investment in **smart grid and smart meter technology** to link electricity generators and users together in order to intelligently manage the peaks and troughs in supply and demand, making it ideally suited to a 100% renewable network; and
- Reinstating support for **remote renewable power generation** cut by the Rudd Government.

## Save energy, save money, save the planet

Energy efficiency is the fastest, cheapest and easiest way to reduce greenhouse emissions, particularly in a country whose energy supply is as carbon polluting as Australia's. It is the low hanging fruit that Australian governments and industry have completely failed to pick.

Studies have shown that Australia's energy demand in the household, commercial building and industrial sectors could all be cut by a massive 30% using technologies and techniques that are available now off the shelf and will pay themselves back in 4 years. After that, it's savings all the way, with lower power bills, less need to bolster existing overloaded electricity grids and fewer polluting power stations to replace with renewable energy.

A serious approach to energy efficiency creates a jobs boom, as the Rudd Government acknowledged with its recent stimulus package. Unfortunately, the insulation program was yet another *ad hoc*, hastily designed scheme that cannot truly transform Australia.

The Rudd Government clearly does not appreciate the tremendous potential of energy efficiency, as its reports to the United Nations massively understate how much could be achieved. The Government's estimate for all efficiency gains is less than was identified by energy audits for the large industrial sector alone.

As with renewable energy, it is long demonstrated that a price signal alone will not drive energy efficiency upgrades. Effective policies need to put easy to understand information about efficiency opportunities right in front of those who make the investment decisions and pay the bills. This is usually not the case.

The ***Safe Climate (Energy Efficiency Access and Savings Initiative) Bill [The EASI scheme]:***

- Over the course of 10 years, upgrades the energy efficiency of all of Australia's 8 million homes.
- Provides householders with a free energy audit and then pays the upfront costs of implementing all energy efficiency opportunities with a payback time of 10 years or less.
- Householders will pay back the cost of the upgrade through savings on their energy bill (and landlords pay back the cost directly). Either way neither will be out of pocket.
- Low income households will get the service free or discounted, and will benefit from the program first.

The ***Safe Climate (Energy Efficiency in Non-Residential Buildings) Bill:***

- Drives energy efficiency upgrades in commercial buildings – office blocks, shopping centres, hotels, etc – with a stand-alone energy efficiency cap and trade scheme.
- Builds on the Greens earlier policy of requiring mandatory disclosure on energy performance (not just at the time of sale or lease, but on an ongoing basis)
- Provides a long term investment signal, rewards early movers and drives rapid change with a fair carrot and stick approach.

The ***Safe Climate (Energy Efficiency Opportunities) Bill:***

- Extends the existing Energy Efficiency Opportunities scheme to the larger number of companies captured by the National Greenhouse and Energy Reporting System.
- Requires companies to look for and report EEO's that have up to a ten year payback period.
- Changes the assessment cycle time from 5 years to 3 years to ensure the companies are more regularly examining energy efficiency opportunities.
- Re-introduces accelerated depreciation over a 3 year timeframe for corporate entities which purchase of energy efficient plant and equipment.

**The *Safe Climate (Energy Efficiency Target) Bill*:**

- Establishes an Energy Efficiency Target to run in parallel with the Renewable Energy Target.
- Just as electricity retailers are now required to surrender certificates created by the production of renewable energy, the Energy Efficiency Target scheme will require the surrender of certificates representing verifiable energy savings (often known as 'white certificates').
- Provides for the creation of white certificates in any sector and harmonises existing similar schemes now operating in NSW, Victoria and South Australia.
- Requires reliable and credible monitoring and verification methodologies to guard against double counting and to meet 'additionality' criteria.
- Requires electricity retailers to purchase and surrender certificates for the equivalent of 2% of their total sales each year. This can be seen as a minimum acceptable energy efficiency target and would support and enhance the Greens other sector specific energy efficiency policies.

The Bill will be complemented by regulation to increase minimum energy performance standards for appliances and new building energy and water efficiency standards.

## Travelling with a light footprint

Australia's cities and suburbs are increasingly being built around cars, not people, and more of our intercity travel and freight is going by road or air instead of rail. In a world where peak oil and climate change are converging, this has to change fast.

We have to redesign our cities for people instead of cars, with urban villages connected by fast, efficient and convenient buses, trams and trains, cycleways and pedestrian paths. We have to give ourselves real alternatives to flying between cities. We have to end the subsidies to fossil fuel based transport. We have to think a few steps into the future, instead of repeating the same old mistakes of the past.

### The *Safe Climate (Sustainable Transport Infrastructure) Bill*:

- Assigns to Infrastructure Australia a new role to:
  - develop and implement a national sustainable transport strategy;
  - assess and prioritise proposals for sustainable transport projects and infrastructure; and
  - provide advice on policies and laws relating to sustainable transport projects and infrastructure;to encourage investment in sustainable transport infrastructure.

Key priorities will be:

- national transition planning for a carbon constrained economy, in accordance with national greenhouse targets and mid range assessments of global oil supplies;
- prioritising electrification of the Australian land transport sector;
- The establishment of an independent expert advisory committee on sustainable transport to assist with the development of the national transport strategy and to develop lists that prioritise transport projects and infrastructure needs; and
- a scoping study for a **National Very Fast Train link** to provide an alternative to commuting by air which will eventually link Australia's major metropolitan centres.

### The *Safe Climate (Fringe Benefits and Fuel Credit Restrictions) Bill*:

- Ends the Fringe Benefits tax concession for people who receive cars as part of their remuneration packages, a scheme which rewards people for driving further and more often.
  - The Greens requested the Treasurer to refer this issue to the Henry Taxation Review as part of our negotiations to amend and pass the Luxury Car Tax.
  - The Henry Review noted that around 10% of all submissions received from the public argued against the current FBT arrangements on the grounds that it encouraged more pollution and traffic congestion.
  - The Greens will develop an FBT initiative that will provide tax concessions for businesses and individuals who wish to include public transport use in their salary packages.
- Significantly restricts use of the Fuel Tax Credits which provide a multi-billion dollar subsidy for fossil fuel use to energy intensive industries.
  - Continues access to fuel tax credits to primary industries – agriculture and fisheries – and medical and domestic uses, but removes eligibility from mining and native forest logging.
- Provides savings to the Federal Budget well in excess of \$2 billion a year (FBT savings alone).

Other transport initiatives which are not yet represented in the *Safe Climate Bill* are

- implementing **mandatory fuel efficiency standards** for Australia's vehicle fleet; and
- far more stringent **government procurement policies** for efficient vehicles.

## Protecting our green carbon

Green carbon – the carbon stored in our forests, woodlands and soil – is a critically important part of the climate change picture. Unless we protect those carbon stores, and do everything we can to build them, we cannot hope to deliver a safe climate outcome.

By linking the sensible moves to protect existing carbon stores and build new stores with planning around water and natural resource management, green jobs and food security, we can ensure much more coordinated, effective and efficient use of Australia's land and deliver benefits to the environment and regional communities.

These bills, which are groundbreaking attempts at providing a legislative framework for green carbon, deal first with the protection of existing stores of carbon in standing forests and second will deal with the vexed problem of creating an incentive for new carbon sequestration, including in reforestation and soil carbon projects, while at the same time managing potentially significant adverse ecological and social impacts.

### The ***Safe Climate (Native Forest Carbon and Biodiversity Protection) Bill***:

- Immediately protects high conservation value native forest and bans further forest conversion (ie the conversion of land that was forest in 1990 and has remained so since, to land used for grazing, cropping or plantations).
- Phases out the export of native forest wood chips over 2 years and bans the use of native forest by domestic pulp mills, for generation of electricity or heat, or to produce biochar.
- Requires the Minister to develop a transition strategy, to assist the native forest logging industry to shift its operations to plantation sources, within two years.

### The ***Safe Climate (Green Carbon) Bill***:

- Consultation about this Bill is ongoing but it will seek to provide incentives to:
  - Restore forest cover, but only in a manner and in locations which is ecological and socially sustainable;
  - Better manage existing forest to retain carbon and other ecosystem services; and
  - Increase the quantity of carbon stored in soil.

The Greens are particularly concerned that the proposed CPRS promotes reforestation:

- Without a requirement for integrated land planning;
  - Rapid and poorly planned expansion of forest area can have significant negative impacts, including on water, local employment and food production.
- Which creates an incentive for these new forests to be monocultures rather than biodiverse; and
- With carbon accounting rules which distort the carbon market, particularly in the long-term.

Consultation is focussing on establishing a Green Carbon Authority which would:

- Assess the ecological and social impacts of proposed carbon forest projects.
- If appropriate, approve carbon forest projects such that land-owners can then either create forest offset certificates eligible to be traded in the emission trading scheme, or receive some other form of payment directly from the Authority.
- Pay a 'biodiversity premium' to private forest owners to provide an incentive to establish biodiverse forests rather than monocultures.
- Fund carbon stewardship projects.
- Develop a methodology to assess, approve and monitor soil carbon sequestration projects, including biochar projects.



**Further information:**

All the bills and relevant materials can be downloaded from [www.safeclimatebill.org.au](http://www.safeclimatebill.org.au)

**Feedback and input:**

To provide feedback or input into the further development of the *Safe Climate Bill*, please contact Senator Milne's office on:

E: [Senator.Milne@aph.gov.au](mailto:Senator.Milne@aph.gov.au)

P: 03 6224 8899

Post: GPO Box 896, Hobart, Tasmania, 7001