

ENVIRONMENTAL COMMITMENTS AND THE 2010 ELECTION

By Chris Forbes¹

In the August 2010 Australian federal election each major party made lofty environmental commitments. For 17 days both parties grappled with the decisions to be made by the key elected independents Bob Katter, Tony Windsor and Rob Oakeshott as to whether they would support a Gillard Labor Government or an Abbott-led Coalition. On 7 September 2010 all three independents announced their backing – Bob Katter sided with the Coalition while Tony Windsor and Rob Oakeshott threw their support behind Labor.

The following summarises the environmental commitments made by Labor, the Coalition, the Greens and the independents.

LABOR

Carbpm farming

A Gillard Labor Government pledged to open up new opportunities for Australian farmers and landholders to participate in the lucrative international markets for carbon credits by implementing a Carbon Farming Initiative. Since agriculture and forestry account for 23% of Australia's greenhouse gas emissions, these sectors will be critical to reducing those emissions.

The scheme will work by allowing farmers to enter into business arrangements to plant hectares of trees on parts of farmland. As the forests mature and a verified amount of carbon is stored, credits will be issued which can then be sold into domestic or international markets. It is anticipated that a re-elected Gillard Labor Government will provide farmers the information needed to take advantage of the scheme and help link farmers, forestry operators and land managers with brokers so that their credits can be sold in the domestic or international market.

Clear rules will need to be enacted into legislation to ensure certainty of rights and obligations of credit holders. If the scheme is to go ahead, consideration should also be given how this will link with the market mechanisms for Land Use Land Use Change and Forestry sector under the Kyoto Protocol.

Connecting renewable energy initiative

A re-elected Gillard Labor Government has pledged to invest \$1b over the next decade in electricity networks to connect Australia's rich but remote renewable resources to Australian homes. Given the abundance of sunshine falling on Australia each year, this initiative aims to identify and develop projects to unlock clean energy resources for Australia's future. This is a positive step in transitioning from an economy highly dependent upon fossil fuels to a low carbon economy. It will require careful planning, industry consultation and a thoughtful allocation of funds given some of our richest solar, biomass, wind and geothermal resources are in remote locations and are not connected to main electricity networks.

The initiative will build on regulatory reforms to address issues relating to network expansion for lower emissions generation technology and provide further support for the transformation required of Australia's energy industry in order to meet climate change goals. The initiative also aims to ensure funds are disbursed to high value projects and that projects receive substantial co-contributions from other sources.

Cleaner Car Rebate Scheme

The Cleaner Car Rebate Scheme will provide \$349m to support motorists to purchase new, low-emission, fuel efficient vehicles. Households will be able to receive a \$2 000 rebate towards a new vehicle by trading in their pre-1995 car for scrapping. It is anticipated that measures will see close to 20 000 pre-1995 vehicles taken off the road over four years from 1 January 2011 to the end of 2014.

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In addition to the rebate, a re-elected Gillard Labor Government would cut road emissions by introducing new mandatory carbon dioxide emission standards for all new light vehicles, including cars from 2015. It will do this by enacting legislation requiring all car companies to reduce emission levels from vehicles sold in Australia by requiring improved technology and changing the fleet mix. The levels set will be determined in conjunction with industry and relevant stakeholders.

Coal-fired power stations

New emissions standards and a requirement that all new coal-fired power stations meet best practice emissions and be ready for carbon capture and storage has been proposed. Emission standards are to be determined by the Government in consultation with stakeholders, with the starting point to be below the level at which assistance was proposed by Federal Labor under the Carbon Pollution Reduction Scheme (CPRS). Under the CPRS, Federal Labor proposed to provide transitional assistance to generators that are producing above 0.86 tons of CO₂ per megawatt hour of electricity.

In order to conduct consultations on the setting of appropriate standards, an interdepartmental Task Group will be established to develop new standards for Government consideration. The Task Group will consult with energy market institutions, State and Territory Governments, industry and environmental stakeholders.

Emissions trading scheme

It is likely the shelving of the proposed emissions trading scheme by the Rudd Labor Government earlier this year affected the Labor Party's popularity. Forced to put this revolutionary scheme on hold was, according to the then Prime Minister Kevin Rudd, 'due to the Coalition's opposition and the slow pace of international climate change action'. With this development firmly in the minds of the voting public, a reformed Gillard Labor Government had to rely on other commitments to demonstrate its environmental credentials.

For full details see <<http://www.alp.org.au/agenda/>>

LIBERAL

The Liberal Party's Plan for Environment, Climate Change and Heritage, stated that it would have implemented 'practical, affordable and effective ways of improving our environment and reducing our carbon emissions without harming the economy.' Premised on the suspicion that the Labor Government's proposal for an Emissions Trading Scheme is 'a great big new tax on electricity and groceries', the Coalition said it would have implemented a further comprehensive range of initiatives to deliver 'real action' on the environment and climate change.

Emissions Reduction Fund

The Coalition stated 'it is committed to meaningful industry action on climate change.' To do this, the Party proposed an Emissions Reduction Fund which would call for tenders for projects that will:

- reduce CO₂ emissions
- deliver additional practical environmental benefits
- not result in price increases to the consumer, and
- protect Australian jobs.

In order to achieve a 5% reduction in CO₂ emissions by 2020, the Fund was to support direct action to hold Australia's CO₂ emissions to a target of approximately 525m tonnes of CO₂ equivalent per annum by 2020.

The Fund was to use the existing National Greenhouse and Energy Reporting Scheme to determine proposed emissions reductions beyond overall base levels already determined for individual firms. Businesses that reduce their emissions below their individual baseline ('historic average') would be able to offer the CO₂ abatement for sale to the government. It was hoped this would have provided an incentive for businesses to take direct action to reduce their CO₂ emissions below baseline levels.

At its peak, the Fund was expected to grow to \$1b for use in projects and operations.

For full details of this policy see:<<http://www.liberal.org.au/~media/Files/Policies%20and%20Media/Environment/The%20Coalitions%20Direct%20Action%20Plan%20Policy.ashx>>

Introduction of 'Green Army'

The Liberal Party pledged \$400m to establish a Green Army. The Party stated this workforce was to comprise of 15 000 people comprising of short term trainees plus regular workers and supervisors with the aim of supplying the 'skilled, motivated and sustained attention that large scale environmental remediation needs.

The Green Army was to be available on an ongoing basis and work on local and regional environmental priorities and projects such as boardwalks to protect wetlands, mangrove planting and creek and riverbed revegetation.

Solar continent policy

The Liberal Party had committed the establishment of a \$1.1b Solar Continent Policy over 10 years. Through this, it was anticipated that \$1b will be set aside for the 'Million Solar Roofs Programme' for Australian homes, including a Community Solar Programme which will allow scout groups, sporting clubs and other not-for-profit groups to access the Solar Roofs Programme for up to 10% of the available panels. There was also an allocation of \$100m towards a Solar Towns and Solar Schools Programme to provide grants up to \$500 000 for each major solar energy project which will generate electricity for both on-site use and grid feedback.

Green carbon Initiative

The Liberal Party planned to reduce CO₂ by 140m tonnes per year. In doing so, the Party was to appoint two recognised industry leaders to lead a Green Carbon Initiative to cover soil carbon, carbon sequestration through pasture, semi-arid scrub regeneration and carbon storage and selected reforestation in non-prime agricultural lands.

It was proposed the Initiative outline ways to ensure domestic inclusion of soil carbons and other forms of 'Green Carbon' in Australia's emissions reduction framework. \$10m will be provided to a Green Skills and Farmers Initiative to assist farmers to reduce carbon emissions and increase carbon in soil and vegetation. Under the Initiative, farmers were required to meet costs of the programme through verified Green Carbon improvements to their land valued at \$10 per tonne of sequestered carbon.

Other commitments

Other Liberal Party environmental commitments included:

- establishing a National Energy Efficiency Partnership;
- the promotion of a Green Forest Recovery Plan;
- the implementation of a Landcare Recovery Programme;
- the provision of funding for Community Clean Up Grants;
- the provision of \$2.5m funding for a Tamar River dredging programme; and
- the provision of \$1m funding for a Swan River Recovery Programme.

For full details of the above commitments see<<http://www.liberal.org.au/~media/Files/Policies%20and%20Media/Environment/Environment%20Policy.ashx>>

GREENS

Safe Climate Bill

The Greens have long campaigned for an emissions trading scheme or carbon tax as part of a broad suite of policies to tackle climate change. The polluter pays principle is fundamental to the Greens and Party Senator Christine

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Milne says 'it is hard to see how we can transform our economy fast enough to meet science demands if we do not create strong market drivers and invest the revenue raised in emissions reductions such as renewable energy, grid upgrades, energy efficiency and fast, convenient public transport.'

The Greens have designed an emissions trading scheme as part of their Safe Climate Bill.

The Safe Climate Bill is a collection of 12 linked bills based on renewable energy, energy efficiency, clean transport and forest protection supported by a carbon pricing scheme. Key features of the Bill include:

- setting a science based national emissions reductions target of at least 40% below 1990 levels by 2020 in the context of global agreement
- rule out the use of a price cap which would distort the price signal and undermine the economic and environmental efficiency, and
- ensuring that voluntary action by governments, groups or individuals is encouraged by subtracting total voluntary emissions reductions in each year from the following year's target.

For full details, see <<http://greensmps.org.au/the-safe-climate-bills>>.

Other Greens environmental commitments include:

- the establishment of a national ecology commission to focus on ecological integrity
- to ensure all responsibilities relating to international environmental treaties of which Australia is a signatory are clearly defined in national legislation
- to provide support for the a World Environmental Organisation combining the UN Environment Programme (UNEP), UN Development Programme (UNDP), and the Global Environment Facility (GEF)
- to promote incentives to individuals and business to promote sustainability, while phasing out tax breaks, subsidies and other government policies that stimulate waste, pollution, and environmental degradation (market mechanisms), and
- to implement shared management agreements with Aboriginal and Torres Strait Island people to develop meaningful employment in natural resource management.

Specific climate change commitments:

- the creation of a new ministerial position, Minister for Climate Change and Energy, to oversee the national response to climate change and the implementation of energy efficiency programmes and standards
- the establishment of a low greenhouse trigger in the Environment Protection and *Biodiversity Conservation Act 1999* (Cth), ensuring Federal oversight of developments which are liable to have a significant impact on domestic or global greenhouse emissions
- to ensure that renewable electricity provides 30% of national demand by 2020 by increasing the renewable energy target (RET)
- to transfer subsidies and government support, including R&D funding, from fossil fuel sectors to energy efficiency and renewable energy
- to adopt the precautionary principle in relation to CCS by opposing public funding, and ensuring that companies are financially responsible for CO2 risk leakage, and
- amending the fringe benefits tax to remove the incentive to increase vehicle use.

Full details can be found at <<http://greens.org.au/policies>>

KEY INDEPENDENTS

The events following the 21 August 2010 Federal election meant that three key independent MPs, Tony Windsor, Bob Katter and Rob Oakeshott played a key role in the formation of a minority government.

Bob Katter earlier provided his 20-point policy list to the two major parties. Included were his opposition to the mineral resources rent tax and an emissions trading scheme. The list also included the creation of a National Energy Grid facilitation resource along with clean energy resources, the removal of tax on Australian-produced bio-fuels and the introduction of a statutory 10% bio-fuel (ethanol) content in all petrol rising to 22% and government provided solar hot water systems for the older generation to counteract the increase in energy costs.

Tony Windsor, in an earlier media release, stated 'governments are now lagging way behind the public sentiment for sustainable energy resources and that now as the time to actually legislate to create an all inclusive energy industry.' In relation to Murray Darling Basin irrigators' water allocations, Mr Windsor earlier called for the release of the draft Murray Darling Basin plan. The plan is likely to call for large cuts to irrigators' water allocations.