

THE UK PUSHES AHEAD

In a dramatic move, the Tory led Coalition Government in the UK decided to substantially increase their greenhouse gas reduction targets. This is the Government's fourth carbon budget since 2008. Its reference point is the UK emissions in 1990, when the country produced 783 million tonnes of greenhouse gases. The total emissions have gradually been reduced by 23% - to a current 603 million tonnes. Australia's emissions are about 550 million tonnes. According to Chris Huhne - "it would be almost impossible to renege on the commitment". The primary argument used to support the increased targets was the economic benefit resulting from new investments in green technology.



UK Energy and Climate Secretary, Chris Huhne

REDUCING THE ARGUMENTS

The current debate about the need for a price on carbon is confused and illogical. Many of the most vocal in our community mix arguments, make claims that are unsupported and don't contribute to the discussion. Climate Alliance believes the discussion could be simplified in the following manner:

Is climate change happening?

There is a vast amount of data of the past behaviour of our climate that indicates there is a warming trend. There are many diverse indicators that corroborate this trend. The science of the greenhouse effect is well understood and is easily demonstrated.

Is climate change caused by humans?

The vast majority of climate scientists who have submitted their work to peer review agree that climate change has been caused by humans. The Science Academies of all the countries of the world agree.

If it is caused by humans, are we able to do anything about it?

The greenhouse effect has been modelled in many different ways and there is strong agreement that if the human race continues to emit greenhouse gases at the current rate, there is a danger that the average global temperature will increase by more than 2 degrees Celsius. This should be taken in the context of the observation that climate scientists have been consistently conservative in their past predictions. Their past performance would indicate that we will exceed the 2 degree threshold.

If Australia represents such a small percentage of the global total, why should we do anything?

To follow this line of reasoning, as my garbage is only a small percentage of Melbourne's total garbage, it should be OK for me to throw my garbage into the street. If I pay a minuscule amount of the ATO's tax collected, why should I need to pay? I represent



CLIMATE ALLIANCE

A business essential.

a very small fraction of the Melbourne Cricket Club's membership income – why should I pay for my membership?

These arguments aside, there are other good reasons why Australia should put a price on carbon:

Australians emit more per capita than almost any other country in the world (about 30 tonnes/person/yr). Surely from such a high starting point, it should be easy to do better? Danes produce about 7 tonnes/person/yr and they seem to enjoy a good standard of living.

On an individual basis, we accept that we should pay to clean up our own mess. We pay for garbage disposal, hard rubbish collection, sewerage treatment etc. Greenhouse gases are actually worse, because they travel beyond our borders and their negative effects impact other countries.

From a business perspective, the best reason why we need to put a price on carbon is because it will entail a change in the way business is done. It takes time for business to adapt and learn the new systems. As a price on carbon is inevitable, we are hurting ourselves by postponing its introduction.

And no, if Australia puts a price on carbon, it will not be the first country to act.

RETAIL WORLD SEMINAR

27-29 June, 2011, Sydney Convention & Exhibition Centre

A notable three day conference for the retail industry will be held in Sydney on the 27th June, 2011. This conference will assemble Australian and international speakers drawn from the highest echelons of the industry.

Importantly, there will be a separate "Mainstream Sustainability" stream on Tuesday, 28th June, 2011. This stream, features an impressive line-up including Zara and Woolworths and will address how sustainability will improve your bottom line and how mainstream consumers are changing their buying patterns.

Please visit here to register online

<http://www.retail-world.com.au/sustainabilityatretail.html>

THE OUTLOOK FOR NUCLEAR ENERGY

The on-going disaster in Fukushima continues to have ramifications around the world. First Germany announces that it will shut down its nuclear power plants by 2020 – even though a sizeable 22% of capacity is produced in this manner.

The Swiss Government recommended on the 25th May to phase out nuclear plants by 2034. The final decision is expected in a few months' time.

In a serious blow to Sergio Berlusconi's authority, an Italian referendum returned a 95% vote against nuclear power. Here in Australia the price of uranium stocks have dropped in response.

The substantial increase in renewable electricity production that will result from these countries abandoning nuclear will provide a strong impetus to the industry. It seems likely that Japan will follow suit.

See over.



Image of Oldbury Power Station, UK. The oldest operating power station will be shut down at a cost of £954 million and is scheduled to be completed in 2101.

NEWS FROM THE INTERNATIONAL ENERGY AGENCY

The prospect of limiting the global increase in temperature to 2°C is getting bleaker:

30 May 2011 - CO2 emissions reach a record high in 2010; 80% of projected 2020 emissions from the power sector are already locked in.

Energy-related carbon-dioxide (CO2) emissions in 2010 were the highest in history, according to the latest estimates by the International Energy Agency (IEA).

After a dip in 2009 caused by the global financial crisis, emissions are estimated to have climbed to a record 30.6 Gigatonnes (Gt), a 5% jump from the previous record year in 2008, when levels reached 29.3 Gt. (Thousand million tonnes).

In addition, the IEA has estimated that 80% of projected emissions from the power sector in 2020 are already locked in, as they will come from power plants that are currently in place or under construction today.

"This significant increase in CO2 emissions and the locking in of future emissions due to infrastructure investments represent a serious setback to our hopes of limiting the global rise in temperature to no more than 2°C," said Dr Fatih Birol, Chief Economist at the IEA who oversees the annual World Energy Outlook, the Agency's flagship publication.

Global leaders agreed a target of limiting temperature increase to 2°C at the UN climate change talks in Cancun in 2010. For this goal to be achieved, the long-term concentration of greenhouse gases in the atmosphere must be limited to around 450 parts per million of CO2-equivalent, only a 5% increase compared to an estimated 430 parts per million in 2000. See: http://www.iea.org/index_info.asp?id=1959

BUSINESS CONTINUITY ON THE BAY

On May 5, 2011 Climate Alliance hosted a very successful seminar that considered the risks from sea-level rise to businesses with assets located near Port Phillip Bay. Dr John Church was the Keynote speaker and he provided an overview of the state of the science that supports the current projections. Representatives from the legal, insurance, mapping and transport industries contributed to a very informative and insightful afternoon.

Please visit here for more details:

<http://bit.ly/kgmitR>

WILFUL BLINDNESS

A very interesting article appeared in the June 11, 2011 edition of the AFR BOSS magazine. The article interviewed Margaret Heffernan, who has authored a book entitled "Wilful Blindness". In it she says "It is a fundamental human flaw that we are capable of designing things that are too complex to hold in our heads". "Our love affair with complexity is dangerous and hubristic". This came to the fore in the aftermath of the BP oil rig fire in the Gulf



of Mexico, as management was unable to control the system.

"Climate change just ticks all the drivers of wilful blindness and that's just one reason it's proved so intractable," Heffernan says... "put all that together and you have enormous group think and every country is waiting for the other to act first. It's the perfect stalemate. Meanwhile the clock is ticking and that makes us more fearful.

Source: June 11, 2011 AFR BOSS Magazine.

CLIMATE ALLIANCE CELEBRATES AUSTRALIAN BUSINESS LEADERSHIP

The Climate Alliance Business Leadership Awards are annual awards that recognise business leadership in the area of climate change. The awards are presented to Australian business leaders and organisations that have demonstrated leadership by addressing the opportunities or risks presented by climate change.

The Climate Alliance awards recognise the achievements of Australia's Boards, Directors, Executives and Innovators. The awards will be presented at the Climate Alliance National Conference that will be held later in 2011.

At the 2010 National Conference in October last year, Climate Alliance presented awards to the following winners: Board Leadership of the Year 2010 - National Australia Bank. Business Leader of the Year 2010 - Mr Rob Grant, CEO, Pacific Hydro. Innovator/Exporter of the Year 2010 - Hepburn Wind. Special Commendation Award 2010 - Sydney Water.

Nominations for 2011 Awards are now open. Please email info@climatealliance.org.au to register interest in the upcoming round. More details on the Climate Alliance web site at www.climatealliance.org.au

FORTHCOMING EVENTS

Climate Alliance National Conference
15th September, 2011 - Melbourne

Climate Alliance Membership

Business leaders are cordially invited to join Climate Alliance and benefit from networking opportunities, invitations to events and access to information that deals with the opportunities and risks of climate change. See website for details and registration forms.

About Climate Alliance

Climate Alliance is a not-for-profit, membership based company that collects and disseminates information on climate change. Our primary focus is to provide independent, business-oriented information to Company Directors, to help them inform themselves about the opportunities and risks resulting from climate change. We do not consult, lobby or develop policy.

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