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Garnaut Climate Change Review

Dear Professor Garnaut and team

Thank you for some insightful discussion papers and the opportunity to respond to them.

My comments are in response to two papers: 4. Research and Development: Low Emissions Energy Technologies, and 5. Transport, Planning and the Built Environment. I believe that many of the points made in Paper 4. regarding business investment in innovation also apply at the household level, where investment is needed in reducing GHG emissions in privately owned housing and vehicles.

Firstly, the need for policy clarity, continuity and coherence is as important for motivating change and the confidence to invest at the household level as it is for business. A rational financial system which supports the reduction of household emissions is also important for building public confidence in government programs, a necessity for the process of long-term change ahead.

As one suggestion for policy clarity, continuity and coherence for individual investment in innovation, I would appreciate some discussion of how a comprehensive system of taxable deductions for investment in a range of efficiency and energy technologies for households and commuters could contribute to reducing greenhouse gas emissions. Investing in tax deductible improvements would allow individuals, families and landlords to invest in technologies to suit their housing stock, transport needs and income situation. It would also go some way to reducing the financial barriers to the range of available, but often costly up front, investments available to be matched rationally to individual circumstances, from retrofitting insulation in older homes, to the purchase of solar cells, more efficient lighting and more efficient cars, etc. At the moment, old technologies are selected by default (with the assistance of builders, lighting shops, car dealers) because there is inadequate promotion of the benefits of alternatives and inconsistent financial incentives to seek them out. The latter is most important because simply telling individuals that they are responsible for changing their lifestyles is a hollow message in the absence of a rational plan for achieving this transition. As discussion continues about how to remove barriers for business and industry to redirect investments into sustainable technologies, individual investment in domestic housing stock and the vehicle fleet should not be ignored.

Currently a mixture of contradictory policies are aimed at individuals which on one hand encourage over use of fossil fuels, such as novated leases for cars, and on the other hand, hold out unobtainable financial incentives for reducing them. An ad hoc rebate scheme for solar cells which runs out of funds after 24 hours (as it did in Queensland recently) or which starts and stops according to the trickle of funding which is reassessed every few months, as in the Commonwealth scheme over the past few years, engenders cynicism on many levels. Firstly, it shows how governments underestimate interest in reducing GHG emissions by householders, and secondly, it highlights the tokenistic commitment to funding allotted to such schemes, by placing arbitrary limitations on who can apply for them. For example, domestic household rebates for solar cells are currently limited to the first 1 kw of installation



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and do not support the purchase of additional cells which would allow households to be more self-sufficient in electricity generation. This effectively punishes early adopters of alternative energy technologies twice over – first, when they install the initial systems without the benefit of generous rebates, and later when they cannot apply for support to expand their system. The benefits of early adopters acting as demonstrations to the rest of the community are ignored while the potential good will from government support for the transition to a carbon neutral society, is wasted. Appropriate pricing to encourage grid feed electricity generated from renewable sources also needs to be investigated. If generating clean, renewable energy, rather than drawing on dirty coal generated power is good for the environment and society, why is it not rewarded with appropriate pricing?