2008 / ISSUE

EDITORIAL

CARBONOMICS

It's been a long time coming but at last after the election of the Rudd Government, Australia is having a serious debate about climate change policy. Prominent is the proposed emissions trading scheme (ETS) due to start in 2010. TEC and other groups have realised that this is the great opportunity to set economic decision making closer towards automatic 'green', to make better environmental decisions.

Environment groups had debated the two policy options - a tax or carbon trading.

An emissions trading scheme is preferable because it creates a price signal that can influence investor decisions and the opportunity to channel the funds collected by auctioning of emissions permits toward restructuring. It is directly connected to a pollution cap - an environmental target giving it credibility to the community - as opposed to a tax which is fraught with suspicion and political controversy each election.

However for environment groups to support an emissions trading scheme it has to be a good one. There is no point in reinventing the polluting past inside the architecture of rules for an ETS.

TEC convened peak environment groups to develop key tests for an ETS, which was launched at our most recent Green Capital event.

We are nevertheless witnessing efforts, with almost hysterical statements, by the coal fired generator lobby, demanding free emissions permits, to protect their dominant position in the energy marketplace.

They will tell investors that combined with cheap prices for domestic coal, that the next round of investments in power generation should be more coal, which even if we use the new supercritical coal technology is more than twice the carbon intensity of combined cycle gas. Wrong decision for the environment.

Australia's reduction targets must be based on the best available science and aim to minimise the risks of the worst climate change impacts. Global average temperature rises must be kept as far as possible below 2°C. To give us the best chance of achieving this, greenhouse gas concentrations must be stabilised at or below 400 parts per million in the atmosphere.

An emissions trading scheme will not achieve the necessary emissions reductions on its own, particularly in the period to 2020. A range of fast acting complementary actions will be needed, including energy efficiency measures, strong renewable energy targets, and direct regulation, for example to stop land-clearing. Every sector must assume responsibility for its fair share of reductions. If one sector is exempted, then other sectors will have to bear the costs of meeting the exempted sectors shortfall.

Any adjustment assistance should be conditional on the industry funding and participating in a long term, low carbon transition plan. Industries such as aluminium smelting must plan to move away from their reliance on coal-fired power in the near future. And the adjustment assistance should only be available until international competitors face similar carbon constraints.

2008 is one of the (if not the most) important year yet in Australia's battle to become environmentally sustainable. These types of political and economic opportunities don't come very often, so we have to get it right.

Jeff Angel, Executive Director

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TEC is continuing to cement its status as a national authority exposing greenwash with the crackdown on advertising surrounding green electricity products. Following an official complaint to the Australian Competition and Consumer Commission (ACCC) by TEC, Energy Australia has been forced to change claims surrounding its green electricity products, and pay \$100,000 towards a public education campaign.

Recently there has been an increasing trend of environmental greenwashing. Australian society has evolved to the state whereby "being green" has become a powerful draw card for many industries by attracting customers and improving reputation. Greenwash is the misuse of environmentally friendly labeling or claims by a product or company. This undermines the value of "being green" and short changes the consumers and the environment.

In 2006 TEC expressed concerns that Energy Australia was making misleading claims on its website and in promotional material regarding CleanAir and GreenFuture electricity products.

These non-accredited products were advertised as being "100% green electricity at no extra cost" and "100% renewable energy". Also stated was that "for every kilowatt hour of electricity you buy, the same amount of electricity will be generated from 100% renewable sources." Yet major parts of these products would make no difference to the customer's carbon footprint. The problem with this kind of advertising is that it leads consumers into believing that by signing up to non-accredited products, they would be making equal or similar contributions to accredited renewable energy generation.

As a result of TEC's complaint and the ACCC investigation, Energy Australia was required to:

- Provide all former customers of the unaccredited products with 3 months of the 100% PureEnergy product at the same price as their current contract.
- Send letters to all former customers of these products explaining the difference between accredited and nonaccredited energy products in terms agreed by the ACCC.
- Conduct a review of their trade practices compliance program.
- Not make any future claims that they were the "first suppliers" of green power.
- Provide \$100,000 to publish a brochure explaining the differences between accredited and unaccredited green power products.

With the on-going success of environmental product surveys such as Green Electricity Watch and the soon to be released Carbon Offsets Watch, TEC is committed to being an environmental watchdog.

Property giants unite to combat climate change

Cameron Eren, Climate Change Campaigner

13 December 2007 was an important day in the march towards a low carbon future. Five property giants committed to reduce emissions by over 50,000 tonnes of CO2 by upgrading the performance of almost 70 office buildings throughout Australia's major cities. If all office building owners and their tenants matched their commitment it would be the emissions equivalent of taking Australia's entire heavy trucking fleet off its roads.

Under Total Environment Centre's Existing Buildings Project, GPT, Macquarie Office Trust, Lend Lease, and the Local Government Superannuation Scheme (LGSS) committed to upgrade their office portfolios to a base building portfolio Australian Building Greenhouse Rating (ABGR) average of 4.5 and to engage with tenants to match these gains prior to refurbishment- equivalent to a 40% reduction in emissions on the market average. The Becton Property Group also committed to upgrade its office portfolio to a base building portfolio ABGR average of 4.0 - equivalent to a 30% reduction on the market average.

TEC's Existing Buildings Project responds to the most pressing gap in the contribution of Australian property to Australian emissions reductions. Greenhouse gas emissions attributable to Australian office buildings are predicted to double on 1990 levels by 2010. The industries embrace of new 'green buildings' over recent years is to be commended. However it is important to recognise that new green buildings will only mitigate the growth of emissions attributable to energy use by office buildings - new buildings will not deliver the required reductions in emissions from the sector.

Moreover, replacing Australia's existing office stock with new 'green buildings' will be counter-productive. Constructing new buildings generates greenhouse gas emissions through the use of concrete, steel, and other building materials. By one estimate, an office building built to achieve and maintain a 5 star ABGR will not repay its embodied emissions for almost 300 years. The embodied emissions in existing buildings is a sunk cost that needs to be capitalised upon to optimise the contribution of commercial property to Australia's emission reductions. The most climate friendly buildings are not new 'green buildings' but existing buildings upgraded to optimise emissions reductions.

The Existing Buildings Project now enters its second phase in which 25 property groups will participate in a workshop series designed to explore the exposure of commercial property to climate change and how these groups can contribute to Australia's efforts to combat climate change.

Waste hits a high note

There is a renewed push for container deposits and extended producer responsibility laws, with federal and state environment ministers meeting in Melbourne on 17 April. TEC's director, Jeff Angel is National Convener of the Boomerang Alliance, a coalition of peak environment groups, which is leading the charge.

Priority products for recycling are computers, tyres, televisions, plastic bags and container packaging. Take-back programs have languished in federal and state bureaucracies, but now new Environment Minister Peter Garrett can remove the barriers. TEC has submitted its plan for computers and recently provided a critique of the half baked tyre plan. If we tackle the key products, there are very large water, energy and greenhouse gas and chemical pollution savings.

Readers will have seen the controversy over the plastic bag levy/ban. More than 4 billion bags are given out each year. We support a ban because:

- it is administratively easier than a levy;
- it should lead a drop in supermarket prices as the current plastic bags cost about 2-3 cents each;
- there are proven reusable alternatives with less environmental impact and resource inputs
- the claims by supermarkets about extra time taken by staff to fill reusable bags are exaggerated and will be quickly overcome by staff training and experience;

- consumers can make their 'bag choice' instead of imposition of one system;
- while people will still buy bags for kitchen bins and these bags will enter landfill, there will still be a lot less bags than currently;
- it will lead to a reduction in litter.

Container deposits are also hitting media high points with new evidence emerging about their additional financial fillip to kerbside recycling. Boomerang is promoting collection depots as the core of a string of recycling depots for other products around Australia. It has also been revealed that the National Packaging Covenant (the industry alternative to a deposit system) has failed and has been using vastly exaggerated recycling figures to prop up its reputation.

Our Green Capital program is lending a hand to the campaign with a unique event on the morning that environment ministers meet - the NSW, SA and WA ministers will be questioning environment, recycling and industry representatives about the waste challenge before they sit in judgment on Australia's waste future.



City councils have been sent a clear message regarding the creation of landfill sites without consideration of sustainability and resource recovery options. A proposal put forward by Orange Council to build a new rubbish dump has been rejected by the Land and Environment Court.

Australians generate millions of tonnes of waste each year and a large proportion is sent directly to landfill. As longterm sustainability becomes more important, the focus is shifting from landfilling waste to recycling and resource recovery. The recent judgment on the Hub Landfill at Molong in NSW's Central West by the Court echoes these sentiments.

In 2006, TEC called for Orange City Council to revise their landfill application so that a reprocessing facility was the priority ahead of a rubbish dump. It was clear then that recycling should be at the forefront of future plans and not be viewed as a second thought.

Judge Preston from the Land and Environment Court stated that one of the four key reasons for rejecting the proposal

"Without the resource processing facility, the proposed development is unsustainable and unacceptable."

Meeting NSW's waste targets to increase recycling from the municipal sector from the current 26% to 66% by 2014 is not an optional extra in a council's waste management plan. This message has been sent to local councils and the NSW Government alike.

What's New At TEC?

New Faces

There is change in the air for TEC's corporate sustainability program, Green Capital, as we say goodbye to three key staff members and welcome new ones into their place. TEC would like to thank Megan Lynch, Eva Nichols and Rich Nicol for their many years of hard work and dedication and we wish them all the best in their future ventures.

We would also like to welcome Nic Moodie, Marketing and Subscriptions Officer and Jayne Paramour, Sustainability Events and Marketing Leader for the Green Capital team. They will be a great asset to the program and TEC. The position for Business Manager is yet to be filled.

Carbon Neutral Status

TEC, in a bid to "practise what we preach", is also becoming carbon neutral. Through the company Climate Friendly, accredited renewable wind energy credits in two developing countries have been purchased to neutralise half of TEC's electricity emissions as well as the emissions generated by all Green Capital events. This is estimated to have saved over 21.2 tonnes of greenhouse gases per year. The other half of our electricity is accredited GreenPower.

For more information on Climate Friendly go to https://climatefriendly.com/

Snowy River Water Licence Review

Leigh Martin, Urban Campaigner

The long running campaign to restore flows to the Snowy River continues with a review of the water licence granted to Snowy Hydro Limited providing a crucial opportunity to address serious threats to environmental flows.

In 2002 the Federal, NSW and Victorian governments agreed to release water into the Snowy over a staged period until 28% of environmental flows were restored. This was the minimum recommended by a panel of independent expert scientists to ensure the river's survival. The agreement to restore flows included sourcing at least 6% of its mean annual natural flow directly from the Mowamba River which was achieved through the decommissioning of the Mowamba Weir aqueduct.

In January 2006, however, the Mowamba aqueduct was recommissioned with flows for the Snowy River provided via releases direct from Jindabyne Dam. This was a serious setback for the restoration of the Snowy River. While the flows from the Mowamba were small in magnitude, their effect on the in stream environment of the Snowy River was crucial as the natural snowmelt pattern from the free flowing montane Mowamba River was reinstated. In effect, the Mowamba River became the natural montane headwaters of the Snowy River. While flows from Jindabyne Dam to the Snowy River attempt to mimic the natural flow regime patterns of the river prior to the Snowy Mountains Scheme, they cannot mimic the patterns of an unregulated river such as the Mowamba River tributary.

A serious threat to the program to restore the Snowy is a provision in the current licence allowing Snowy Hydro and the NSW Government to simply agree to suspend or seriously curtail environmental releases. This so called "override provision" contains no criteria provided by which such a decision would need to be justified.

The program of releases to restore the Snowy River is the result of extensive community consultation and scientific investigation through the Snowy Water Inquiry. It is unacceptable that this program could be varied by simple agreement between the Ministerial Corporation and Snowy Hydro.

In a submission supported by the Snowy River Alliance and a range of peak environment groups TEC has called for the Licence to be amended to require the permanent restoration of connectivity between the Snowy and Mowamba Rivers and remove the override and spill payback provisions.

These flaws in the licence have subsequently received significant media attention in South East NSW and Victoria: however, pressure for reform of the licence will need to be sustained in order to secure restoration of the Snowy River.

Update in the fight against longwall mining

Dave Burgess, Natural Areas Campaigner

With the findings of two NSW Government inquiries into longwall mining impacts in the Southern Coalfields and the Wyong Shire imminent, TEC is preparing a final push in the effort to protect rivers and swamps from the continuing damage.

Summer saw TEC conducting a number of inspections within Sydney's southern water supply catchment. We also examined the section of the Nepean River that started bubbling methane gas following mining in the first longwall panel of BHP Billiton's Appin West Mine.

Among our discoveries were 1m wide, very deep cracks along the rainforest floor in Area 2 of BHPB's Dendrobium Mine and numerous cliff falls above Area 1. The finds are significant as the mine's Community Consultative Committee had previously been taken to these areas but not shown the full extent of the damage, and some of the cliff falls had gone unreported by the company. Another inspection in the Waratah Rivulet area revealed that a major tributary of the Rivulet has also been cracked by the current series of longwalls at Peabody Energy's Metropolitan Colliery.

With Dendrobium, Metropolitan, West Cliff and Huntley Collieries all seeking major expansions, it is now crunch time for the hydrological integrity of the Woronora Plateau and river catchments south of Sydney.

NSW Planning Reforms

Over 100 organisations from across NSW have signed a letter, organised by TEC, in response to the Department of Planning proposals to reform the Environmental Planning and Assessment Act 1979 (EP&A Act).

In recent years, the NSW planning system has shifted away from public involvement and transparency and removal of environment protection powers, to one that is discretionary, ad hoc and centralised. This has largely stemmed from the introduction of Part 3A to the EP&A Act.

The letter rejects several key recommendations for reform recently made by the Department in the areas of plan-making, development assessment, exempt and complying development and private certification.

It also outlines 6 key areas for reform of the Act to ensure that the planning system returns to one that centres on the founding principles of community participation, transparency and comprehensive environmental assessment.

Green Electricity Easy For Business

Last year, Green Electricity Watch (GEW) 2007 compiled a list of the country's top green energy providers for Australian households. Off the back of this came Green Electricity Watch 2007 for Business. Divided between small to medium and large business, it allows owners to make informed environmental choices for their types of businesses.

GEW 2007 for Business ensures that business owners are reducing their carbon footprint when purchasing particular products while giving them the confidence to advertise this to their customers and competitors. This is particularly important with the recent increases in "green" claims within the business and wider industry sectors. There are also big differences between energy products and how much they help fight climate change. By choosing fully accredited GreenPower products, businesses can avoid claims of "greenwashing" or trying to create a false pro-environmental image. The top

ranking products for small to medium businesses came from ActewAGL and Energy Australia, while the top large business products came from ActewAGL and TruEnergy.

GEW was established in 2002 and is undertaken with three of Australia's leading environment groups; Total Environment Centre, Australian Conservation Foundation and WWF -Australia.

For all the information you need go to: www.greenelectricitywatch.org.au

The NEM is beginning to listen

Glyn Mather and Jane Castle, Energy Campaigners

And sparks are flying. TEC's proposed changes to the National Electricity Rules (see last issue) have certainly stirred up interest in demand management (DM) and TEC is now sitting at the table alongside energy suppliers to make the case for an overhaul of the National Electricity Market's architecture for a more efficient and sustainable energy system. The Australian Energy Market Commission (AEMC) received around thirty submissions on the Rule package. This is apparently close to a record, with responses polarised between strong supporters of greater energy efficiency and energy companies arguing to keep the polluting, inefficient status quo.

The AEMC, which also has a major focus on energy efficiency, has now announced that they intend to have a draft set of Rules out in September. The AEMC has also established a Demand Side Participation Reference Group, on which TEC is represented. The aim of the review is to incorporate demand side issues in the market rules as a counterbalance to the

entrenched emphasis on supply. The TEC rule change proposals will feature prominently in this Group's deliberations. We will attempt to keep them honest!

After much prodding and persuasion by TEC and energy efficiency companies, the Australian Energy Regulator (AER) is also getting its economic head around demand management and has recommended that distribution businesses (smaller poles and wires) in NSW have an incentive to increase energy efficiency. The incentive is called the 'D-factor' (D for demand management). Despite the avalanche of incentives for electricity companies to sell more electricity, the AER has taken only baby steps and needs to apply these incentives for every jurisdiction and increase proposals for a DM fund 100 fold.

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