

## Submission Senate Select Committee on Climate Policy

17 years ago the Rio Earth Summit identified the need for a holistic response to the challenges facing the world. Climate change, Peak Oil, and secure access to water were all issues addressed at this summit. Australia has been slow to fall into step with world sentiment. The proposed Carbon Pollution Reduction Scheme (CPRS) suggests that we are still lagging behind.

At the Rio Earth Summit the idea of using the free market as a means of addressing climate change was first mooted. By Kyoto cap and trade schemes came to be seen as the most effective strategy to address climate change. The failure of CPRS to take on board and learn from the European experiences highlights a major short coming in the way the CPRS has been conceived.

The Zero Carbon Network submission is that emissions' trading is not a panacea. Emissions trading can be the most efficient approach to reducing emissions. However, the scheme must:

Set sufficient targets and be equitable (No hand-out of permits to large polluters, rather auctioning with proceeds being used to benefit socially disadvantaged people and also to invest in technology and sustainable industry development (e.g. manufacturing tax credits, training tax credits, rebates, etc)- coupled with a strong regulatory approach that progressively reduces the allowable emissions levels is far more effective. Our argument is that at the very least there is a need for some 'command and control' legislation, with respect to energy efficiency standards, but this needs to be selective and address demonstrated market failures, caused by problems such as the 'owner renter' dilemma.

Such an approach will not only encourage the switch to renewables but will, in the first instance, accelerate the adoption of energy efficiencies. The second aspect of the argument is that whatever proposals are adopted they need to be part of a comprehensive strategy to restructure the economy; what, in transition town terms, is called an energy descent plan that ensures we successfully make the switch to a low carbon or zero carbon economy.

### Emissions trading

It can be readily seen from the proposed CPRS model that any form of emissions trading faces substantial hurdles. The legislation is complex and creates, in particular for small businesses, yet another complex task. Ultimately the real winners will be the lawyers and accountants and the losers will be small businesses and the environment.

Cap and trade proposals are designed to create the appearance of taking action on climate change whilst under neath it is by and large a business as usual response. The Zero Carbon Network is aware that there are a number of organizations who are putting forward cogent

arguments that expose the fundamental flaws in the proposed legislation. For those who argue that it is better than nothing we beg to differ; it is worse than nothing. It has no redeemable features and the Zero Carbon Networks argues that the Senate should be unequivocal in its rejection of the proposed CPRS and suggest that a bipartisan committee is established to produce an effective piece of legislation in time for implementation at the beginning of 2010. The submissions to this enquiry will provide a useful starting point in developing such legislation. The Zero Carbon Network appreciates that the time line is tight but if the Government fully appreciates the extent of the crisis that faces the globe it will make the resources available to produce a piece of legislation that stands aloof from the adversarial politics that characterises most political debate.

#### An Energy Descent Action Plan

A global economy that depends on finite resources will sooner or later run out of those resources. When looking at Australia's pattern of consumption we can readily see that we are particularly vulnerable with regard to the peaking of all natural resources. Stephen Lincoln from The University of Adelaide has argued<sup>[1]</sup> that Australia's ecological footprint is 9 hectares per person as opposed to a global capacity of 2.8 hectares. Regardless of how much of the world's resources are left we are living well beyond our means.

It would do well for us to remember how vulnerable we are. The colony in 1788 came close to collapse simply because we could not grow sufficient food to support those first arrivals. We have created a society where the vast majority of us live in cities, completely dependent on our national and international transport networks to provide us with the basic necessities. The reality of Peak Oil means that in the absence of developing viable transport alternatives the cost of getting basic necessities to the cities will grow exponentially.

To consider the question of Climate Change in isolation from the reality that many of the resources on which our lifestyle depends are approaching their peak is being singularly short sighted.

It would seem that both the government and opposition are committed to a policy of continued economic growth. Where that economic growth is dependent on the exploitation of finite resources it is dangerously misguided. A modest global economic growth of 2% that is driven by the continued exploitation of finite resources will mean that every 35 years we will double our exploitation of these increasingly scarce resources. Given that at current rate of consumption many of these resources are predicted to be exhausted within 35 years a policy of economic growth will only hasten the point where the current economic crisis will seem like a butcher's picnic. However, if we develop an economic growth strategy that is based on developing a zero carbon to low carbon economy then we will create economic growth that guarantees long term prosperity.

Given that the global economy is dependent on the exploitation of fossil fuels it is not difficult to link the problem of climate change to economic growth. Solutions to climate change will therefore require a shift to an economic paradigm that is not dependent on the continued exploitation of finite resources.

As a country we need to acknowledge that we have not been prepared to fully cost all of our activities. We demand free parking at shopping centres without appreciating that there is a real cost associated with providing parking facilities. We allow for the exploitation of our mineral wealth without ensuring that all the costs in extracting that wealth is fully incorporated in the feasibility studies. We allow for the generation of electricity using coal fired power stations without fully factoring in the health costs associated with using coal. (there are other externalities associated with the exploitation of coal – none of these are taken into account.)

We need to acknowledge that:

1. Climate change and peak oil are issues that face all Australians and such need a comprehensive, bipartisan approach.
2. We are running out of time fast. The Global Economic Crisis has given us an unprecedented opportunity to rebuild our economy so that by 2050 we at best a zero carbon economy and at worst a carbon neutral economy.
3. We have the expertise and ingenuity to develop an energy descent plan that will enable us to move towards a zero carbon economy without major economic dislocations.
4. The reality that climate change has already begun – we cannot push that genie back in its bottle but we can develop an economy that enables us to cope with the effects of climate change.

Developing Bi Partisan legislation.

In the first instance such legislation will not be concerned with emissions trading but will rather be looking at what can be done immediately to reduce our dependence on oil and our vulnerability to climate change.

In no particular order some of the proposed solutions are:

1. Reducing our dependence on the National Electricity Grid or State wide electricity grids.

Our current electricity supply system is a technological dinosaur. Using a gas fired co-generating model we source sufficient electricity for local communities using a mixture of solar power, wind power and gas fired generation. Gas fired is to be preferred for it will enable an eventual switch to hydrogen and in the immediate short term the emissions from a gas fired

power plant are half of those from coal. As we still have substantial reserves of gas we can ensure that we make a smooth transition.

The objective will be to encourage local communities to be responsible for generating their own power. Power needs to be seen as a finite resource that needs to be effectively managed so that all members of the community can have access to the power they need to conduct their activities.

## 2. The Negawatt

Local power generation will be at its most effective if it is accompanied by genuine incentives to implement efficiencies. On page 14 of the McKinsey report [2] the cost curve is provided for different measures of reducing our emissions. Mandating efficiencies will result in a net saving to the economy. A policy of encouraging so-called negawatts or zerowatts will, in the first instance, reduce energy demand and secondly create new business opportunities for companies.

Nor should we be afraid to establish rigorous import standards on electrical goods. There is a precedent to effectively ban imports that do not meet environmental standards. (WTO case Nos 58 and 61 ruling adopted November 6 1998)[3] In every instance we should demand a transition to world's best practice when it comes to setting efficiency standards. This applies particularly to building design, the way buildings are heated and cooled and the standards that are applied to electrical appliances and tools.

## 3. Transport

Transport remains our biggest challenge. The tyranny of distance applies not merely to our relationship with the rest of the world it also applies domestically.

We simply cannot afford to rely on a transport system that is dependent on road. The nation building process should begin with shelving the building of more roads in favour of super fast electric rail to transport hubs all over the country. We have the technology to deliver goods from those hubs using light trucks (fuelled either by bio diesel or cng or hydrogen or plug and drive – all options are feasible.) These transport hubs will revitalise many rural communities. These trains could also include a number of passenger cars reducing our dependence on air transport.

The fragile nature of the international motor industry represents a major challenge for Australia. Instead of being reliant on the capacity of

companies like Ford and GMH to make sound management decisions we should plan to build our own electric vehicles.

4. Green Cities. Incentives should be provided to enable all towns to produce sufficient food and collect enough water to support their population.

#### Concluding Remarks

It is not intended that the above be treated as an exhaustive list. The notion of developing an energy descent plan is described in greater detail by Hopkins[4]. The model described by Hopkins is designed to be carried out at the local level and there is a great deal that can be done locally. Ultimately the role of government is to help create the environment in which initiatives such as these can flourish.

A critical government responsibility is to set realistic reduction targets that can be met within its term of government. Such targets will be part of an overall reduction strategy that will identify how Australia will go about meeting its international obligations. However, each government must be able to be held accountable for meeting specific identified targets within its term of office.

The Zero Carbon Network's co founder Dr Helen Caldicott has worked on a US roadmap for such an energy descent plan[5] – much of what is in that plan can be applied to Australia. It is in the interests of all Australians to develop a resilient society, one that can cope with the reality of climate change and peak oil without disintegrating.

It is tempting to assign the responsibility for developing such an action descent plan to the current government. It is not the responsibility of the government – rather it is the responsibility of everyone who has been elected to parliament.

Parliamentarians have been entrusted with the task of managing our future; if that future is mismanaged, if there is no effective response to the challenges of climate change and peak oil then that reflects on every parliamentarian not just those occupying the treasury benches.

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The Network was formed by John Töns and Helen Caldicott in 2006 it has an Australia wide membership list of 297.

1. S.Lincoln, *Challenged Earth, An Overview of Humanity's Stewardship of Earth* 2006, London: Imperial College Press.
2. Lewis, A. and S. Görner, *An Australian Cost Curve for Greenhouse Gas reduction*. 2009, Sydney: Mc Kinsey & Company.
3. Sands, P., *Lawless World*. 2005, London: Penguin.
4. Hopkins, B., *The Transition Handbook*. 2008, Sydney: Finch.
5. By Arjun Makhijani, S.D.F., Helen Caldicott, (T.), *Carbon-free and nuclear-free: a roadmap for U.S. energy policy* 2007, Takoma Park, Md: Nuclear Policy Research Institute, Institute for Energy and Environmental Research.