



## **Pre Budget Submission for May 2021 Budget to the Minister for Housing and Assistant Treasurer**

Thank you minister for the opportunity to present a submission. Firstly, a little information about our organisation. Citizens' Climate Lobby Australia (CCLA) is a volunteer group of citizens who advocate for a simple but effective carbon price to address global warming in the most transparent and equitable way possible. We strive to create the political will for a liveable world and for Australia to be a leader in a global race to zero emissions. We have over 3000 members and active electorate and regional groups across Australia.

The [Australia's Clean Economy Future: Costs and Benefits](#) report by the University of Melbourne states that the conservatively estimated potential damage from climate change to Australia at current global emissions patterns are quantified as \$584.5 billion in 2030, \$762 billion in 2050 and more than \$5 trillion in cumulative damages from now until 2100. As Australia's influence in the world is much larger than our economic size, we need to be taking a much larger climate action global leadership role than we currently are, for both economic and strategic reasons. Climate change is driving dramatic and accelerated changes to the world economy. The future wealth of Australia will be significantly driven by the speed and scale of our response to climate change risks.

Australia's response to the COVID-19 pandemic has improved our standing in the world, which will benefit us by increasing our desirability as a trade and strategic partner. This gain and more will be squandered if by the November COP 26 meeting Australia does not have a detailed plan to achieve Net Zero Emissions by 2050. Australia is already regarded internationally as a climate laggard, so with the new US Biden administration in place and the now much stronger international support for Net Zero Emission targets, the consequences of our laggard reputation will start to have some dramatic impacts. The biggest risk will be to trade, with border adjustments on carbon pricing just one of the risks.

The Coalition government has highlighted the difficulty in understanding the costs of achieving Net Zero Emissions by 2050. Citizens' Climate Lobby encourages the government to closely look at the planning methods that are now available to manage risk and uncertainty using scenario analysis, probabilities, project diversity, responsiveness to surprises and with a range of other tools. Many corporations are using these tools to manage their long term business and strategic risks.

While CCLA firmly believes the most cost effective, fair and practical solution would be the introduction of a steadily rising price on carbon emissions, we recognise that there is still political resistance to this option. A Carbon Fee and Dividend (as [modelled for Australia](#) by Profs Holden & Dixon of UNSW) may one day overcome this resistance as it makes the exercise revenue neutral, avoids impacting consumers and is not considered to be a tax. In the meantime there are many other avenues that need government support to achieve the emissions reduction Australia needs.

CCLA's priorities for the 2021-2022 budget are :

- Prioritising greenhouse gas emissions reduction, economy wide, as an umbrella consideration. (Note that this could be revenue neutral yet help save the future costs of climate change - see above)
- Allocating funds for energy transmission infrastructure to support renewable energy projects.
- Allocating funds for increasing the role of emissions free energy generation.

- Allocating funds for firming infrastructure to support increased wind and solar energy generation.
- Allocating funds for the decarbonisation of transport (effectively reducing Australia's fuel security issues, while reducing emissions)
  - Funding to help transition government and public transport fleets to emission free vehicles
  - Incentives to encourage the uptake of electric vehicles for private and business use.
  - Incentives to encourage other transport modes (air and sea included) to rapidly transition to low emission alternatives.
- Allocating funds to safely and fairly transitioning employees and communities impacted by the move from fossil fuels to renewables, through retraining and support for establishment of new sustainable industries.
- Providing incentives for the development of low or zero emissions technology, especially where it will be needed to replace current high emissions practices.
- Funding for public education on climate change (as promised in our signing of the Kyoto protocol) so people are in no doubt about the cause and effects, are encouraged to reduce their own footprint and are prepared for the consequences of global warming.
- Fund increased research through the CSIRO to determine the effects on farming and rural populations in Australia to best prepare us for what is to come.
- Allocating funds for research and innovation in climate solutions.
- Allocating funds for carbon sequestration project incentives.

There is still a current need, mostly driven by the ongoing COVID-19 crisis, to boost the Australian economy and increase job creation. The Coalition government has initiated a number of projects suggested by Beyond Zero Emissions' Million Jobs Plan and AEMO's Integrated System Plan. Citizens' Climate Lobby strongly suggests the government look in more detail at other opportunities from both these planning proposals as many have substantial payback in jobs and economic growth.

Citizens Climate Lobby suggests the government provide incentives for the LNG industry and other high emissions stationary energy plants to reduce emissions through the Safeguard Mechanism - or - a revenue-neutral carbon price that boosts the economy, creates jobs and provides an orderly transition towards net-zero carbon emissions.