

21 September 2011

Inquiry on the Clean Energy Bills

ACF submission to the Joint Select Committee on Australia's Clean Energy Future Legislation

ACF welcomes the opportunity to submit to the Joint Select Committee on Australia's Clean Energy Future Legislation (the Committee). The Clean Energy Future Legislation lays the foundation for Australia to finally take serious action on climate change and drive the transition to a clean energy economy.

In previous submissions on the carbon price, ACF outlined our key tests for a package to price pollution. These tests are:

- Ensure Australia's greenhouse pollution is lower in 2013 than 2010 and continues to go down;
- Ensure the mechanism can be scaled up to achieve deep cuts in emissions;
- Provide assistance to households that can least afford any increased costs, boost innovation for a clean energy economy and support the retention of carbon in the landscape through carbon farming and protection of natural landscapes.

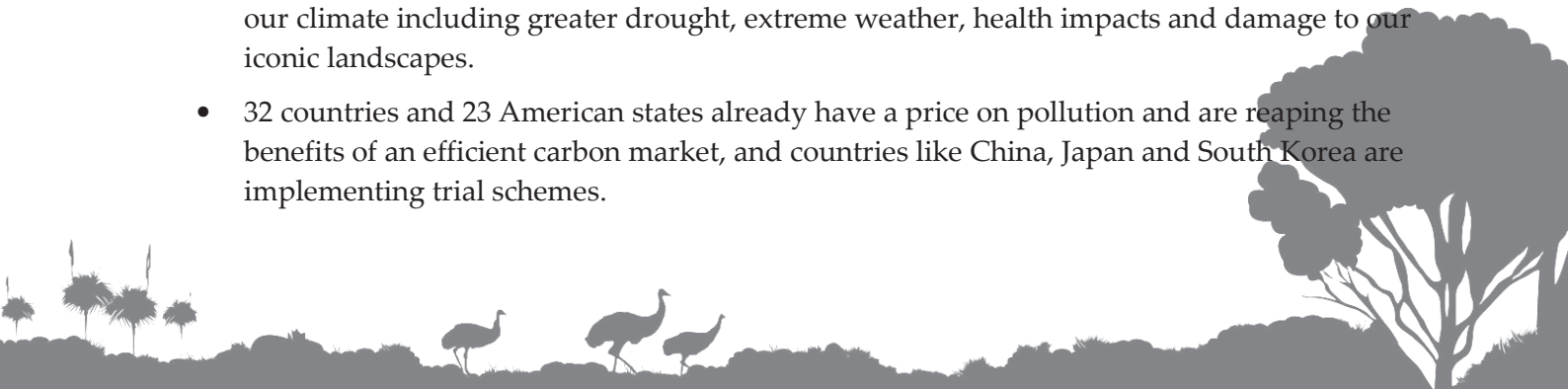
Assessed against these criteria, ACF's analysis of the Clean Energy Bills (the Bills) are that they have the potential to deliver deep cuts in emissions in line with Australia's fair share of global emissions reduction and, together with their complementary measures, provide a package of measures to drive the transition to a clean energy economy.

It is critical that the Bills are now passed without delay to put a price on pollution, provide the certainty to invest in emissions reduction and begin driving the transformation to a clean energy future.

No Reason to Delay

There is no reason to delay the passage of these Bills through Parliament or their introduction into law. On the contrary:

- The science of climate change is well established and agreed by all major national academies of science internationally. If we fail to act, Australia risks dangerous changes to our climate including greater drought, extreme weather, health impacts and damage to our iconic landscapes.
- 32 countries and 23 American states already have a price on pollution and are reaping the benefits of an efficient carbon market, and countries like China, Japan and South Korea are implementing trial schemes.



- The price of climate action increases the longer we delay and Australia risks being left behind in the global clean energy investment boom, worth \$243 billion in 2010.
- Jobs will continue to grow under a price on pollution. Analysis undertaken by ACF and the ACTU found that under strong climate action there would be 3 million extra jobs in Australia by 2030.
- Australia has made international commitments to reduce our carbon pollution between 5 and 25% by 2020. We must honour these commitments to underpin the strength of international negotiations in Durban and give them the greatest chance of success.

Legislative issues

There are key elements of the Bills which should be strengthened to maximize the environmental integrity of the package. These include requiring the Minister to consider Australia's international commitments to reduce carbon pollution, providing third parties with open standing to bring proceedings to remedy or restrain breaches of the Bill and strengthening the Biodiversity Fund to ensure it prioritises ecosystem protection and the services that ecosystems provide. ACF would welcome the opportunity to discuss these changes with the Committee.

However the imperative remains that this package of bills is passed into law in 2011, allowing Australia to begin taking serious action on climate change.

Summary

The Clean Energy Legislative Package lays the foundations for strong action on climate change in Australia, and has the potential to deliver Australia's fair share of global emissions reductions. While there are some areas which should be strengthened to ensure the package has a high level of environmental integrity, there is no reason to delay the passage of this package into legislation and the introduction of a price on pollution into Australia's economy.