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Submissions
Garnaut Climate Change Review
Level 2, 1 Treasury Place
Melbourne VIC 3002

Via email - contactus@garnautreview.org.au.

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Preliminary submission - Garnaut Climate Change Review

Dear Professor Garnaut

The Western Australian Sustainable Energy Association Inc (WA SEA) is the peak body for the sustainable energy industry in WA.

WA SEA promotes the development and adoption of sustainable energy technologies and services that minimise the use of energy through sustainable energy practices and maximise the use of energy from sustainable sources.

WA SEA is a diverse group of sustainable energy companies, businesses, organisations and individuals that are involved in sustainable energy practices and including energy efficiency across government, business and the community in infrastructure; architecture and design of buildings and homes; performance of appliances, vehicles, machinery, and industrial processes; use of renewable energy generation including passive use and solar hot water – and so on.

WA SEA has been working diligently to support the sustainable energy in Western Australia and is a respected commentator on issues relating to building efficiency, vehicle efficiency, renewable energy, emissions trading, as well as climate change and much more. Further information about our activities (including our submissions and Media Releases) can be found on WA SEA's website: www.wasea.com.au.

WA SEA is working to provide a substantive comment on the general terms of reference at a later date, but has included general comments here about transport and urban planning, and also specifically on Issues Paper 1 - Climate Change: Land use - Agriculture and forestry, primarily addressing the question of opportunities.

WA SEA Corporate members



Climate change

The biggest danger arising from the ongoing work on the science of climate change is not 'pessimism' but the reverse - science is inherently conservative. It is likely future forecasts of climate impacts will be greater, not smaller, just as has occurred in the last six years. If interim targets on emissions reductions are set conservatively now, Australia will commit to creating measures that are simply too small to be effective in the medium term.

Thus, if the recommendations of the Garnaut Climate Change Review only identifies a minimalist target for Australia, we can expect with certainty the need for an even higher target to quickly follow. If this occurs, Australia will be implementing inadequate initiatives that will simply not solve the problem. And that will not be good for a market-based solution – it will create future turbulence in the market and will, with certainty, end up costing us more.

The Australian Government must be decisive, taking immediate action to ensure we start building all new electricity generation from renewable sources today, while upgrading current inefficient plant with lower emissions generation and exploring cogeneration opportunities. Simultaneously, Australia must ramp up the work to deliver improved efficiency of energy use, and lower greenhouse gas emissions, across all sectors of industry and the community.

General Comments

Export exposed industries

Western Australia is well positioned to make a significant contribution in reducing the greenhouse intensity of Australia's economy through sustainable energy use in Western Australia's resources sector. With the advantage that substantial energy generation in Western Australia is already built around gas, efforts to ensure that future expansion of the resource sector around a mix of our world quality renewable resources of wind, solar, wave, geothermal, and all forms of biofuels, combined with other proven low emissions technology, will benefit Western Australian industry, and the Australian economy, once national and international carbon trading starts in earnest. In this sense, so-called trade exposed export industries must not be sheltered, but rather supported in the inclusion of sustainable energy practices in their operations. Such an outcome should be supported through investment by Australia as a nation.

Thus, the best way to support trade exposed industries in the long term is by taking immediate steps now to ensure they are less carbon exposed in their energy sources, including making use of renewable energy sources. This will provide a direct competitive advantage for Australian industry as a whole into the future as internalised carbon costs naturally become a part of the global trading market.

In the short term, trade exposed industries can be given time to adapt by all Australian Governments taking a heavier load of a shared state target. Australian Governments must ensure that all government and government-owned operations move to 100% renewable energy as soon as possible – including all elements of water services, and in transport systems, for the entire government owned transport fleet including the rail and bus fleet.

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20% energy generation from sustainable sources and 20% reduction of existing use through energy efficiency by 2020

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Transport and planning

Over the past decade, Australia missed many opportunities to improve national energy efficiency standards in our transport fleet. Stronger measures on National Average Fuel Consumption numbers that determine the standards for vehicle fuel efficiency of new passenger and transport/commercial vehicles are critical. Such measures will reduce running costs of Australian vehicles on imported fuels and reduce inflationary pressures on transported goods, on the household budget, and so ultimately on mortgage affordability.

As Australia responds to global warming, a key to managing Australia's greenhouse gas emissions is getting practical solutions to reduce our energy consumption through energy efficiency, as well as looking for sustainable sources of home grown fuels. Moves to improve efficiency will also address Australia's reliance on foreign imported fuels to grow energy independence: fuel and oil imports racked up a bill for Australia's deficit of \$25 billion in 2007. Rapidly improving Federal mandated energy efficiency targets for the Australian vehicle fleet will reduce costs to all consumers and reduce inflationary pressure on transported goods.

Combined with support for the biofuels industry in Australia, such measures will bolster energy security for Australia, and work to counter inflation. A more sustainable approach to managing Australia's economy will also reduce inflationary pressures and will reduce the likelihood of future interest rate rises.

Governments must look to move all public transport to renewable energy as soon as possible – either in the form of electricity from renewable sources for rail, or biofuels from sustainable sources.

Specific Comments - Issues Paper 1 - Climate Change: Land use - Agriculture and forestry

An Australian Bureau of Agricultural and Resource Economics (ABARE) report¹ suggests a massive decline in farm production and agricultural export earnings in coming decades, unless we can halt climate change or adapt to it, underscores the need to strengthen rural communities to help with the battle against climate change.

Responding to climate change will create new business, new employment opportunities, and a more sustainable economy in Australia. Many of these opportunities will of necessity be spread across the regions in rural Australia, and will not just be growing for the biofuels market. There will also be opportunities building, supplying and maintaining regionally distributed renewable energy generation plant, as well as new returns for land required to be dedicated to wind farms and solar farms.

Further, responding to climate change will diversify our industry base. It will create new businesses that are taking up the challenge to take advantage of new opportunities, and the result will be a more sustainable economy.

The Australian Government must look to support a geographically widespread distribution of solutions. If this model is followed, a diversity of projects will be created, and this approach is more likely to drive innovation than would be achieved by a few large projects concentrated in just one or two areas.

¹ Australian Bureau of Agricultural and Resource Economics (2007) Australian commodities December quarter | vol 14 (4)

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Renewable energy generation is generally more labour intensive, and more broadly distributed across regions. With a better employment factor, renewable energy projects can lead to growth of local communities in rural Australia. And establishment of renewable energy generation projects will bolster a broad range of skills, particularly in agricultural regions. Biomass sources – either biomass for electricity generation or feed stocks for bioethanol and biodiesel production - in particular will draw on and build the skills already available in the regions.

In addition, Kyoto will open up investment in biosequestration by European investors looking to buy carbon rights in plantations in regulated and verified carbon offset schemes using trees or revegetation projects. These investments are likely to be in the billions of dollars. Investors turned up in the south-west of Western Australia before, late in the last century as Kyoto started, but then turned away when Australia failed to sign Kyoto earlier in this decade².

It is not often an opportunity presents itself twice. Australia signing Kyoto will focus the development of an emissions trading system. Opportunities for rural Australia will be many and various – from producing carbon credits for the carbon trading environment to supplying resources to the biofuels market.

Another opportunity is in maximising soil storage of carbon, particularly through the implementation of slow pyrolysis and the use biochar/agrichar in soils. Bolstering soil stored carbon improves soil productivity, reduces the need to apply traditional fertilizer, as well as providing carbon biosequestration.

These opportunities will be driven by both emissions reduction targets and by renewable energy targets in Australia, and through demand from international markets once we are formally part of Kyoto.

The key is ensuring a diversity of solutions including in energy supply for electricity production. Over-reliance on a single source of supply is not wise. A diversity of fuel and energy sources which can only be beneficial, bolstering a diversity of business opportunities as well as energy security in Australia.

Closing comments

The challenge of climate change must be the catalyst for changing the way we think about and plan infrastructure, changing the way we use energy and in so doing, future proofing our economy.

The future of energy in Australia and for the globe is an array of sustainable energy solutions incorporating low or zero emissions energy generation in whatever form that ultimately proves most economically competitive. And Australia must, as a commitment to nation-building, plan to deliver through our exports the most greenhouse friendly source of resources in the world.

Any measures must recognise that 2020 is not an end point, but a point on the journey to higher levels of emissions cuts, to greater investment in renewable energy and other low emissions technologies, and infrastructure investment and planning, including development of utility corridors, must take this into consideration.

² Pers. comm., Alan Bodger (SOLEIRA Limited and CarbonCredEx)

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Sustainability must logically lead to outcomes that are also anti-inflationary. Decisions taken in our development of emissions free energy in Australia must be forward-looking and nation-building, developing energy use practices and renewable energy sources that result in long term energy savings and reduce inflationary pressures from rising energy prices that would otherwise impact on the Consumer Price Index.

Market competition is important in the long term, but in the short term new technologies will need support to make it to the commercial phase – the urgency of dealing with climate change is that these cannot be left to natural market processes to grow to that point, but that significant measures must be in place to ensure that the potential of new technologies is reached as fast as possible.

The Federal and State Governments must ensure that the unique opportunity arising in Labor Governments across Australia in 2008 is not wasted, and that collaborative efforts of all Australian Governments are generated and lead to real changes in the Australian economy – changes that can create a sustainable future for all Australians.

If you would like to discuss this submission, please call (08) 9481 3169 or email ceo@wasea.com.au.

Yours sincerely



Dr Ray Wills
CEO

Western Australian Sustainable Energy Association Inc. (WA SEA)

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