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Senate inquiry into the coalition government's Direct Action Plan

Due to pressure of work, North Queensland Conservation Council (NQCC) is able to make only a very brief submission to the inquiry into the DAP; this is not, and should not be seen as, indicative of the fact that NQCC does not take the matter extremely seriously, or that NQCC's dedication to the fight to save the planet from the runaway drastic impacts of climate change is limited.

NQCC's main concerns follow.

1. The view of economic experts

There is virtually universal agreement amongst professional economists that the optimal policy tool for 'incentivising' a move away from carbon emissions is a price on carbon. This is in accord with very basic principles of economics. To act in opposition to this consensus expert view would be perverse; it would increase the cost per unit reduction of carbon emission, and increase the cost to the community and to the overall economy of efforts to decrease carbon emissions.

The study and work of the current Minister for the Environment supports this prevailing economic opinion on this matter.

2. The incompleteness of the Emissions Reduction Fund mechanism

As is obvious from the current public inquiry into the working of the proposed ERF (a major strategy of the DAP), there is little to no idea in government circles as to how the ERF would work – or if, indeed, it could be made workable, especially in a manner that is effective and efficient. Until such time as issues such as this are addressed, the DAP remains a 'black box' supported with nothing but a political hope that it will work.

3. Unreliability of carbon sequestration

The ability of carbon sequestration to contribute to the DAP is highly questionable. Nowhere is this more clearly articulated than in the University of Melbourne's

School of Land and Environment paper, 'The potential for carbon sequestration in Australia agricultural soils is technically and economically limited'. (*Scientific Reports* 3: 2179 DOI: 10.1038/srep02179)

4. Fragility of revegetation

Relying on the planting of trees to reduce the level of carbon in the atmosphere has significant risks. Firstly, as climate change continues, with the increasing risk of fire in Australia, the likelihood that trees cover will be destroyed, increases.

Similarly, as the land dries out, the potential for trees to survive, falls.

Furthermore, as less land becomes suitable for food production, the demand to use land available for tree plantations will increase, setting up competition between land uses to the probably detriment of trees. Finally, as we have seen already, trees are felled in their millions to make way for (ironically) coal mines, and trees in 'protected areas' are lost as protection (even 'guaranteed' protection is removed).

5. Inequity

In a surprise move, the coalition government is reversing its habitual stand on market-based, user-pays systems, by proposing an approach that rewards polluters with the money of those that suffer from the pollution. Instead of 'fining' polluters and giving the money to the taxpayer, the DAP involves using taxpayer funds to 'encourage' polluters to refrain from their dirty habits. This is the equivalent of paying smokers not to drop their cigarette butts. Not only does this advantage the smoker at the cost of the taxpayer, but it also provides a perverse incentive for smokers not to stop dropping butts.

NQCC urges the Senate to maintain a price on carbon and to increase the targets for Australia's emissions reduction policy.



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