



5 August 2009

The Secretary
Senate Economics Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Supplementary Brief - Inquiry into the Renewable Energy (Electricity) Amendment Bill 2009 and a related bill

Dear Secretary

Please find below supplementary brief responding to Senator Cameron's request for details on the following report:

"Study of the effects on employment of public aid to renewable energy sources", March 2009, Gabriel Cazada Alvarez, King Juan Carlos University, Spain.

Summary

- The study relies on a flawed methodology, unsourced data and use of secondary sources that are often not cited.
- The study is an advocacy document, written in English, which was primarily directed at influencing the US political debate.

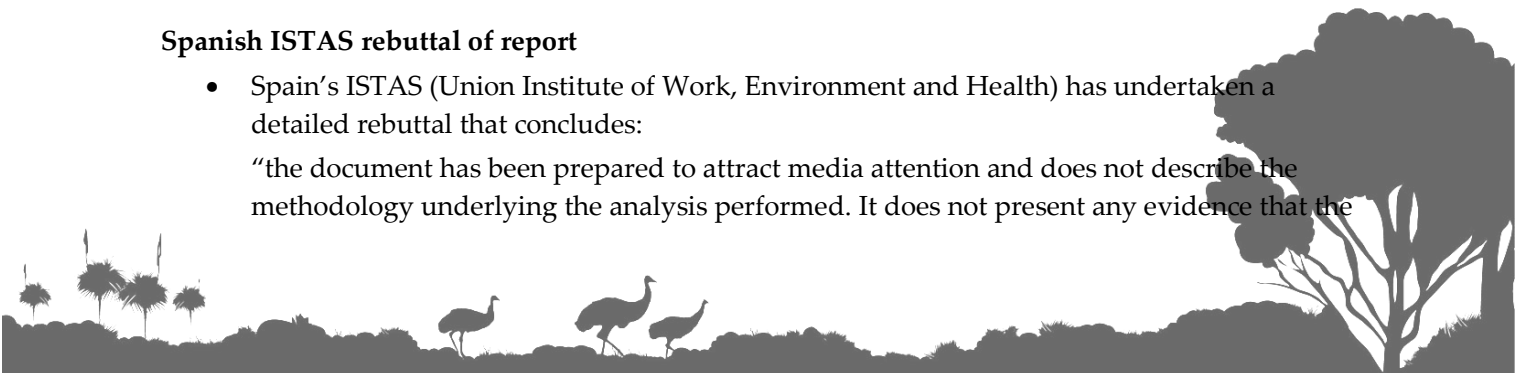
Spanish Government response to the report

- The report has been refuted by Spain's Secretary of State for Climate Change Teresa Ribera Rodríguez, in a letter to Congressman Henry Waxman (Chairman of the US House of Reps Committee) which states that:
 - "Calzada's thesis is based on a simplistic, reductionist and short-term view of the problem";
 - Calzada's analysis used a "unreliable and non rigorous methodology"; and
 - the data he used is "totally out of keeping with the current reality of the sector".

Spanish ISTAS rebuttal of report

- Spain's ISTAS (Union Institute of Work, Environment and Health) has undertaken a detailed rebuttal that concludes:

"the document has been prepared to attract media attention and does not describe the methodology underlying the analysis performed. It does not present any evidence that the



growth of renewable energies destroys jobs, in contrast to many previous studies which all agree that renewable energies are net job creators”

ACF critique of report

- As opposed to a neutral economic study, the study has been written as an advocacy document in English clearly targeting the US and the Obama administration as it pushes forward with policies to promote green jobs.
- The report is best described as a policy brief that makes subjective and selective interpretation of secondary data, rather than an economic analysis or economic modelling or actual interpretation of empirical evidence.
- Much of the data relied upon appears factually incorrect. Calzada uses unsourced data for much of the report, using secondary sources that are often not cited. For example, his total green jobs figures severely underestimate jobs data used by the Spanish Government (Ministry of Industry, Tourism and Trade), Spanish research institutes (ISTAS - Union Institute of Work, Environment and Health, a body supported by the CCOO – Spanish Trade Union Confederation) and previous international studies including the UNEP and European Commission.
- The report doesn't rely on actual data to provide evidence of job losses, or identify specific jobs that have been lost due to investment in renewables. Instead it simply assumes that any job losses that occur are due to crowding out of the private sector by government investment in renewable energy.
- The direct relevance or transferral of the Spanish example to the US (or Australia for that matter) is in any case questionable.
- Although reports state purely that Calzada is an economist at a Spanish University, according to reports he is known to have affiliations with a number of organisations that support climate science 'sceptics' including:
 - the Centre for a New Europe (which has accepted funding from ExxonMobil);
 - the Heartland Institute (which has also accepted funding from ExxonMobil).Calzada is himself a sceptic on climate science according to quotes of his from recent interviews in Spain.

Yours sincerely,



Phil Freeman

ACF climate change campaigner

p.freeman@acfonline.org.au

0438 043 049