

Submission to Senate Inquiry re ETS
by
Sustainable Energy Policy Queensland (SEPQ)

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5% Target is too low

Problems

- Not in accord with Climate Science – bad example to other countries
- Apply Precautionary Principle
- Even strong action has little impact on GDP growth
(Page 6 – Executive Summary, Treasury Modelling)

Actions

- Need strong commitment to stabilise climate at or below 450ppm CO₂e
- Need commitment to begin progressive phasing out of coal
- Use natural gas & CSG at high efficiency (85% thru CHP/Tri-power not 40%)

Why not strong cuts?

Reasons

- Threats by big polluters?
- Intensive lobbying by big polluters exaggerates GDP / Exports / Jobs benefits of these industries
- No incentive
Free permits = tax payer subsidies to pollute.

Actions

- Apply the Polluter Pays Principle.
- Remove subsidies to big emission industries Eg. free permits to mature industries
- Set targets for structure change within big emission industries.
- Give recognition to overwhelming public support for RE and EE industries.
- Scale incentives to reflect the potential scale and economic benefits of RE & EE industries

Effects of Population Growth

Problems

- Avoids comparison of per capita emissions
- Takes continued Pop. Growth as an unavoidable given

Actions

CPRS needs to be linked to:

- Pop. Cap policy
- Ecological footprint and Carrying Capacity Indicators
- Genuine Progress Indicator

Effect on Renewable Energy and Energy Efficiency Industries

Proposed CPRS – Low Target

Poor policy means:

- RE & EE industry growth slowed – less able to take advantage of world market
- Brain drain to EU US and China
- Far fewer jobs
- Far fewer regional benefits
- Australia lags behind in development in the largest growing industry

Revised Target

- Medium to high growth in RE and EE likely (See Denmark / Germany)
- Many jobs - Eg. Denmark and Wind Power
- Recruitment of worlds best minds for R&D
- Strong regional benefits Eg. to farmers leasing land
- Australia at cutting edge of growing industry, exportable technology and skill sets

Disincentive to individuals and the community to act

Problems

- Big polluters get permits freed up by individual & community action
- Emissions levels don't reduced due to individ./com. Action
- Fails to encourage structural change

Actions

- Apply polluter pays principle
- Reduce the CAP by the amount of savings

Failure to account for voluntary reductions by community

Problem

- Voluntary emissions not included

Action

- Create a 'secondary market' for energy efficiency and renewable energy credits

Outsourcing emissions through offsets overseas.

Problems

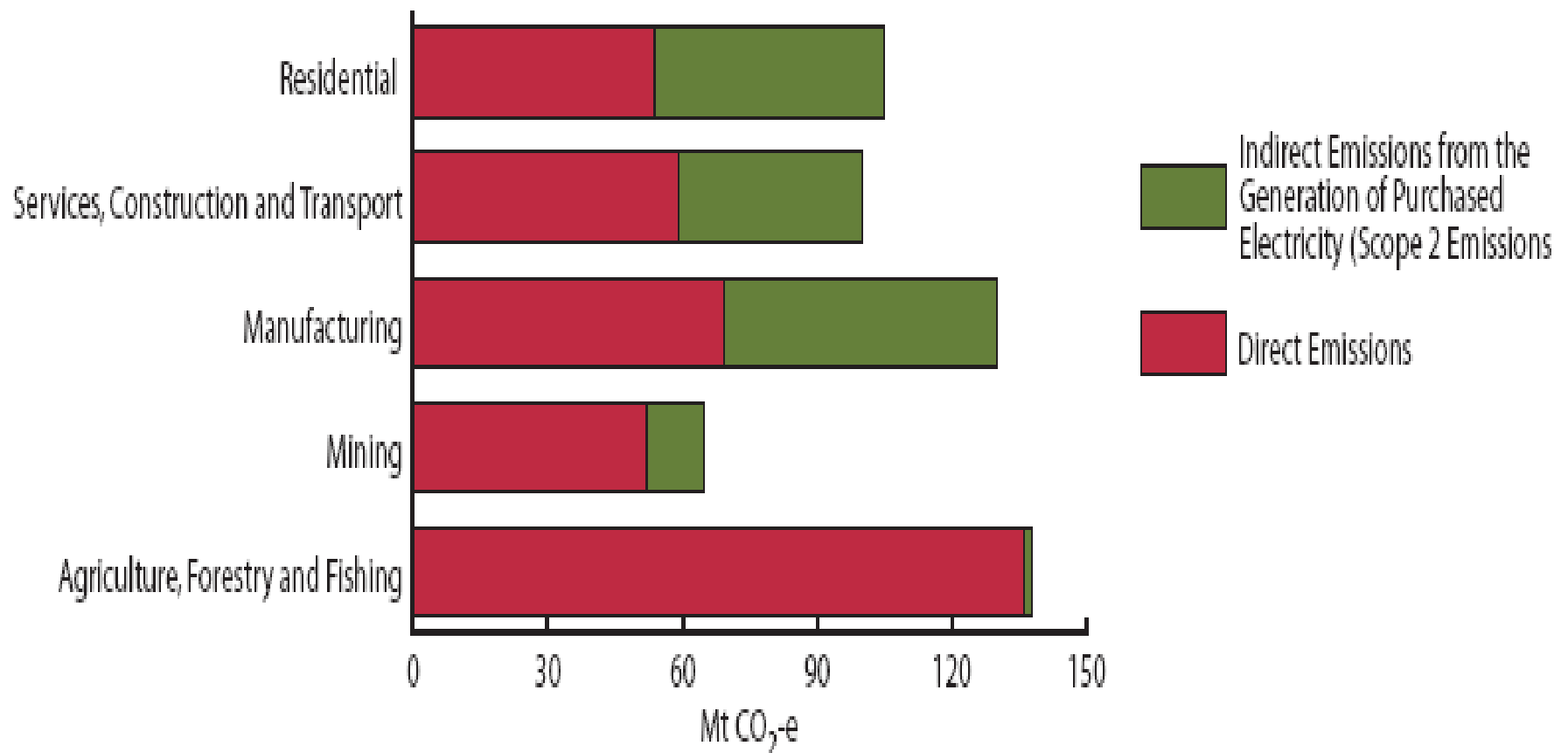
- Highest per capita emitters
- Negates Australia's moral responsibility to clean up its own backyard

Actions

- Place limit on amount of outsourced permits

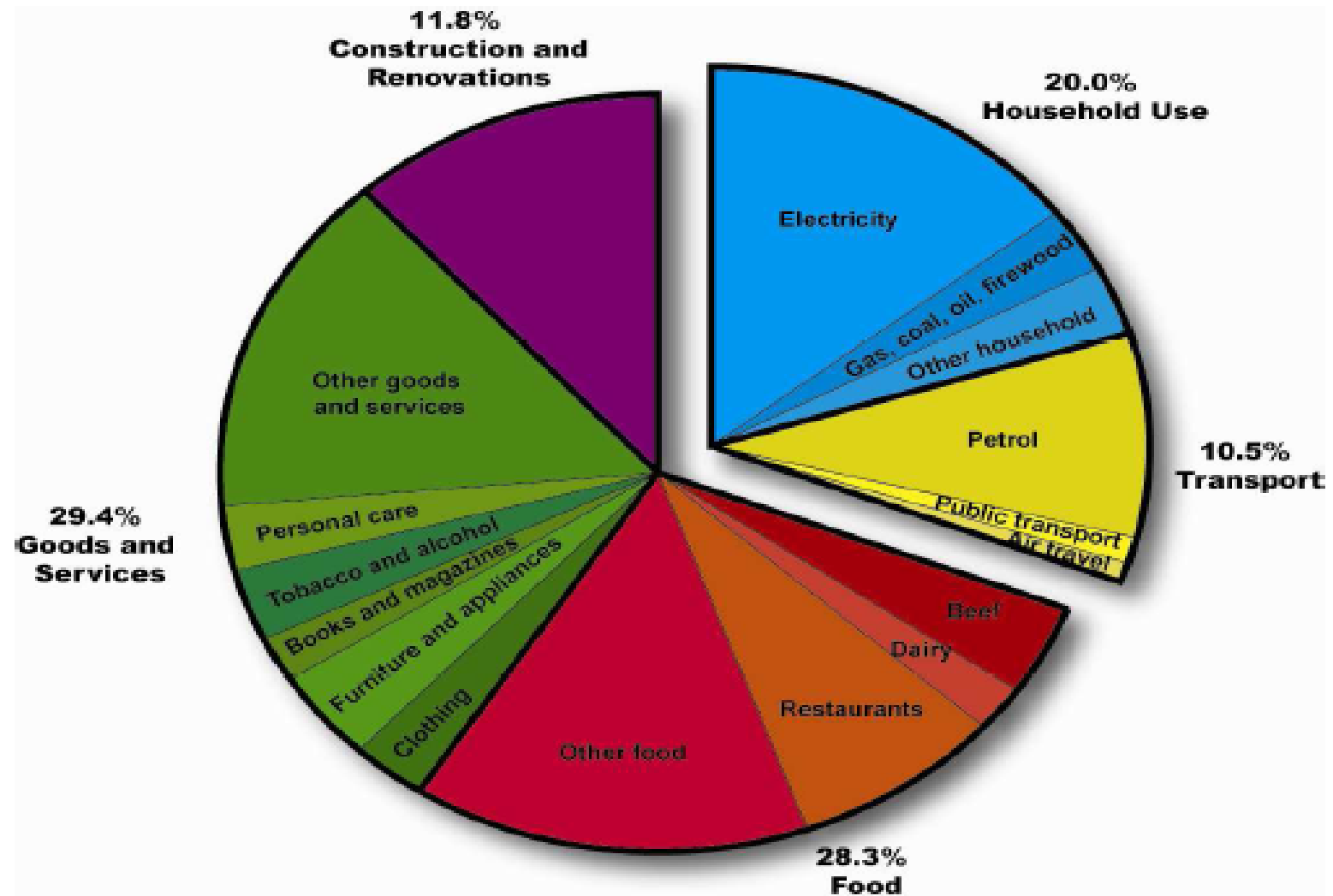
Direct & Indirect Emissions by Sector

Figure 7: Australia's Combined Direct and Indirect Greenhouse Gas Emissions from the Generation of Purchased Electricity (Scope 2 Emissions) by Major Economic Sector, 2006



Structural Change

Fig 1. Average household profile: greenhouse gas pollution



Structural change is required but is avoided.

Problem

- Bulk of emissions due to embodied energy in goods and services (70%)
- Emphasis on individuals making changes but only 30% is direct day to day energy use

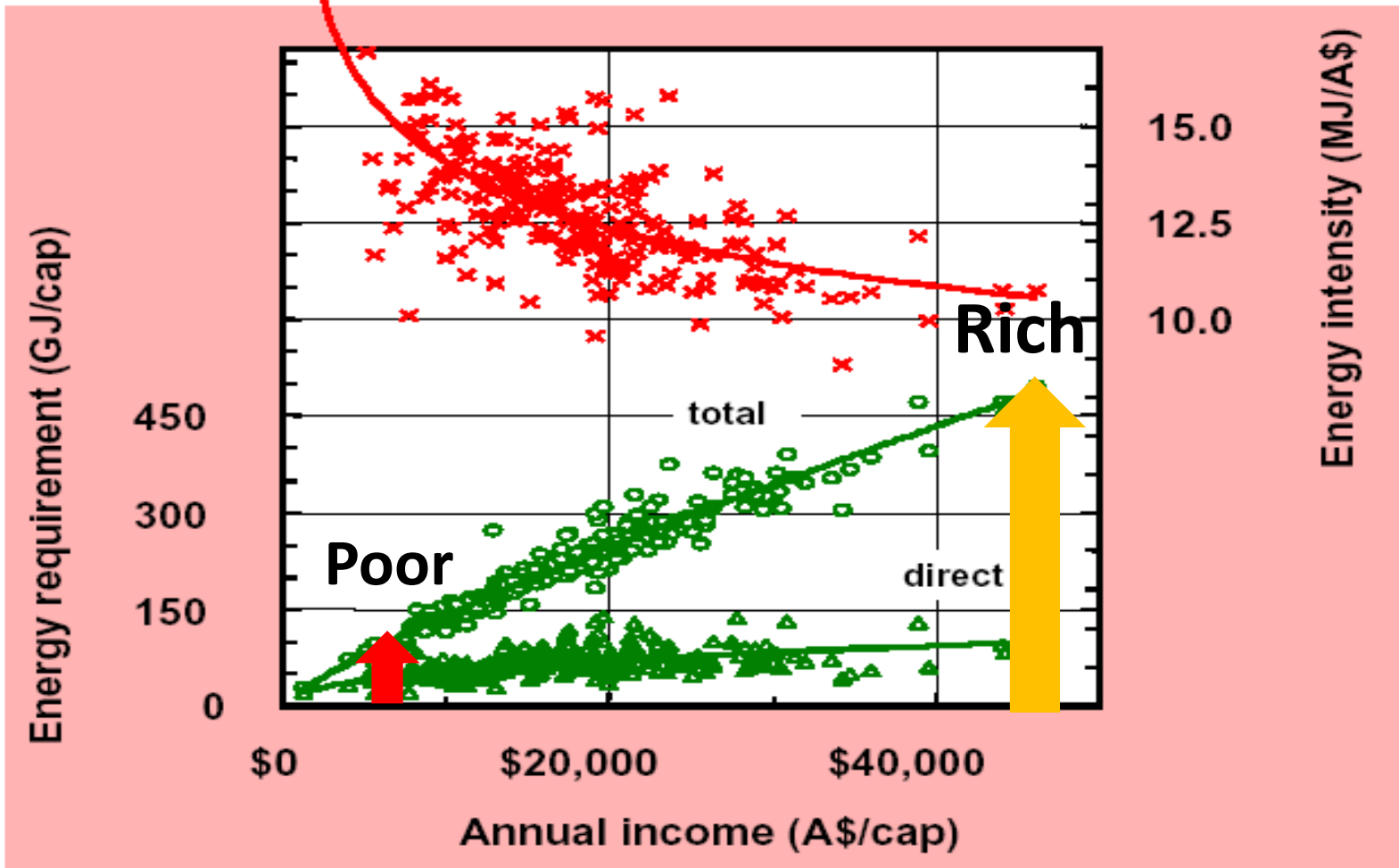
Solutions

- Need a better balance between individual action and structural change in industry / government processes / practices

Sydney - SW Poor and Harbour Side Rich



Energy requirements & income



Emissions Responsibility

Problem

- Rich people generate far higher per capita emissions due to level of material wealth and embodied greenhouse gas emissions in this wealth

Action

- Ensure penalties and incentives reflect responsibility for GHG emissions fairly

Concluding comments re CPRS

- Unfair – transfers emissions to community or off-shore
- Avoids need for Structural Change
- Tax payers heavily subsidise “Big Polluters” who should be using profits to clean up their industries.