



## **Submission Cover Sheet: Clean Energy Legislative Package**

### **Overview**

This submission cover sheet should be used to provide comments on the Clean Energy Legislative Package.

### **Contact Details**

<b>Name of Organisation:</b>	Climate Change Australia (Clarence)
<b>Name of Author:</b>	<b>Claire Purvis</b>
<b>Phone Number:</b>	0423 747 468
<b>Email:</b>	clarenceclimate@yahoo.com.au
<b>Website:</b>	www.climatechangeaustralia.org
<b>Date:</b>	22 August 2011

### **Confidentiality**

All submissions will be treated as public documents, unless the author of the submission clearly indicates the contrary by marking all or part of the submission as 'confidential'. Public submissions may be published in full on the Department of Climate Change and Energy Efficiency website, including any personal information of authors and/or other third parties contained in the submission. If any part of the submission should be treated as confidential then please provide two versions of the submission, one with the confidential information removed for publication.

A request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.

**Do you want this submission to be treated as confidential?**       Yes       No

### **Submission Instructions**

Submissions should be made by **5pm on Monday, 22 August 2011**. The Department reserves the right not to consider late submissions.

Where possible, submissions should be sent electronically, preferably in Microsoft Word or other text based formats, to the email address – [cleanenergybills@climatechange.gov.au](mailto:cleanenergybills@climatechange.gov.au)

Submissions may alternatively be sent to the postal address below to arrive by the due date.

Carbon Price Legislation Branch  
Carbon Strategy and Markets Division  
Department of Climate Change and Energy Efficiency  
GPO Box 854  
CANBERRA ACT 2601



# Climate Change Australia

**Clarence Branch – 4 McClymont Place Grafton, 2460 NSW**

Carbon Price Legislation Branch  
Carbon Strategy and Markets Division  
Department of Climate Change and Energy Efficiency  
GPO Box 854  
CANBERRA ACT 2601  
Sent by email: [cleanenergybills@climatechange.gov.au](mailto:cleanenergybills@climatechange.gov.au)

Dear Sir/ Madam

Climate Change Australia engages with local communities on mitigation and adaptation strategies for climate change. We also engage with local, state and federal Government on climate change initiatives.

We are pleased that the Federal Government is committed to legislating a price on carbon, and we support the Clean Energy Futures package. Our members have promoted the package through local media. Living in a coastal floodplain/hills region with high biodiversity and a large farming population, Clarence Valley residents have much to gain from climate change action, and much to lose from inaction. Floods, storms, and bushfire are of present concern. Species decline and loss of agricultural productivity due to temperature-related ecological changes need to be averted now if we are to maintain environmental, economic and social health.

In particular, we support the initial three-year fixed price of \$23/tonne increasing by 2.5% per year in real terms, and the subsequent 3-year carbon price floor of \$15. We also support the 2015 emergency cap of 38Mt. As the scheme will not be budget neutral, it should aim as high as possible to ensure its value and effectiveness.

We offer the following comments to point to areas where we believe the package could do more, if there was greater Government confidence in community support for a price on carbon.

## **Transport**

We note that rail fuel will be subject to a carbon price. This may produce the unintended outcome of passenger and rail freight becoming less viable to the extent that state governments cease supporting this mode of transport. We wholly support the inclusion of aviation in the carbon price mechanism. However, this may result in more people travelling by car, shifting the emissions to a sector which is excluded. We would prefer to see rail fuel excluded from the carbon price, and the excise for private-use fuel phased out cent-by-cent over three years, combined with a subsidised, improved regional passenger rail system. An alternative way to reduce private car use is to work with states to charge a levy based on actual kilometres travelled, linked to car registration (which shows odometer readings.)

## **International permit trading**

We note that up 50% of a liable party's compliance must be met through domestic permits up until 2020, after which the Climate Change Authority reviews the allowable international trading proportion. The disparity between Australia's medium and long term targets mean that by far the greater part of our carbon reduction efforts will have to occur after 2020. While all attempts can be made to ensure the credibility of international schemes, it would be unfortunate if, in the rush to meet our long term target, we met our compliance obligations through non-credible permits. This could be exacerbated by the ending of the carbon price ceiling and floor in 2018. The pace of the scheme is wrong – it postpones the greatest reductions until later, when there are fewer safeguards.

As noted above, the ceiling and floor price for carbon concludes in 2018. Up until then, if the international permit price falls below the floor price, there will be a charge on international permits to make up the difference. We are concerned about what will happen in this scenario after 2018. It would seem that the post 2018 phase could introduce uncertainty and possible market tumult.

### **CEFC**

We note the Clean Energy Finance Corporation is not included in the current legislation. When that legislation is drafted, we hope investment mandates concentrate on energy sectors other than fossil fuel industries currently receiving assistance.

### **Closure of some coal generators**

We also note the proposal to fund the closure of 2000 MW of highly emissions-intensive generators is not included in the legislation, money being held in the contingency reserve. We will be watching to see whether this becomes a reality.

### **Education**

We hope the scheme's information and education programs are able to provide people with a clear indication of which goods have become more expensive due to the carbon price, so they can avoid those goods.

### **Aluminium**

It is not clear why perfluorocarbons from aluminium smelting are proposed to be excluded from the carbon pricing mechanism, and also excluded from an equivalent carbon price using import and manufacture levies under the Ozone Protection and Synthetic Greenhouse Gas Management legislation. This is not supported.

### **Biodiversity**

We support the allocation of funds to biodiversity protection. The list of prescribed measures that the Board can advise on (Climate Change Authority Bill s62.1a) should include biodiversity conservation and ecological priorities.

Thank you for the opportunity to comment

Claire Purvis (Treasurer)  
Climate Change Australia (Clarence) 22/08/2011