

**Response from Bishop George Browning, Chair,
Anglican Communion Environment Network
to
Final Report of the Prime Ministerial Task Group on
Emissions Trading**

The existence of the Task Group and its report are a source of encouragement. Australia must play its part in reducing the effects of human induced Climate Change. However, does the report take us where we need to be taken? Are its underlying assumptions correct?

1. Introduction

There is a truism that where we start dictates where we shall end. The Task Group report states that the Task Group has sought to take a balanced view of the challenges. Two threshold decisions were needed, namely:

1. "...whether Australia, which makes only a very small contribution to the world's emissions of greenhouse gases, should commit now to a longer-term emissions constraint ahead of a comprehensive global agreement" (page 5)
2. "...the emissions reduction mechanism to which Australia should commit." - the answer being - "...the most efficient and effective way to manage risk is through market mechanisms..."(page 6)

2. Australia's significant contribution to global emissions

It is tragic that the Task Group should base its argument about Australia's moral responsibility on our gross emissions rather than our emissions per capita. Comparatively, Australia has a very small population and therefore our total emissions are quite small as a percentage of global emissions; but that is to entirely miss the point, per head of population our emissions are the highest in the world, with the probable exception of the United States of America. The two countries that, per head of population, are the worst polluters have been the countries that have steadfastly refused to be part of the global conversation. It is arrogance on the part of we Australians that we now dare to say we have something to contribute to the rest of the world in terms of environmental strategy, nay even environmental morality, when we have refused to come to the Kyoto table and when each one of us, by implication of our actions, expects the rest of the world community to bear a disproportionate cost of our carbon emission profligacy. China, with a fifth of the world's population, has the "right" to emit a fifth of the world's greenhouse gases; in fact their figure is of course substantially less than this in gross terms; and in gross terms as well as in per capita terms is still less than the emissions of the USA, despite a population base many times the size.

3. An unregulated Market cannot be the mechanism

The report places undue reliance on the market as the mechanism of choice, when it is clear that an unregulated market is a large part of the problem. We expect the market to minimise its costs and maximise its profits; to increase its share; to pay a dividend to its shareholders; to seek advantage which by implication means a lesser advantage to others. It is not the role of the market to place a value on the needs of society. The

market can do its task in a regulated environment, when the needs and expectations of the wider community are made known. This report is very reluctant to recommend the necessary regulatory environment through caps and targets. We will commence serious actions to overcome this, the greatest challenge of our time, when we agree to be citizens together of a common planet and a single world community. The situation we face requires of us that we reduce our aspirations, that the planet continue to breathe and we continue to live in justice, equity and peace with one another. The role of an unregulated market is to increase demand, not reduce aspirations.

4. Emissions Trading needs caps, targets and carbon pricing

We might be told by the Minister for the Environment that we are greatly respected overseas for the stand we are taking on climate change, but it is simply untrue; the reality is we have dragged our feet when the very advantages we enjoy should have enabled us to take the lead. So far we have squandered this opportunity and the present report gives no assurance that we are likely to make up ground any day soon.

The Task Group report focuses on emissions trading as the way forward. Emissions trading is part of the way forward, but unless it is part of an overall strategy which includes clearly mandated targets, and an equally clear carbon price, it will not bring about the changes we need. Indeed, emission trading on its own could conceivably reward the worst polluters. Those who have already done the hard work in reducing their emissions will have little to trade; those who are considerable polluters will have much to trade. How will such trade be audited? It is essential that those who are the worst polluters pay the price of their pollution; unless or until they do we do not have a level playing field in a climate changed world. Why is a carbon tax so summarily discounted in the report? Surely the worst culprits should be taxed, how else will their accustomed behaviour be encouraged to change. The market does not itself weed out harmful behaviour, indeed the market has historically been very generous to many who have behaved very badly in a range of industries. The cost of harmful behaviour in a world of escalating climate change is too costly for any of us to bear. In other fields, harmful behaviour has been severely penalised. Lead in petrol was not left to the market's discretion, nor was cigarette advertising, nor was drink driving, nor was gun control, arguably the Prime Minister's greatest triumph. The fact that carbon emission is harmful behaviour on a global scale does not make it any less necessary to regulate.

5. Which economy needs protecting?

The Task Group makes much of the need to maintain economic growth. The economic indicators have been well publicised. It is clear that even with a 60% reduction by 2050, we can still expect a more than healthy economic growth, indeed one can strongly argue that if we don't take immediate action, designed to keep the mean global temperature rise to approximately two degrees, the economic cost will be substantially greater than the estimated cost of bringing the climate under control. In the politics of fear it is those who predict economic doom who are the culprits, not those who advocate emissions reduction in order that future generations might enjoy a sustainable world. Worse, such spokespeople are not simply peddlers of doom, but of short term self interest and greed. Professor Steve de Gruchy of the University of KwaZulu-Natal speaks of the *great economy* and the *big economy*. The great economy being the economy generated by the mutual interdependence of all living things on the face of the planet. The big economy on the other hand is that economy

which exploits the great economy. We need leadership from government which will work to protect the great economy, and regulate the big economy so that it does not destroy the source of its wealth. The market is the tool of the big economy, human behaviour which is motivated by the common good will be the guardian of the great economy.

6. Regulation must be globally mandated and economically enforced.

The report indicates that it does not expect a global approach to climate change any time soon; therefore individual nations need to develop their own approach. This is of course laudable, in the same way that Australian States and Territories have attempted to develop their own approaches in the absence of a workable strategy from the Federal Government. In the last few days we have heard a little more of China's strategy, which on the face of it sounds far more comprehensive than that of Australia. Nevertheless, the aim should be a fair and just international strategy to which all nations are partners. This will only come about if such a strategy emanates from a genuinely international forum, not a forum created by a few economically rich countries who wish the strategy to be written on their terms. It will also come about when industrialised nations with considerable economic advantage take steps to put their house in order before lecturing the less industrialised countries of the world. In the end, an unfair advantage cannot and should not be maintained. We constantly hear of the need to protect Australia's economic advantage. If the advantage is legitimate, we should seek to maintain it, but if it is not legitimate we cannot morally defend it. The advantage of white people in South Africa was maintained by the apartheid policy; it was illegitimate and could not be defended. A small nation with the largest per capita emissions is a nation with an illegitimate advantage which cannot and should not be maintained.

7. Neutrality in theory: bias in reality

The report speaks of neutrality towards low emissions technologies allowing the market to choose the least cost solutions. This recommendation seems to fly in the face of reality, where our Government's stated position is far from neutral, it has a stated preference for a nuclear and "clean coal" future. In all utterances of the Prime Minister and the Minister for the Environment any mention of renewable technologies always comes a distant third, if mentioned at all; and yet, with the same Government promotion given to nuclear and clean coal technologies, renewables would be able to provide Australia's energy needs safely, sustainably, and in a much shorter time frame than nuclear or clean coal (10 – 15 years).

8. Lord make me penitent -but not yet!

There is little indication in the report that there is a clear understanding of the urgency of the situation. The Prime Minister has recently said the world is not going to end any day soon. How true. However, some people's worlds have already come to an end. There has been an acceleration of the loss of the diversity in both plant and animal species that humanity depends upon for our very survival. The changed environmental situation has already caused hundreds of thousands, if not millions, of environmental refugees; their world has already come to an end. Even in Australia, a changing climate has made the continuation of life, as some in the rural community have known it, to have come to an end. Indeed we understand that come July, life for many in the Riverina will come to an end unless there is very substantial rain in the next few weeks.

Of course the world will not come to an end. For those in leadership who are baby boomers or older, the majority who currently hold power, they can safely assume they will collect their superannuation and live a reasonably comfortable retirement; but what of those of generation Y and younger, what is their future? We know we can do nothing about the carbon that is already in the atmosphere. A temperature rise of two degrees is almost inevitable, but need it be more? What are the consequences of it being more, what is our response to the morality of those causing the problem not paying the account? There is considerable urgency, it is simply not good enough to put off targets and in their place develop strategies whose primary goal appears to be the protection of polluting industries rather than development of clean ones.

9. Less is more

There is little if anything in the report that encourages emissions abatement by reducing demand. The more prosperous an individual the easier it is for them to make choices that reduce their own footprint, perhaps even achieve carbon neutrality. Where in the report are proposed incentives to greatly increase renewable energy on the grid? Without such a signal, investment will not be made and without investment green energy will not be provided. Where in the report are incentives for consumers to use renewable energy, to produce their own energy, or to invest in mitigating strategies that reduces the need for either heating or cooling? Where are the incentives to phase out known polluting technologies such as electric hot water systems, or where are the incentives for every new household to produce a proportion of its own power needs, at least equivalent to its own heating and cooling energy consumption? Where is the market incentive to produce low emission motor vehicles, perhaps to match the incentives now in place in Europe? It is one thing for folk to enter a voluntary carbon trading scheme by purchasing forest seedlings with every litre of petrol bought. It makes much more sense to purchase far less fuel in the first place.

10. It is the economy – stupid – or is it?

There is very little in the report which encourages one to believe that its writers have really understood that this is not simply an economic problem, it is a moral challenge requiring all humanity to be part of the solution. We cannot say we did not know: every day news outlets confirm what we know, climate change is a reality and the human footprint, if not the only cause, is the primary cause of the dangerous escalation. All human beings, especially those who enjoy prosperity, are part of the problem, the question is, do we want to be apart of the solution? Up until now there has been little official sign that Australia and its citizens have any desire to be part of the solution. Our transitory prosperity is too attractive and the size of our credit card debt, together with our mortgage, too frightening.

11. Is environmental responsibility a “new religion” or the old religion finding its voice

Since the release of the report, the Minister for the Environment has pejoratively said that folk who press for real action to mitigate the serious effects of the human footprint are religious zealots following a new religion. It is a great pity he does not understand the “old religion”. Christianity, the life and teaching of Jesus, condemns a world in which the poor pay the bills for the rich, it condemns a world in which the children’s heritage is squandered through self interest and greed, it condemns a world

in which the integrity of creation is ignored. No, this is no new religion; it is the old religion daring to exercise its voice.

The truth is, if we make conscious decisions to be part of the solution we will find the lifestyle changes add to our quality of life and contribute to a world in which we might dare to trust our neighbour once again.

Bishop George Browning
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