

Senate Environment and Communications References Committee - Reference on the Coalition Direct Action Plan

Submission by Mark Zanker, Private Citizen

He who troubles his own house will inherit the wind - Proverbs 11:29

The human being, wittingly or unwittingly has been troubling his house, the Earth, for nearly 2 centuries by increasing the concentration of carbon dioxide (CO₂). Before the Industrial Revolution and for eons before that, CO₂ accounted for about 280 parts per million (ppm) of the atmosphere. In 2013, that concentration has risen to 400ppm. For our work in troubling the Earth, we will inherit the wind - hot dry gale force winds that fan ever more destructive bush fires, cyclones that flatten tropical areas, acidified seas that destroy corals, rising sea levels that inundate coastal cities (see for example: <http://www.environment.gov.au/node/22897>) and a whole lot more. All this will follow from our greed for economic growth driven by the burning of coal and fossil fuels.

It will not be possible in practice for us to get rid of the CO₂ we have already put into the atmosphere. The effects of the buildup are now beginning to be experienced and may become much worse. Governments in Australia have done little if anything to address the biggest driver of climate change, the burning of fossil fuel. Policies instead have encouraged further exploration for and exploitation of fossil fuels and the coal industry has been heavily subsidised by government expenditure on infrastructure such as ports and railways dedicated to the transport of coal. If we are not to bring about massive damage to ecosystems, extinction of species, and perhaps in the not too distant future our own extinction, then the fossil fuel industry and fossil fuel consumption must be eliminated by 2050. The first stumbling steps towards doing something serious about this problem were taken in the 43rd Parliament as a result of agreements reached between the Australian Greens and the Australian Labor Party (see speech by Senator Milne on the second reading of the Climate Change Authority (Abolition) Bill, page 62 Senate Hansard 10 December 2013). The suite of legislation creating the carbon tax, the Clean Energy Finance Corporation, and the Climate Change Authority is now proposed to be repealed by the Liberal National Party Coalition Government. In its place is to come the Coalition Direct Action Policy (CDAP).

For the first four pages or so it talks at length about "Labor's Emissions Trading Scheme". As far as I am aware, the principal mechanism that was adopted was a tax on carbon emissions. The CDAP talks about massively increased electricity prices as a result of what it characterises as a tax on electricity. This claim is simply unverifiable. Over the last 5 or 6 years, certainly well before the carbon tax applied, electricity prices increased considerably because of infrastructure works on the electricity network. The CDAP talks about massive unemployment flowing from the implementation of an emissions reduction scheme, quoting press releases disseminated by organisations such as Rio Tinto - an organisation which has a direct interest in the expansion of the dirty polluting coal industry and Bluescope Steel. Other organisations cited in the paper such as the Minerals Council and the now defunct Coal Association are relied on for grave forecasts of massive unemployment, none of which seem to have come to fruition since the carbon tax became operational.

The CDAP refers to past achievements of the coalition in climate change policy. There is no examination of how these policies have worked to reduce emissions. The paper then goes on to refer to political emission reduction targets in various overseas countries, and schemes that have been introduced by various state and territory governments to bring about emissions reductions. Apart from the carbon tax, the creation of the Clean Energy Finance Corporation and the other measures that the present government wishes to repeal, the track record of both major political

parties on the issue of carbon emissions has been pathetic. The position taken by both the ALP and the Coalition that there should be a 5% reduction in emissions over 1990 levels by 2020 - which has on both sides been conditional upon movements by other countries - is hopelessly inadequate and ridiculous when one considers that the continuation of life on earth is potentially at risk.

As long ago as 2009, Professor Hans Joachim Schelnhuber, Director of the Potsdam Institute on Climate Research <www.pik-potsdam.de> pointed out that there was probably very little chance of avoiding an increase in average global temperature of 2 degrees Celsius, and that it was more likely that an increase of 4 degrees would occur. His remarks were made at the *4 Degrees and Beyond International Climate Conference* at Oxford University in September 2009. Professor Schelnhuber's key note paper was entitled *Terra Quasi Incognita: Beyond the 2 Degrees line* and I respectfully adopt in full all the remarks that he made: <http://www.eci.ox.ac.uk/4degrees/programme.php> (The presentation is best understood if viewed as a video, downloadable from iTunes U).

Professor James Hansen, who has for more than 30 years been warning of the dire consequences of changing the chemical composition of the atmosphere by continuing to increase the concentration of CO₂ recently expressed the view in his book *Storms of My Grandchildren* that an atmospheric concentration of CO₂ of greater than 350 parts per million (ppm) was likely to bring about catastrophic climate change. In 2013, atmospheric concentration of CO₂ reached 400ppm, the highest level known to have been present in the last 800,000 years. For the purposes of this submission I adopt in full the positions taken by Professor Hansen. I also endorse and ask that it be read in conjunction with this submission the paper *Assessing "Dangerous Climate Change": Required Reduction of Carbon Emissions to Protect Young People, Future Generations and Nature* published in the open access scientific journal Plos One, and which is linked here: <http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0081648;jsessionid=2D421A6385E21717763546E14A54832A>

The thrust of CDAP is expressed as follows:

Businesses that undertake activity with an emissions level above their 'business as usual' levels will incur a financial penalty. The value of penalties will be on a sliding scale at levels commensurate with the size of the business and the extent to which they exceed their 'business as usual' levels.

The value of the penalties will be set in consultation with industry.

Provision will be made to ensure penalties will not apply to new entrants or business expansion at 'best practice.'

It is hard to believe that this is being seriously put forward as a policy about emissions reduction. It quite clearly states that it is expected that business should continue on its present footing and that any increase in emissions over the applicable historical baseline of the business will be penalised. There is of course no information about how the historic baselines will be established, or how emissions will be monitored, or how penalties will be imposed. The trouble with all this is that it postulates a continuance of business as usual, which is simply not sustainable if catastrophic climate change - which is already on our doorstep - is not to be made worse!

CDAP also says that in relation to the Emissions Reduction Fund, it will engage in community consultations. Consultation is all very well if the views that are canvassed are taken into account in decision making. However, the majority report of the Senate Environment and Communications Legislation Committee on the Clean Energy Repeal Legislation (see generally Chapter 3) offers little confidence that the views of organisations other than the big mining companies, The Minerals Council, the Business Council of Australia and the Queensland Resources Council will have any influence whatever on decision making.

I pause here for a moment to state that the CDAP characterisation of the carbon tax as a massive or big new tax on electricity is disingenuous. The tax is on pollution of the atmosphere by carbon

dioxide - simple as that. If all electricity was generated from renewable sources, the tax would have no room for operation in the electricity sector.

The remainder of CDAP waffles on about planting trees, reducing forestry emissions, shifting to unconventional gas (for which read hydraulic fracturing of the Earth's crust to extract coal seam gas), encouraging investment in photovoltaic cells, promoting recycling and reducing landfill and a whole series of related measures touting them as if they were new policy ideas. None of these ideas are new - all of them have been around for many years and all of them constitute fiddling at the edges of the real issue of reducing CO₂ concentration in the atmosphere. The reduction of CO₂ concentrations in the atmosphere can be achieved only by the eradication of the fossil fuel industry.

The CDAP contains no discussion about how the Emissions Reduction Fund (ERF) will be financed by Government. It would be instructive to receive some truthful information about these matters in the policy.

The ERF also fails a significant test of robust economic and trade policies, at least in the view of such organisations as the World Trade Organization and the International Monetary Fund - it is a policy about government picking winners, rather than facilitating the development of commercially viable, innovative low emissions enterprises that are unable to secure finance because of the current lending policies of the banking sector. This is in complete contrast to the Clean Energy Finance Corporation (CEFC) that makes loans to innovative enterprises so limiting the impact of market failure and risk aversion in the banking and finance sector. We will have in the ERF instead a taxpayer funded slush fund that contrary to the assertions of the CDAP is likely to be costly to administer and very uncertain in the economic and environmental outcomes it achieves - most likely it will be a gigantic waste of money.

It has long been a tenet of economic policy in Australia that attention is paid to the research and recommendations of the Organisation for Economic Cooperation and Development (OECD). Yet the CDAP takes no account of this almost holy grail of economic policy. As recently as 9 October 2013, the Secretary General of the OECD, Mr Angel Gurría stated amongst other things that the only appropriate energy/economic policies that should be pursued are policies that lead "to the complete elimination of emissions to the atmosphere from the combustion of fossil fuels in the second half of the century". The number one policy instrument should be a price on carbon.

see: <http://www.oecd.org/about/secretary-general/the-climate-challenge-achieving-zero-emissions.htm>

One looks in vain in CDAP for any policy proposals in respect of mitigation of the effects of climate change. It is sufficient for present purposes to point to two reports by Parliamentary Committees in recent years, the first being the Report of the House of Representatives Climate Change etc Committee of 2009 entitled *Managing Our Coastal Zone in a Changing Climate: The Time to Act is Now* and the second the August 2013 report of the Senate Environment and Communications References Committee entitled *Recent Trends in and Preparedness for Extreme Weather Events*. Both of these reports indicate the need for urgent action in a wide variety of areas. Very little has been done and the Commonwealth has shown no leadership in these matters. One would expect a sensible climate change policy to at least consider adaptation issues such as:

- the impact of sea level rise on coastal communities where the majority of the population resides;
- the impact on the health system of an increasing incidence of heat related trauma and tropical diseases as disease vectors such as mosquitoes expand their habitat range;
- threats to the viability of the insurance industry;
- risks to water supply; and
- active policies to limit population growth.

This list is by no means comprehensive.

The following propositions are clear beyond doubt. The consumption of fossil fuels has significantly increased the concentration of carbon dioxide in the atmosphere, from around 280ppm in 1850 to 400ppm now. There is an unacceptable risk that this increased concentration of CO₂ will cause an increase of global average temperature exceeding 2 degrees Celsius. This could possibly lead to a collapse of the human population by the end of the current century. There is really only one policy option available to prevent further damage to the biosphere and that is the cessation of fossil fuel extraction and use as soon as possible and certainly by no later than 2050, as proposed by the OECD. This will be an enormous economic challenge but failure to meet it will almost certainly bring about the collapse of the world economy as we know it. Australia and the world must decarbonise or be destroyed.

The CDAP is not sensible policy because:

- it will not achieve anything in reducing the concentration of CO₂ in the atmosphere;
- it will create a government slush fund in the form of the CRF that will be difficult to administer, that will come at a high price to general government revenue. There is no indication how emissions reductions outcomes will be measured;
- the policy contains no new initiatives but endeavours to paint existing measures that only fiddle around at the edges of the carbon pollution/climate change problem as new policy ideas;
- the policy is inconsistent with sound international prescriptions enunciated amongst others by the OECD;
- the policy disregards long standing scientific knowledge about the effect of fossil fuel consumption.