

The Climate Institute
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Disappointing Budget to stand witness to rising Australian pollution

“This is a disappointing Budget on the back of a deeply disappointing delay of the Carbon Pollution Reduction Scheme,” said John Connor CEO, The Climate Institute.

“This Budget and CPRS delay combined will see Australia’s pollution rising at a time when it should start falling. This will make it tough to see Australia getting pollution below 2000 levels before 2020 let alone meeting the politically binding commitments made here and abroad of a 5 to 25 per cent reduction off 2000 levels by 2020.

“There is welcome funding for renewable energy, energy efficiency and a downpayment on financing commitments to invest in global solutions but it falls short of the investments and directions needed to put Australia on track to pollution reduction targets, to pollution reduction at all, or to drive the needed scale of investments in clean energy and pollution reduction.

“There is no escaping the need for mechanisms like emissions trading which make companies take responsibility for their pollution. This is the best way to unleash medium to long term investments in clean energy and pollution reduction technologies and substantial revenue for households and businesses.

“Delaying the CPRS will cost Australians with increased electricity costs that come from the investment uncertainty clouding power generation decisions. Delay will cost those businesses wanting to invest in clean energy and pollution reduction. And delay will tax global efforts to tackle climate change.

“The Budget papers state that the full cash benefit of the CPRS deferral has been put into a contingency \$652.5 million fund for as yet undeclared renewable energy and energy efficiency. This is welcomed as The Climate Institute and others work assisting the Energy Efficiency task Group and its mid year reporting deadline, but it is still unclear whether this will be sufficient for its recommendations, let alone extra assistance to help us deploy a full portfolio of renewable energy technologies by 2020.

“This ‘Renewable Energy Future Fund’ needs to come with swift passage of amendments to renewable energy legislation to fix problems which have stalled the estimated \$20 billion private investments in renewable energy which we call on all parties to support.

“It appears that there is a substantial downpayment on our financing responsibilities investing in solutions in developing countries with \$335 million additional money, but this remains short of the at least \$450 million that would represent our fair share of commitments made with world leaders.

“It also appears however that Australia will turn up at November’s UN meeting in Cancun with empty pockets for this coming financial year and promises of this money in the forward estimates from mid 2011 only, a position unlikely to be helpful in boosting global ambition and efforts.

“There is also no move on commitments made at the G20 to remove subsidies to fossil fuels including those in company car fringe benefits and fuel rebates. This represents not only more bad form in not honouring global commitments, but lost opportunities for redirecting this revenue to help speed Australia’s efforts to reduce pollution and grow jobs in clean energy and pollution reduction industries.

“This budget should have represented a turning point for Australia’s polluting and inefficient economy, setting us up to be more productive and competitive in the emerging global clean energy economy estimated to be worth \$200 billion this year and rising fast. Unfortunately, apart from a few positives, it will stand witness to Australian pollution levels continuing to rise at a time when they should be falling, concluded Mr Connor.