

Householders urged to buy permits as industry gets handouts Householders urged to buy permits as industry gets handouts

Jennifer Macey

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PETER CAVE: Householders are being encouraged to play a greater role in the carbon pollution reduction scheme as part of the changes announced yesterday by the Federal Government.

It has set up a pledge fund where householders can record their energy efficiency changes on a website.

And the second - the carbon trust fund - allows people to buy permits which are then removed from the market, making fewer available for industry.

But experts say that the voluntary measures by individuals simply let the larger polluters off the hook.

Confused? Jennifer Macey explains.

JENNIFER MACEY: Over the past 10 years Trevor Berrill, a sustainable energy expert in Queensland, has made some significant renovations to his house.

TREVOR BERRILL: We've changed appliances to be the most energy efficient star rating. We've put in additional insulation and shading into the house.

We've put a solar water heating system on the house and a photovoltaic power system, both of which went in in about 1999-2000.

And then we've also put in rainwater systems and greywater recycling, and low-flush or water efficient appliances.

JENNIFER MACEY: He says most of the changes were made before he was eligible for many of the Government subsidies for renewable energy or energy efficiency savings.

But he says it still makes sense economically.

TREVOR BERRILL: Roughly, it's about \$25,000 of investment, which is similar to renovating a kitchen or a bathroom in many cases, and it provides a return on investment of between \$1,500 and \$2,000 per year through water and energy savings.

JENNIFER MACEY: Now the Government has put up another \$75-million for householders and businesses to become more energy efficient.

Under the new system, the general public can choose to either buy carbon credits with their own money, or buy credits via points they get for making energy efficiencies in their homes.

These credits are then retired from the market, reducing the amount left for big polluters to purchase.

Trevor Berrill welcomes the energy efficiency savings pledge fund.

But he's worried that businesses are still getting a bigger helping hand than individual householders.

TREVOR BERRILL: It still seems to me that it's unfairly weighted towards the big polluters, that we're giving them more and more money to make changes, which is effectively taxpayers' money.

JENNIFER MACEY: Andrew Macintosh is the associate director of the ANU Centre for Climate Law and Policy.

He asking individuals to pay for emission cuts while big polluters are given \$3-billion worth of free permits is inherently unfair.

ANDREW MACINTOSH: Yeah, well say the individual is concerned about climate change, they go out and buy permits or give money to this fund and then the fund retires permits.

Now what's happening there is that individual is basically paying for benefits, the benefit being a reduction in possible climate change, and they're carrying the can for others.

In a more equitable scheme it's the polluters who would be paying for reductions, but under this idea it's actually not - it's going to be the individual who's concerned about climate change who gets taxed for that concern.

You're the one who's going to be picking up the majority of the bill for these reductions.

JENNIFER MACEY: And he says this carbon trust fund will make little difference to climate change.

ANDREW MACINTOSH: As a practical matter, it's simply not believable that individuals are going to be able to raise enough funds to make a noticeable difference.

For example, in order to get a 2 per cent reduction in Australia's emissions, individuals would have to raise over \$300-million a year which is clearly beyond the realms of the possible.

JENNIFER MACEY: But there are supporters of the changes announced yesterday.

Andrew Randall is the managing director of Jackgreen which sells green electricity.

He says for the first time green power is being calculated and the overall target adjusted accordingly, making it more stringent for industry.

ANDREW RANDALL: Let's say green power customers reduce the amount of emissions by 5 per cent, OK?

Then the actual cap will accept that green power has reduced 5 per cent, and they will take that out of the system.

The way it, without recognising that, if you had a, let's say we've got a cap of 25 per cent, if you're already saving 5 per cent from the green power customers and there's no recognition of that, then effectively industry can only need to reduce by 20 per cent, ok.

But once that 5 per cent gets taken out as well as, on top of the 25 per cent reduction, then the industry will have to reduce by the effective 25 per cent.

JENNIFER MACEY: Yet there's still uncertainty about how this green electricity will be recognised under the scheme.

Rob Hawthorn is the managing director of the Carbon Reduction Institute, which certifies business who are voluntarily addressing climate change.

He says any voluntary actions by households or business should be on top of the Governments overall target.

ROB HAWTHORNE: Except for that you're not actually making any difference to climate change.

So if you as an individual believe that you're making a difference to climate change, you're not.

If you do that action, or you don't do that action, the emissions reduction will occur anyway.

And the risk is that ultimately you free up permits for those who care less about the environment.

PETER CAVE: Rob Hawthorne, the managing director of the Carbon Reduction Institute, ending that report from Jennifer Macey.

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