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SUBMISSION TO THE SENATE STANDING COMMITTEES ON
ENVIRONMENT AND COMMUNICATION

THE GOVERNMENT'S DIRECT ACTION PLAN

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1 | Executive Summary

UnitingJustice Australia welcomes the opportunity to provide a submission to the Senate Standing Committees on Environment and Communication in their Inquiry into the Government's Direct Action Plan.

Our submission addresses the following aspects of the provided Terms of Reference:

i. whether the Direct Action Plan has the capacity to deliver greenhouse gas emissions reductions consistent with Australia's fair share of the estimated global emissions budget that would constrain global warming to Australia's agreed goal of less than 2 degrees

UnitingJustice does not believe that the Direct Action Plan in its current form has the capacity to deliver significant and real emissions reductions through the employment of soil sequestration and the Emissions Reduction Fund (ERF).

ii. whether the Direct Action Plan has the capacity to reduce greenhouse gas emissions adequately and cost effectively

UnitingJustice does not find the economic modelling used by the Government in their Direct Action Plan realistic or sustainable.

xii. the ability of the Government and the Australian people to receive expert independent advice on an appropriate carbon pollution cap for Australia following the abolition of the Climate Change Authority

UnitingJustice believes that abolishing the Climate Change Authority will reduce access to independent, timely and accurate information regarding climate change for the Australian people and the Government. We believe that this information is essential in ensuring that as a nation we take our responsibilities to mitigate the negative impacts of climate change.

xiii. the impact of cuts to funding for the Australian Renewable Energy Agency

UnitingJustice believes that the proposed \$435 million budget cuts to the Australian Renewable Energy Agency will have significant negative impacts on the investment in and development of sustainable energy sources in Australia.

2 | Introduction

UnitingJustice Australia is the justice policy and advocacy unit of the Assembly of the Uniting Church in Australia (the national Council of the Uniting Church), pursuing matters of social and economic justice, human rights, peace and those concerning the environment. It works in collaboration with other Assembly agencies, Uniting Church synod justice staff around the country, and with other community and faith-based organisations and groups. It engages in advocacy and education and works collaboratively to communicate the Church's vision for a reconciled world.

UnitingJustice Australia exists as an expression of the Uniting Church's commitment to working towards a just and peaceful world.

This commitment arises from the Christian belief that liberation from oppression and injustice is central to the outcome of the work that God has undertaken through Jesus Christ. The Uniting Church in Australia is committed to involvement in the making of just public policy that prioritises the needs of the most vulnerable and disadvantaged in our society. In 1977, the Inaugural Assembly of the Uniting Church issued a Statement to the Nation. In this statement, the Church declared “our response to the Christian gospel will continue to involve us in social and national affairs.”¹

The Uniting Church believes that the natural environment is not merely a resource for the benefit of human beings but has intrinsic value as part of God’s good creation.

The Uniting Church’s commitment to the environment arises out of the Christian belief that God, as the Creator of the universe, calls us into a special relationship with the environment – a relationship of mutuality and interdependence which seeks the reconciliation of all creation with God. We believe that God’s will for the earth is renewal and reconciliation, not destruction by human beings.

The Uniting Church regards human-induced climate change as a most serious threat to the future and integrity of life on earth.

In 2006, the Assembly Standing Committee of the Church resolved to adopt the statement ‘For the Sake of the Planet and all Its People: A Uniting Church in Australia Statement on Climate Change’.² In part, the statement declares:

It is increasingly the case that some humans consume the earth’s resources whilst other

humans pay the price. Australia must acknowledge that it has a responsibility to reduce our reliance on fossil fuels. As long as we remain prepared to abuse the atmosphere and entire ecosystems for the sake of short-term economic gain for a few, we undermine our own future.

The statement also highlights the Church’s particular concern with the fate of some of our most vulnerable Pacific neighbours. Our partner churches in the Pacific have called on their sisters and brothers in the Church throughout the world to act in solidarity to reduce the causes of human induced climate change by reducing energy use and developing clean, renewable energy sources. Accordingly, we are deeply concerned by the Foreign Minister’s announcement of \$650 million budget cuts to foreign aid - monies which were to be used, in part, to mitigate the impacts of climate change in the communities of some of our most vulnerable neighbours.³

For the Uniting Church, social justice and environmental sustainability are inherently connected to each other and must always take precedence over the desire for increasing profits and the amassing of wealth by a relative few. As one of the major producers of greenhouse gas emissions per capita, Australia must acknowledge that it has a responsibility to address the social, economic and environmental policies which support our continued reliance on fossil fuels.

It is important that Australia’s social, economic and environmental policies begin to reflect that social justice and ecological justice are not competing interests, but have shared solutions.

1 <http://www.unitingjustice.org.au/uniting-church-statements/key-assembly-statements/item/511-statement-to-the-nation>

2 http://www.unitingjustice.org.au/images/pdfs/issues/living-sustainably/assembly-resolutions/11_asc_climatechange2006.pdf

3 <http://www.smh.com.au/federal-politics/political-news/governments-650m-foreign-aid-cuts-slammed-20140118-311c5.html>

It makes good economic and political sense to spend money to ensure the long-term well-being of our natural world — there can be no security for humanity without a healthy ecosystem.

3 | Background

There is hardly an environmental issue that has captured as much or more global attention as global warming and the associated climate change. However, the international debate on climate change has largely focused on the discussions between a handful of nations in terms of their commitments, or failure to commit, to emissions reductions. The debate is therefore largely focussed on the economic and industrial costs of addressing climate change. This emphasis leaves out a more important focus on the human and environmental costs of climate variation to vulnerable groups and climate-sensitive ecosystems.

Over the last century, the global average temperature has increased by 0.74°C, which constitutes the largest and fastest warming trend in world history. It is predicted that it will increase by 1.1–6.4°C.

It is also estimated that climate change will, among other impacts, increase the severity of droughts, land degradation and desertification, the intensity of floods and tropical cyclones, the incidence of malaria and heat-related mortality and decreasing crop yield and food security.

Climate change may bring sea level rise, increasing extreme weather such as flooding and drought, unpredictable seasons, the increasing spread of both water and vector borne diseases, greater water shortages and rising concerns over food security.

All of these gravely threaten various human rights of people in Australia and around the world,

including: access to safe and adequate food and water, and the rights to justice, security, and culture.

Australia's creation of greenhouse gas emissions and our failure to plan for a sustainable future is seriously exacerbating the problems we face. The threat posed by climate change therefore challenges the way we live in a fundamental way.

If we are to meet and overcome the challenge we must think creatively about the organisation of our social and economic institutions, our relationship with each other across national and cultural boundaries and our relationship with the environment.

In 1972, the United Nations Conference on the Human Environment declared that “man's (sic) environment, the natural and the man-made, are essential to his wellbeing and to the enjoyment of basic human rights – even the right to life itself”. Despite this, over forty years later, the right to a healthy environment has not been independently recognised in international human rights statutes.

Even without the articulation of a specific right to the environment, there are many broad rights recognised in the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR), as well as in the Convention against Torture (CAT), and the Convention on the Rights of the Child (CRC), which are relevant to the situation of people whose way of life comes under threat from climate change.

Australia and other signatory nations have a positive responsibility under these instruments to take action to remedy the direct and indirect threats to these rights posed by climate change.

In 2009, a resolution of the United Nations Human Rights Council was adopted in 2009 by a total of 88 UN member states in regard to the implications of climate change on human rights.

In part, the resolution notes:

Climate change-related impacts have a range of implications, both direct and indirect, for the effective enjoyment of human rights including, inter alia, the right to life, the right to adequate food, the right to the highest attainable standard of health, the right to adequate housing, the right to self-determination and human rights obligations related to access to safe drinking water and sanitation, and recalling that in no case may a people be deprived of its own means of subsistence.⁴

For nations such as Australia, the resolution must serve as a reminder of how the implications of climate change mostly affect those who already find themselves in vulnerable situations due to factors such as geography, poverty, gender, age, indigenous or minority status, and disability.

It is in line with these beliefs and our commitment to the range of international human rights treaties that we make the following submission to the Senate Standing Committees on Environment and Communication's Inquiry into the Government's Direct Action Plan.

4 | Whether the Direct Action Plan has the capacity to deliver greenhouse gas emissions reductions consistent with Australia's fair share of the estimated global emissions budget adequately and cost effectively

The Government's Direct Action Plan (DAP) relies on two approaches to deliver positive environmental outcomes: sequestration of

⁴ www2.ohchr.org/english/issues/climatechange/docs/resolution10_4.doc

atmospheric CO₂ relying on soil carbon storage, and the provision of industry financial support through an Emissions Reduction Fund (ERF) to reduce CO₂ emissions.

The DAP seeks to "reduce CO₂ emissions by 5 per cent by 2020 based on 1990 levels and deliver significant environmental outcomes - without the need for a great big new tax".⁵

We are concerned by what we see as a minimalist approach to climate change mitigation in the setting of this target. There is significant debate over whether a 5 per cent cut will be sufficient to offset the serious impacts of climate change, with many commentators recommending a 15-25 per cent reduction over the same period. The Climate Change Authority (CCA), for instance, have argued that:⁶

A 5 per cent target would leave such large reductions for later that future Australians would either face a very large emissions reduction task or have to abandon the long term national emissions budget. This is inequitable in the first case and against Australia's national interest in the second... [The 5 per cent target] requires an implausibly rapid acceleration of effort post 2020 to remain within the long term carbon budget [consistent with a 2 degrees celsius goal].

There is also significant scientific uncertainty surrounding soil sequestration - a key plank in the DAP.⁷

⁵ The Coalition's Direct Action Plan: Environment and Climate Change, <http://www.greghunt.com.au/Portals/0/PDF/TheCoalitionsDirectActionPlanPolicy2010.pdf>

⁶ Climate Change Authority (CCA) 2013, Reducing Australia's Greenhouse Gas Emissions: Targets and Progress Review Draft Report, CCA, Melbourne.

⁷ <http://www.abc.net.au/lateline/content/2013/s3740395.htm>

While initial statements from the Government indicated that 60 per cent of emissions reductions would rely on soil carbon, the Minister for the Environment has recently indicated that this figure was simply an estimate.⁸

Regardless, the Government has made it very clear that this relatively untested and highly debated means of emissions reductions will play a “significant role” in the DAP.

If used as a the primary means of offsetting emissions, and working with the Government’s goal of an annual abatement of 140 million tonnes of CO₂, soil sequestration would need to be responsible for 85 million tonnes of CO₂.⁹ To reduce emissions by this amount, it would be necessary to plant trees over an area of 141,276 square kilometres - over 11 times the size of Greater Metropolitan Sydney.

Additionally, a plantation of this size would require the use of 51,566 gegalitres of water each year to ensure its sustainability. The sheer immensity of this task, combined with the fact that increasing human-induced climate change is likely to only exacerbate drought conditions throughout Australia, means that UnitingJustice remains highly sceptical of any solution that relies so heavily on untested methods.

A Report by RepuTex, commissioned in the lead-up to the 2013 federal election, assessed the efficacy of the DAP as articulated in the Government’s position paper.¹⁰ The Report found that the DAP would lead to an emissions growth of 16 per cent on 2000 levels by 2020, driven primarily

by an increase in emissions from the power and industrial sectors.¹¹

The Report concluded that for the DAP to meet Australia’s unconditional 5 per cent emissions reduction target, additional funding of \$5.9 billion per year - totally \$35 billion - would be required.

A financial shortfall has been predicted by other sources, including the Sectoral Analysis Unit of the Macroeconomic Modelling Division in the Federal Treasury. Their analysis concluded not only that the DAP would deliver less abatement than the Government had assumed throughout their forecasting, but that the fiscal cost would also be higher.¹²

This significant fiscal imbalance has not been addressed by the Government, and we remain deeply concerned that vital services benefitting vulnerable Australians will be impacted by budgetary cuts should the DAP be implemented and adequately funded.

When assessing the potential efficacy of the Government’s DAP, it is also necessary to examine the use of an Emissions Reduction Fund (ERF) as part of the strategy to reduce emissions.

The Climate Institute undertook a detailed qualitative and quantitative assessment of the ERF.¹³ They concluded that “no independent analysis to date has shown that the policy framework as outlined can achieve Australia’s obligations and emission commitments.”

8 <http://www.theguardian.com/world/2013/jul/09/coalition-direct-action-tony-abbott>

9 Based on figures provided by The Australia Institute, <http://www.tai.org.au/node/1747>

10 The Coalition’s Direct Action Plan: Environment and Climate Change, <http://www.greghunt.com.au/Portals/0/PDF/TheCoalitionsDirectActionPlanPolicy2010.pdf>

11 <http://www.reputex.com/publications/direct-action-vs-emissions-trading-achieving-our-emissions-objectives/>

12 Treasury, 2011. Economic and fiscal impacts of the Coalition’s Direct Action plan (Treasury Executive Minute). Australian Treasury, Canberra, Australia.

13 The Climate Institute, 2013, Coalition Climate Policy and the National Climate Interest, TCI, Sydney.

The Report also indicated that “the policy creates significant uncertainty for business over the medium and long term”, that the actual costs will be significantly higher than the budgetary allocations made by the Government, and that “mechanisms of the nature proposed have not achieved substantial absolute emissions reductions in Australia or in other nations.”¹⁴

Committing to a scheme that has been shown to fail to reach desired outcomes at a significantly higher cost than anticipated seems foolhardy to say the least.

An analysis of the ERF undertaken by The Australia Institute revealed that there would be a significant shortfall based on the budget allocations made by the Government for the scheme, and that the abatement targets would be unlikely to be met.¹⁵ The analysis, which drew on an examination of similar grant programs, concluded:

If we use the average cost of abatement for competitive grant schemes that have previously been conducted in Australia then by 2020 the Fund would have to allocate around \$100 billion. To put that into context that would require on average tax payments of about \$1300 per household per year set aside for the Emissions Reduction Fund. This is far in excess of [what has been] budgeted for.

As the Government has committed to the implementation of a system without the use of a “great big tax”,¹⁶ it would be necessary to fund the shortfall through budget cuts in other areas.

As the Report of The Australia Institute notes, the shortfall is the “equivalent to the cost of employing approximately 111,000 teachers or nurses.”¹⁷

We echo our concern expressed earlier in this submission that vital services provided both to Australians and our neighbours would suffer as a result of the implementation of the Government’s underfunded, short-sighted and poorly planned DAP.

5 | Impact of the abolition of the Climate Change Authority

A key challenge to addressing the implications of climate change is ensuring that the Australian people are informed and aware of the serious and timely nature of the problems we are facing. This challenge is exacerbated by the way that the issue is reported in many media outlets.

A report released in October 2013 by the Australian Centre for Independent Journalism (ACIJ) found that just under one third of metropolitan newspaper articles in Australia did not accept the scientific consensus that human beings are major contributors to global warming and climate change.

The Report noted that “important and influential sections of the Australian media are failing in their responsibility to provide their audience with information they need to make informed choices on a matter of vital public interest.”¹⁸

14 Ibid.

15 <http://www.tai.org.au/node/1747>

16 <http://www.greghunt.com.au/Portals/0/PDF/TheCoalitionsDirectActionPlanPolicy2010.pdf>

17 <http://www.tai.org.au/node/1747>

18 <http://www.newsroom.uts.edu.au/news/2013/11/one-third-of-australias-newspapers-still-biased-on-climate-change>

Before resigning as Australia's Chief Scientist in March 2011, Penny Sackett told a Senate Committee that her greatest concern was that the conclusions of climate scientists were not being effectively communicated to the Australian public.¹⁹

Many media outlets (under the guise of presenting a balanced point of view) give equal weight to climate change sceptics, despite this point of view occupying a marginal position in climate debates.

The ACIJ Report, which found that the overall coverage of climate change became increasingly sceptical in 2012, argued that "such high levels of scepticism should be a matter of concern to the Australian public, governments, the scientific community and journalists."

In February 2011, the Gillard Labor Government established the Climate Commission. Part of the role of the Commission was to provide an authoritative and expert source of information about climate science. It could—and did—intervene to point out distortions in media reporting of climate science. We are deeply concerned that abolishing both the Climate Commission and the Climate Change Authority will negatively impact the ability of both the Government and the Australian people to access independent, up-to-date and accurate information on climate change.

6 | Impact of funding cuts for the Australian Renewable Energy Agency

On 10 July 2011, the Gillard Labor Government announced the establishment of the \$3.2 billion Australian Renewable Energy Agency (ARENA), as a part of its Clean Energy Future package. Its establishment and goals were supported by the

¹⁹ http://apo.org.au/sites/default/files/docs/ACIJ_ScepticalClimatePart2_Oct_2013.pdf

then-Coalition.

ARENA has a responsibility to improve the competitiveness of renewable energy technologies and increase the supply of renewable energy in Australia, and so plays a vital role in ensuring that Australia maintain and strengthens its commitment to the development and implementation of renewable energy sources.

Under the DAP, the Government plans to cut \$435 million from the budget of ARENA, which we believe will have significant negative impacts on the investment in and development of sustainable energy sources in Australia.

We are also troubled by recent statements about our clean energy future made by the Prime Minister which we believe are highly misleading.

Prime Minister Abbott has suggested that a commitment to renewable energy has led to a dramatic increase in prices for consumers, while announcing that he would "consult closely" with the Business Advisory Council, chaired by Maurice Newman.²⁰

There is no evidence to support these conclusions on renewable energy sources and an increased cost in power.

Longitudinal studies examining the fiscal impact of renewable energy infrastructures in nations that rely heavily on clean sources for their energy needs, reveals the opposite. Germany, Belgium and Denmark have consistently demonstrated that an investment in wind power has led to a drop in the average wholesale electricity price.²¹

²⁰ <http://www.theguardian.com/environment/2013/dec/18/renewable-energy-tony-abbott-signals-he-could-wind-back-or-scrap-targets>

²¹ Wind, Energy and Electricity Prices: exploring the 'merit order effect', 2010, http://www.ewea.org/fileadmin/ewea_documents/documents/publications/reports/MeritOrder.pdf

Similarly, in the United States, the average wind project has been producing electricity at significantly less than the average national wholesale price since 2005.¹

This misinformation, combined with the fact that Mr Newman (as a key advisor to the Prime Minister on this issue) has openly attacked renewable energy and argues that climate change is a “hysterical myth”,²³ makes cuts to ARENA all the more troubling.

Australia is ideally suited to a significant shift towards clean energy, due to our access to abundant renewable energy sources that could provide our current energy needs many times over.³ Transitioning to renewable energy sources - combined with improved energy efficiencies - is one of the most effective ways for Australia to achieve rapid emission reductions, and any threat to this transition should be taken very seriously.

7 | Conclusion

UnitingJustice has deep reservations with regards to the efficacy (both short and long term) of the Government’s Direct Action Plan. We do not believe that the DAP will support Australia’s role as a leader in the Asia-Pacific region in mitigating the serious negative impacts of climate change. We question the accuracy of the costings of the policies outlined by the Government, as well as their ability to achieve vital reductions to our emissions levels.

22 Average Cumulative Wind and Wholesale Power Prices Over Time, 2009, US Department of Energy Wind Technologies Report.

23 <http://reneweconomy.com.au/2014/australia-hostage-to-climate-change-madness-to-say-so-is-madness-indeed-85610>

24 http://awsassets.wwf.org.au/downloads/cl043_our_clean_energy_future_100_renewables_powering_australias_future_24sep12.pdf

As it stands, the DAP appears to be a policy driven by the interests of large-scale businesses (those primarily responsible for the high levels of CO₂ emissions), while being devoid of any consideration of the health and integrity of the natural world, and the human rights implications of anthropogenic climate change on both the people of Australia, and our neighbouring countries.