Submission – Draft Climate Change Action Plan
Submitter: Chris Harries

Thank you for the opportunity to submit to this process. I have had a keen interest in energy policy and climate change issues over several decades. In partnership with government and non-government agencies, I have played a significant role in educating Tasmanian households on their energy consumption issues, including awareness of costs and opportunities to save energy. I have also been a member of the former Tasmanian Climate Action Council, which investigated and reported on a host of climate change policy issues as part of its chartered role.

Drawing on these experiences, I wish to make some comments first about context, followed by some direct responses to the questions raised in the Draft Strategy.

Important context considerations

1. Overtaken by events.

The Draft Strategy was published in mid December, just prior to a series of negative climate related events taking place – serious bushfires, evacuation of iconic Cradle Mountain in the midst of the tourist season, burning of approximately 2 percent of Tasmania’s fragile Gondwana vegetation, mooted loss of CSIRO jobs, diseases in oyster fisheries, record low inflows into Hydro Tasmania’s storages and the breakdown of Basslink.

This unprecedented set of events probably warranted the Draft Strategy being recalled and re-issued – because some of the government’s immediate responses to those crises will impinge on longer term responses to climate change that the government is seeking. This is particularly true of significant capital that is sunk into short-term emergency measures.

However, the energy emergency of this Summer does serve to highlight that Tasmania’s traditional complacent and reductionist approach to energy matters is very costly in the long run. It’s a ‘wake-up’ lesson that needed to be learned across the board.

2. Up beat analysis

Through the Draft Strategy the Government clearly wishes to present an up-beat analysis of Tasmania’s carbon emissions profile, including out ability to deal with climate impacts and the opportunities for us to gain economically from a changing world climate. This optimism is politically understandable but it unfortunately tends to reinforce and lock in a culture of complacency that generally pervades Tasmanian society and bureaucracy regarding these serious issues.
On the issue of adaptation, for instance, UTAS ecologists presenting at a post mortem forum on the bushfires issue concluded that Tasmania’s 150 million year old Gondwana habitat may well not survive the coming century under forecast climate change scenarios – and, even more saliently, this outcome may not be preventable by government action. This rather shocking likelihood alone should alert the Government to other possible unforeseen impacts that may yet come to light.

‘Embracing the Climate Challenge’ is the fourth climate action strategy published by successive Tasmanian governments in the past eight years. Though this Strategy is touted as being a five-year plan, in all likelihood a possible change of government at next election would see it thrown out and yet another strategy presented by an incumbent new government.

I submit that by far the most important outcomes of this process should be a realization that a meaningful climate policy must have durability beyond the term of any one government. Ideally the politics needs to be removed from this issue and a bi-partisan approach taken up by the political system.

In any event, as far as possible, initiatives that are written into the strategy need to have statutory permanence. A five year plan is of little benefit unless the plan itself, including its policy initiatives, are embodied in law – presumably in the Climate Change Act.

In addition to this there needs to be an audit of all existing Tasmanian statutes with the intent of incorporating climate change into relevant decision making processes, particularly amending the RMPS planning and pollution control bank of legislation in this respect.

Tasmania – with much of its economy built around renewable energy and its high value natural assets – stands to gain more than any other state from national climate policies that reward low carbon power generation. It can also be seen to be futile for states to pursue strong climate agendas if these efforts are undermined by a weak and unsupportive federal response.

We should be joining with South Australia in using our status as a state of the federation to strenuously lobby for the reintroduction of a suitable national emissions trading scheme. This should be argued on the grounds that Australia can not meet the COP 21 agreements without strengthening national economic policy instruments.

Tasmania has had to grapple with significant losses in revenue as a result of the national carbon price and the Renewable Energy Target. However, this won’t be the end of the story. National climate change policy is certain to remain volatile and therefore will remain one of the major fault lines that must necessarily impact on energy policy contingency planning in the coming twenty years.
5. Fixation on electrical energy

Owing to the high profile of dam building in Tasmania’s history, energy debates in this state invariably fixate on the electricity sector, despite the fact that electricity consumption represents a mere 40 percent of the state’s overall primary energy consumption. The liquid fuels sector is habitually dispensed with in a few paragraphs, usually on the grounds that Tasmania is a ‘price taker’ and therefore can exert little control over prices. This is despite the fact that transport fuels impose a larger burden on households’ finances than does electricity. The same holds true for many small Tasmanian businesses.

I submit that this relegation of transport energy is not logical and seriously detracts from the integrity of climate change policy in Tasmania. With regard to energy demand management and potential for business and household cost reductions there are as many policy opportunities in the liquid fuels arena as there are in the electricity arena. The state has control over many agencies and legislative and educational opportunities to influence liquid fuels policy and impacts on the Tasmanian public.

In this context, Tasmania’s oft quoted aim of supplying 100 percent renewable energy is very tenuous and misleading. In real terms Tasmania supplies approximately 45 percent of its primary energy from renewable sources (hydro, wind, solar and firewood). All of our transport fuels are imported and this represents the greatest component of our carbon emissions profile, aside from land issues.

Addressing transport emissions and the cost of fuel imports to the state is frequently described as ‘too hard’ because the architecture of our cities and highways are seen to have locked us into a pattern of development that is now inescapable and self-fulfilling. Overcoming this major hurdle boils down to simple questions of money and political will. Year in and year out, the vast amount of Tasmania’s discretionary spending (i.e. over and above essential health and education spending) is allocated to transport infrastructure that locks us further and further into non sustainable transport patterns.

This pattern is no longer a given. Infrastructure Australia guidelines and also explicit messages coming from the federal government that the nature of infrastructure expenditure must change in the interest of rendering our cities and towns more sustainable.

6. Uptake of micro / medium scale power protects Tasmania from insecurity.

The government’s *Energy Issues Paper*, issued a year ago, correctly noted in its introduction that diversification of Tasmania’s energy supply has reduced Tasmania’s vulnerability to debilitating drought. Whilst this is true, non-hydro capacity to date amounts to less than 10 percent of the state’s renewable energy supply. I submit that the resilience of the system would rely on this being built up to approximately 30 percent of generation (annual yield).
There is a strong philosophical divide (within the energy sector as well as in the broader community) as to whether Tasmania should aggressively aim to be a major player in the NEM (as a potential major exporter of renewable energy), or whether it makes more economic sense to focus primarily on servicing the state’s needs.

This issue represents another major opportunity-versus-risk faultline, owing to high investment cost in transmission infrastructure and the unpredictability of the national market.

The Draft Strategy does not project a matrix of possible scenarios (disruptive or opportune) or even the notion of scenario planning. The possibility of a bulk electricity user closing down would fundamentally alter Tasmania’s carbon emissions profile and the business case with regard to the Basslink 2 project, for instance.

Even under this scenario some commentators offer that it would be more sensible, and less risk prone, for Tasmania to energetically pursue new high demand industries, such as call centres, to absorb surplus load whilst providing maximum advantage to the broader economy.

Meanwhile, if climate change predictions hold true, permanent low inflow into hydro-electric impoundments must be ranked as highly likely.

This high level risk should be seriously taken into account in scenario planning. So long as Hydro Tasmania’s long term average yield represents less than 100% of Tasmanian total electrical demand then the cost of imports from Victoria need to be weighed against the cost of facilitating new renewable power supply capacity – even if we were to ignore the moral imperative of responding to climate change.

7. Energy policy must address energy security.

There is a strongly held view, held by successive governments, that because the Basslink interconnector acts as a hedge against future drought, Tasmania is not advantaged by adding any more to the state’s renewable energy capacity.

The present and former government administrations held on to this view strongly, adding further that the government would be detrimentally undermining its own energy businesses if it facilitated new private power generation. The current energy crisis belies this position.

I submit that this economically regressive view needs to be reconsidered on seven grounds:

1) The capital costs of rooftop solar and business / farm based small generators is covered, thus alleviating government and the utilities from capital expenditures.

2) In the light of the government’s express purpose – to build the economy – the micro generation industry ha been a rapidly growing industry sector in itself, employing significant numbers of electricians and installers in regional areas.

3) The Government’s efforts to build the economy and Tasmania’s population, if successful, is likely to result in the need to augment augmentation of electricity supply.
No energy growth hints at a lack of confidence in government regarding its economic plans.

4) Householders and businesses are now keen players in the energy field and this bodes well in future as the state faces various risk and opportunities. In the nation’s weakest economy it is only sensible to encourage low-income households and marginal business to defray their energy costs.

5) The return of drought conditions has resulted in a shortfall of supply from existing power supply installations.

6) In the event that a second Bass Strait interconnector becomes viable and Tasmania becomes a base load supplier, then an augmentation of renewable energy supply will be vital to justify its existence.

7) Though perhaps not a priority of government, Tasmanian householders feel that they are playing a tangible and responsible role Tasmania’s climate change mitigation efforts and want those efforts to be appreciated, not undermined.

For all of the above reasons – especially in light of recent events – it is prudent to encourage and facilitate private and community based power generation where sensible. In the current climate it is imperative that the above benefits are not discouraged via regressive and / or discriminatory pricing policy or regulation.

The Draft Strategy places much emphasis on economic growth modeling that matches the state’s low carbon brand.

In order for such an economic strategy to be authentic two issues need to be taken into account. Firstly, it is not feasible to totally decouple economic and population growth from growth in energy supply needs and commensurate carbon emissions. Therefore the Climate Action Strategy needs to project future growth patterns into its abatement measures.

Secondly, it is somewhat disingenuous to try to attract new business on the grounds of Tasmania’s renewable energy profile when the state has none to spare. In reality, so long as Tasmania is a net importer of power, then our marginal power supply comes entirely from Victorian coal power stations, and this is where any additional industrial demand would be met.

Thus, whilst supporting the general thrust of low carbon branding, until such time as the state achieves greater than 100 percent electricity self reliance promoting such a strategy will be seen to be somewhat hollow. (Tasmania does have the virtue of possessing a wide range of natural assets and these can be authentically and more honestly promoted as part of natural brand that the state is already famous for.)
Responses to questions raised in the Draft Strategy

Question 1: What practical actions should we prioritize over the next five years in our response to the issue of climate change?

- Engage an expert economist to quantify the economic losses that Tasmania is suffering from, and may suffer from, as a result of existing and forecast climate changes. [By way of examples, the financial loss to the Hydro Tasmania as a result of dwindling water in-flows and reduced long term generation capability of its system, loss to Tasmania as a result of snow skiing being no longer viable and the loss to fish farming enterprises as a result of sea temperature increases.] Such an exercise is necessary to help build community awareness and overcome the general complacency factor that inhibits a healthy community response to climate change.

- As far as possible embed climate mitigation and adaptation strategies and policies into government statutes, regulations and other processes that last beyond the term of any single government. In particular, the five year revolving Climate Action Plan should be incorporated into the 2016 reforms to the Tasmanian Climate Change (State Actions) Act.

- Recognising that local governments have a major role in urban design, transport planning and many other climate related functions, coordinate a high level role in helping statewide coordination so that councils can take up best practice and learn from each others successes.

- Local councils should be encouraged and empowered to take on the role of becoming local generators, using their significant roof spaces and close community connections to facilitate community based power networks.

- Determine a timetable for implementation of the mooted northern suburbs light rail corridor project.

- Enable Tasmanian power utilities to take up equity partnerships in new distributed energy projects, such that the public utilities are not prejudiced by competition, rather they play an active part in electrical industry and distribution reform.

- Utilities (public and private) should be required to accept power inputs on offer from small scale generators, including rural properties, subject only to a requirement that the local grid is capable of accepting the additional load in that area.

- Restore an attractive incentive in the feed-in tariff structure, accepting that diversity of electricity supply is cheaper in the long run than are costly drought mitigation measures and accepting that private investments in power supply benefit the resilience of the state’s power system without the government having to invest in them directly.

- Ensure that provisions in the State Climate Strategy are not undermined or compromised by other processes of government, such as development of major infrastructure projects that cause undue increases in carbon emissions or climate impacts. Again,
this requires a whole-of-government rather than piecemeal approach to climate change issues.

• Accepting that there is a low general awareness in the public and business sectors with regard to their transport energy footprint and transport energy costs, focus on building community awareness via a comprehensive education program.

• Accepting that the Climate Futures project has been a valuable guide, it is now dated and planning for the future needs to take into account new information about trends in climate change and impacts. Therefore, commit to publishing an update within the next two years by inviting the science community to feedback on the existing documents.

• Tighten up on home inspections so that newly built homes do actually comply with building code Star Ratings.

• Uptake of electric vehicles will primarily be market and consumer driven, whilst the private sector can be expected to develop recharging facilities. The greatest role that state government can play in the short term is to promulgate a local retail market by purchasing as many EV vehicles in government fleets, being aware that sell-off of fleet vehicles constitutes a major slice of future car sales.

• Don’t confine transport initiatives to electric vehicles, as many commentators do, because this popular focus tends to obscure the many other policy instruments that state government can take up to promote lower impact travel.

• In the next five years, focus strongly on inner city housing in our major cities, this being one of the most immediate and valuable strategies to get number of cars off the road whilst, at the same time, improving the affordability of low income people and families.

Question 2 - What targets, both legislated and policy driven, should Tasmania adopt in pursuing our greenhouse gas abatement effort?

Aspirational targets can be very helpful in engaging community imagination and awareness of possibilities.

• **Aspirational Target 1**: Aspire to attain 50 percent of all Tasmania’s primary energy usage to be obtained from renewable resources by 2020. Such an ambit target will help to embed greater awareness of our generally forgotten transport energy component.

• **Aspirational Target 2**: Reduce imported liquid fuels by a set annual percentage, with the aim of eventually achieving a thirty percent reduction by 2030.

• **Aspirational Target 3**: Breakdown Tasmania’s blanket 2050 emissions abatement target to interim five-year abatement targets to coincide with five year Strategy Plans. [This aim is viable only if the wildly erratic and distracting land use component is set aside from other abatement trends.]

• **Aspirational Target 4**: Build the proportion of non-hydro renewable energy to a target of 30 percent of general load by the year 2025.
• **Aspirational Target 5:** Initiate a range of targets that relate to changes in transport behaviours, aiming to build a steady measured increase in active transport modalities.

• **Aspirational Target 6:** Promote an aspirational plan to improve the star rating of existing Tasmanian homes to at least 4-Star performance. Initiate this progressively by engaging with the industry leaders and assessing existing housing stock by sample auditing.

• **Aspirational Target 7:** Aim to double the uptake of rooftop solar on Tasmanian homes from 35,000 to 70,000 within five years or a target of 100,000 homes where solar hot water is also included.

**Statutory targets are necessary to ensure that climate policies extend beyond single terms of government and to ensure that agencies attend to their compliance obligations.**

• **Statutory Target 1:** Mandate that at least 20 percent of major infrastructure and roads funded via the state budget must be allocated to genuine projects that improve the livability and carbon footprint of our cities, including active transport and public transport initiatives.

• **Statutory Target 2:** Aim for 100 percent legislated carbon reduction by 2050 (based on 1990 levels) accepting that some emissions are inbuilt but can be ameliorated via negative emissions and sequestration in other economic sectors.

• **Statutory Target 3:** Legislate transitional targets to coincide with the end of each five year Climate Action Plan.

• **Statutory Target 4:** Legislate for sectoral targets for the state’s main economic sectors for which carbon emissions are already monitored, these targets to be in line with the global state target to ensure that one sector does not lag behind the rest.

**Question 3 - How can our natural advantages best be used to maximize Tasmania’s contribution in the effort to combat climate change?**

• Strenuously lobby for the reintroduction of a suitable and fair national emissions trading scheme.

• Engage expertise that is able to audit the entire Tasmanian industry and service sectors with a view to establishing scope for load shedding during periods of drought (or similar contingencies) and to require load shedding agreements be established to the mutual benefit of both parties when such conditions arise in future.

• Focus on climate strategies that complement both mitigation and adaptation (i.e. that build community resilience in the face of likely changes).

• Build on Tasmania’s world renowned aesthetics with complementary urban planning policies that enhance the livability of our towns and cities. In practical terms this means directing much more infrastructure project funding on urban reform and active transport initiatives – thus simultaneously aiding community health, traffic congestion issues and
climate change.

• Match the state’s economic growth strategy with a commensurate program of renewable energy augmentation so that economic and population growth does not result in escalating levels of fossil fuel imports.

• Tasmania should pragmatically plan its energy future accepting that there is perhaps a greater than 50 percent likelihood of a major plant closure within the medium future. Although this would case significant local disruption, there is a need to engage the Tasmanian community in the best way forward should such an eventuality take place, because it would represent a cross roads – engage further with trading in the National Electricity Market or look to satisfying first up Tasmania’s local power needs and economic opportunities. In a scenario where Tasmania finds itself with significant surplus electrical energy capacity then it will be in the state’s interest to authentically make renewable energy an intrinsic part of *Brand Tasmania*, this being seen to be a way that ‘clean green’ potential business customers can proudly add to their sustainability credentials.

• Noting that the previous state government’s successful low-income housing energy assistance program, replicate this model so that it is extended and expanded to a wider circle of households and also extended into the small businesses arena.

**Question 4 - What amendments or enhancements would you propose to the Climate Change (State Action) Act 2008?**

The most efficient way to embody and give authority to climate policies within Tasmanian law may be to amend the Act so as to enable regulations to be made under the Act with respect to other relevant enactments – rather than to amend all related Acts.

In any event, I submit that the statutory targets that I submitted above be incorporated into the Act.

However, the most relevant amendment of this Act would be to give legal status to the government’s rolling five year climate action plans so that the state’s climate change responses are not continuously disrupted consequent to being subject to political whim or change of government.