



TOTAL ENVIRONMENT

2011 / ISSUE 2

EDITORIAL

TWISTS AND TURNS

I suppose we should be grateful that a carbon price is the centre of political attention even if it is in a cloud of brutal rhetoric and misinformation from those who oppose it. The fact that it has been resurrected after the ridiculous policy prescriptions of the 2010 election (a 'citizens' assembly' and 'no carbon tax') and the emergence of minority government is welcome. Such a second chance does not come often or as early – you usually have a longer wait.

Some years ago I wrote in a TEC Newsletter about the various stages that social change movements experience and further discussed these in my book, 'Green is Good'. Based on an analysis by Bill Moyer it still holds true – and we are now at the stage when having failed to ignore or trivialize the goals of a change movement, the opponents now try to instill fear. I'm not talking about those 'ditch the witch' demonstrators (there's always a permanent marker of anti-progressive, highly conservative types in the populace) - but the daily grind of Tony Abbot's spiraling price and job alarms and the extravagant statements by big business. Some even claim they haven't been 'consulted' – code for 'the government has not adopted our position.' I'm certainly enjoying the parade of big fossil fuel business leaders claiming they are powerless!

So assuming the minority ALP government doesn't suddenly lose its nerve or numbers, the clean energy package of bills will be passed by Christmas and operating by mid-2012 with a relatively short period for the community to get used to it

before the next election. It will be a landmark achievement.

Despite all the noise and shock jock ranting, it's interesting to note that on a policy level the ALP can win an election. A recent Essential Media poll showed strong support for key policies (although the carbon tax was weakest). Their current travails seem unfortunately to be influenced by the way the change in PM occurred last year, despite the fact that Julia Gillard is well liked by her colleagues as a competent and consultative leader. And her natural charm, wit and grasp of complex policy were on display at our Green Capital event, Long Carbon Journey (see the video on our website). Over time her problems may be overcome.

Even if the ALP lose the election it won't be easy to turn carbon pricing off with its intricate set of economic adjustments and compensation. Also how much more uncertainty can business stand? Once the new rules are in, the business sector will work out how to make money from them and new opportunities will blossom. Will a new government stamp them out? Nor would the next government be able to quickly turn on the double dissolution switch.

In such a fluid political environment there are more twists and turns on the way. But one thing is certain – the carbon pricing debate is here to stay.

Jeff Angel, Executive Director

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MINING MAYHEM

Our fearless Natural Areas campaigner Dave Burgess reports on the relentless march of the mining industry across our landscape, and a set of false teeth

Coal seam gas (CSG) mining in the Pilliga, open cut mining in the Gardens of Stone, the march of longwall mines across Sydney's Water Catchment and the future of the Liverpool Plains as a food growing area are all shaping as benchmark issues that must be addressed by the government in the NSW Coal and Gas Strategy.

Never before has an emerging industry ignited as much concern throughout the community as CSG. Since winning office the new state government has announced its intention to introduce a ban on certain toxic chemicals, greater public consultation, new water licences, a ban on evaporation ponds, stronger environmental requirements and extension of a moratorium on the polluting fracking system, until the end of 2011 after an initial 60-day ban.

TEC will have input into many of these new measures through our position on the Stakeholder Reference Group, established as part of Coal and Gas Strategy. Key to the Strategy will be Strategic Regional Land Use Plans which will determine land use priorities.

Meanwhile false teeth and yodelling were never likely to make a star appearance in the longwall mining

debate. But at the World Heritage Thirlmere Lakes on the south western outskirts of Sydney the discovery by Rivers SOS of the dentures – lost in deep water by a German tourist inspired to yodel by the natural beauty in the 1980s – raises the question as to why the water has drained away.

The government and Xstrata Coal dismissed mining as a possible cause and released a report early in 2011 blaming the drought. But, unlike in previous droughts, the rainfall following has not done refilled the lakes, once an environmental jewel on the edge of Sydney.

Longwalls mined between 1996 and 2001 came within about 700m of the lakes and questions are being asked as to whether this disaster is due to mining. The Office of Water's report has come under heavy criticism, not least for blaming a drought declared over in the region in 2008. DECCW also stated that the lakes are refilling which conservationists hotly dispute. Proving mining has or hasn't fractured the aquifers below the lakes will take time and be hard to prove but what is certain is that until mining arrived the lakes never behaved this way.

Waste Not Screenings, part of recycling education push

TEC's film, Waste Not is winning awards and doing the rounds of community screenings. Sophie Alstergren, TEC Marketing Projects

On May 28th, Waste Not was invited to screen at the Dungog Film Festival in Dungog, NSW, and in Melbourne at the St Kilda Film Festival on the same weekend it picked up the Best Documentary prize.

Waste Not was invited to screen at a presentation for the Documentary Australia Foundation in Melbourne. The objective of DAF is to encourage and enable grant-making by private foundations, individual and corporate donors to documentaries, and thus ultimately to create an additional funding model for documentaries in Australia. Ruth Hessey, Jeff Angel and Sophie Alstergren from TEC presented the film along with TEC's vision for an educational outreach program; and we've also contacted other groups. Since then, the Myer and Pratt Foundations have kindly granted significant funds to broaden the scope of the educational outreach program.

It has been entered into overseas film festivals. A fundraising screening was hosted by a jam-packed Cooee Gallery, Bondi in late June. Pine Street Community Arts Centre hosted another fundraiser. Waste Not was invited to screen at the Barcelona International Environmental Film Festival and the Rodos Eco-Film and Arts Festival. Waste Not was also accepted into the Cannes Film Festival's Short Film Corner.

Since then, the film has been presented to the Marist Brothers School in Ryde to a class of enthusiastic year 9 students who

embarked on a challenge based learning activity around the central theme of waste as an opportunity to innovate. On June 5th, the Earthwise Film Festival hosted a special screening of Waste Not along with the student finalists of their competition. Later that month, TEC donors and benefactors were invited for an intimate screening of Waste Not at the Australian Film Radio and Television School. The film was enthusiastically received with one guest commenting that he was surprised a film as important as 'Waste Not' had not been bought by a national television network.

Anne Watchirs, TAFE TESOL Lecturer and part of the Quest Ultimo Environmental Sustainability Team, arranged a screening at TAFE, Ultimo. Over 400 eager students packed the hall, and an extra screening was scheduled immediately after to cater to the demand. Ruth and Sophie from TEC, and Michael Mobbs, author of Sustainable House (who appears in the film) answered questions from the audience.

Miles Lochhead member of CANWIN, Climate Action Now Wingecarribee Group, screened Waste Not in Bowral in late July. Miles said he was "excited by the potential for this film to be a catalyst for change" and invited Jeff Angel to speak about TEC's waste campaigns.

OUR ENERGY MARKET RUNS ON GREED

TEC's National Electricity Market Advocate, Tyson Vaughan, reports on the 'creative accounting' behind the soaring energy costs confronting Australian consumers

Once every five years, Network Service Providers – electricity network companies that build the infrastructure to deliver electricity to end users – outline how much they will spend on building and running their network. They go through a process called a Revenue Determination, where the amount of money they get to spend on operating, maintaining, upgrading and expanding their network is proposed by the network and determined by the regulator.

It is during this process where NSPs are able to 'game the system' – that is, manipulate the rules and procedures which have supposedly been put in place to protect consumers, and instead use them to increase their profits. The NSPs do this

through 'creative accounting' characterised by excessive complication, and the use of novel ways of presenting key data such as expenditure, income, liabilities, risk, projected demand, and the impacts of price increases on consumers.

Last month, TEC made a submission to the 2013-2017 Powerlink Revenue Proposal. Powerlink is Queensland's transmission network service provider – the company which builds large poles and wires that connect power stations to the rest of the grid. We found dozens of instances where Powerlink used these creative accounting techniques to game the system. For example:

continued on page 4

- Powerlink's expenditure will increase by 97% over the next six years, but there is no attempt to highlight this in the document
- If Powerlink's expenditure increases by 97% over six years, this equates to an average increase of 12%. Powerlink, however, presents its price increases as "only some 0.6%/annum"
- Powerlink estimates demand for electricity on their network will skyrocket (30 times the annual growth rate of the last five years) despite an easing of demand across the National Electricity Market. It makes no attempt to properly justify this anomalous increase – it merely accepts it
- Powerlink uses greenwash to justify increased investment in fossil fuel infrastructure, despite never mentioning the word 'renewable' in their document

The purpose of all this is to influence the readers towards the interpretations desired by the authors: that they are supplying electricity as efficiently as possible, and that the massive revenue increases they propose are justified. But increases of the magnitude asked for by Powerlink are contrary to the National Electricity Objective and the long term interests of

consumers. They are illustrative of just how out of step Network Service Providers are with delivering efficient, sustainable, and legitimate services to consumers of electricity.

Powerlink's proposed average annual revenue is over 3 times the average revenue in the previous regulatory period. Their proposed final year revenue of \$1.446bn is approximately twice the 2010/11 revenue \$734M and 4.5 times the revenue in the first year of the previous period \$318M.

Most importantly for consumers, however, is that Powerlink's proposed revenue will almost double the network charges that consumers face from \$15.88/MWh to \$31.3/MWh over the next 6 years (2010/11 to 2016/17).

The fact that Powerlink is able to game the system to this extent demonstrates just how far removed they are from consumers - and the failure of the current regulatory framework. State and federal governments need to take action to stop these greedy electricity utilities if they are to protect consumers and the environment not just from unjustified price increases, but from the worst effects of climate change.

GREEN CAPITAL'S GILLARD COUP

The Prime Minister Julia Gillard addressed big business on the topic of a price on carbon at TEC's most recent Green Capital event. Murray Hogarth, Green Capital's senior adviser, was there

With national attention on putting a price on carbon pollution, TEC's long-running business sustainability program Green Capital welcomed its first Prime Minister to the speaking podium in July 2011.

The Long Carbon Journey business breakfast in Sydney on July 22 packed out the grand ballroom at the Sheraton on the Park hotel, with nearly 450 attendees gathering for the Hon. Julia Gillard MP, Prime Minister of Australia.

It was among the largest Green Capital events across the program's decade-long history, demonstrating strong business interest in the Australian Government's Clean Energy Future package, and in sustainability more broadly. Big brands were out in force, from Roche, Qantas and Coca-Cola to 3 big banks, several property developers, and NGOs such as 1Million Women, Greenpeace, and Planet Ark.

Ms. Gillard was warmly received, spoke strongly to her government's commitment to stay the course on introducing an interim fixed price on carbon pollution from July 1 next year, and took extensive questions from panel chair Sam Mostyn and the audience.

TEC has made a short film of the PM's Green Capital appearance, which can be viewed at

www.tec.org.au/media-releases/849).

After her breakfast, the PM departed with TEC executive director Jeff Angel to visit a new state-of-the-art green office building at 1 Bligh Street, Sydney. Ms. Mostyn, a prominent company director and sustainability adviser, then led a panel discussion around the theme of 'What next for sustainability?' with Robert Purves, the chairman of Sustainable Business Australia; Miriam Lyons, CEO, Centre for Policy Development; and John Connor, CEO, The Climate Institute.

The Deputy Prime Minister and Treasurer, the Hon. Wayne Swan MP, was the guest for the Melbourne event in The Long Carbon Journey series. He delivered a keynote speech, engaged in an interview-style discussion with panel chair Caroline Bayliss, CEO of the Climate Group in Australia, and took questions from the audience.

The Long Carbon Journey events also provided a platform for Green Capital to launch its new theme line, changing from 'Advancing Corporate Sustainability' to 'Business + Environment for a Sustainable Economy'. This signals a shift in emphasis from the processes of corporate sustainability and social responsibility, to the hard outcomes required for transformation to a sustainable, low-carbon future.

Putting A Price On Nature

TEC's water campaigner, Leigh Martin, deconstructs what we pay, and why, for natural assets such as water and energy

Pricing and regulation of utility services such as water and energy has a major influence on the environmental impact of these services and demand for natural resources. Price structures should provide strong demand management signals while regulation should ensure accountability and transparency.

In NSW the Independent Pricing and Regulatory Tribunal (IPART) is responsible for determining prices of utility services and developing regulatory instruments such as the operating licences that govern Sydney and Hunter Water. IPART is required to consider environmental concerns as part of its determinations.

In recent years, however, environmental considerations have lost out to a focus on 'cutting red tape' and 'regulatory efficiency'. Key accountability measures in the Sydney and Hunter Water operating licences have been diminished to make licences 'less prescriptive', while pricing determinations have focused too narrowly on financial issues at the expense of broader environmental considerations. Perhaps the most

glaring example of this has been IPART's continuing approval of Hunter Water's price discounts for large industrial customers who currently use drinking water. The purpose of this discount is to undermine competition from private sector recycled water.

Things may be changing for the better. IPART has just announced that it is reviewing its environmental processes. It is considering the development of a memorandum of understanding with the Office of Environment and Heritage to ensure environmental issues are dealt with more effectively. This would allow IPART to engage directly with environmental regulators to determine important environmental objectives and allow for prices to fund environmental objectives that go beyond compliance.

TEC will also be contributing its ideas. Maybe in the future we won't be issuing so many 'ipart loses the environmental plot' media releases!

GREENING OFFICE BUILDINGS

TEC's new existing buildings officer Matt Fisher, reports on his project

TEC won an Environmental Trust Education Grant early this year to showcase leaders in the non-prestige (C and D grade) office building sector in Sydney, which have successfully upgraded or are in the process of upgrading their property to improve their environmental performance.

Suitable buildings will form case studies looking at what was done, what were the motivations to consider environmental concerns, and what improvements were achieved. The case studies will be derived through questionnaires with property owners, building managers and tenants.

The outcome of the project will be educational and motivational tools based on real life examples, and will include information on drivers, barriers and current government incentives that are driving improvements in this

sector. It builds on the premise that barriers will not be overcome without the building owners and tenants gaining awareness and knowledge about how and why existing buildings should be upgraded in this way.

This is an important study for the sector given that these lower quality buildings account for 50% of all office buildings in Sydney. Many are yet to be improved in terms of their environmental performance; and are also at the end of their operational life and are due for retrofitting.

Education sessions as well as wide distribution of the case studies will occur late 2011/early 2012.

Cash for Containers Update

Barry O'Farrell beware. TEC's indefatigable waste campaigner Lisa Wriley has been out there with her alter ego Bev the Bottle, drumming up grass roots support for CDS.

He's yet to enjoy a visit from TEC's resident CDS celebrity Bev the Bottle but Premier Barry O Farrell did receive a joint letter in late August urging him to adopt a leadership role on the introduction of a container deposit system (CDS) in NSW. The signatories included an impressive number of groups with expertise in the area, from the Boomerang Alliance, to the Local Government and Shires Association of NSW, Clean Up Australia, NSW Farmers Association, Country Women's Association, NSW and ACT Girl Guides.

The letter reminded the Premier that the Stuart Report in 2001 gave a positive endorsement of CDS, yet here we are ten years later still commissioning studies. In South Australia and countries such as Canada, California, Germany, and Sweden CDS reduces litter and ensures at least 80% recycling rate - double the recycling rate of plastic and glass bottles in other Australian states. The Scouts alone raise \$2 million dollars a year in SA running bottle depots. Recycling provides green jobs and cleans up our beaches, waterways and roadsides.

Fortunately a growing number of local communities want a CDS introduced Australia wide, and in response Bev the Bottle has kept up a punishing schedule of appearances in regional NSW. She attended the recent Aroma Festival in Maitland where Transition Towns promoted the Cash for Containers and Bev's campaign postcards were distributed. Bev was joined by her flamboyant friend Al the Can on stage to talk up the

campaign and before anyone could stop it, the whole crowd had joined in a singalong of Bev's hit single, 'Ten cents a bottle':

Random Acts of Refund are also happening at the Organic Feast shop in East Maitland every last Saturday of the month. Families are invited to bring any bottles or cans with the words '10c refund at collection depots when sold in SA. There is a limit of ten containers per person. All containers received are recycled.

At the request of their Tidy Towns Committee, Griffith Council in NSW has distributed a Cash for Containers Campaign postcard to every household with their rates notice. Blacktown City Council has joined the long list of local governments, stretching from Port Stephens in NSW to Tumby Bay, SA and City of Geraldton, WA which are actively supporting the campaign and distributing postcards.

There are now many ways to support the Cash for Containers campaign: visit www.boomerangalliance.org.au, buy a campaign t shirt (see online shop at www.cleanup.org.au), write or talk to your local members (State and Federal), your local paper and your state's environment minister. You can follow the latest campaign activities on our cash for containers facebook site. If you have some time to spare call the office or email and offer to volunteer - there are always things to do.





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VOLUNTEERS NEEDED

TEC and the environmental battle can be greatly assisted with your volunteer time and skills.

If you can help, please return this coupon to:

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I would like to volunteer to help TEC with:

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My previous work has been

My qualifications / skills are.....

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My environmental interests are.....

.....

I am available (per week) half day one day

occasionally other

Name:

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Email:

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