

Budget's green side draws a mixed response



Sustainability initiatives in the Federal Budget included a Green Building Fund for retrofitting existing office buildings. Adam Booth/Stockphoto

The introduction of a rebate means-test for households planning to install rooftop solar power panels emerged as one of the more controversial decisions taken by the Australian Government in its 2008–09 Budget.

The issue overshadowed the media's reporting of other Budget sustainability initiatives, which included:

- \$12.9 billion for a 10-year national water policy framework, which includes \$505 million for urban water-saving projects and the installation of rainwater tanks, greywater recycling, etc. in homes
- \$2.2 billion over five years for a Caring for our Country program
- \$500 million over six years for a Renewable Energy Fund and \$500 million over eight years for a National Clean Coal Fund
- \$150 million over three years to assist neighbouring countries in preparing for climate change and reducing emissions from deforestation
- a \$300-million, five-year Green Loans program.

The Green Loans program will offer low-interest loans of up to \$10 000 each to help households install products such as rainwater tanks, greywater recycling systems, insulation, energy-efficient lighting and rooftop solar panels.

Australian Conservation Foundation

(ACF) Executive Director Don Henry described the loans program as 'a great initiative that will eventually help 200 000 households make their homes more energy efficient'.

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But ACF President Professor Ian Lowe felt the government should have done more to cut 'the huge subsidies of fossil fuel supply and use' in the Budget, particularly the fringe benefits tax concession on company cars, which, he says, produces 'about as much greenhouse pollution as a medium-sized coal-fired power station'.

Greens Senator Christine Milne said the Budget's energy funding was imbalanced. 'The myriad of renewable energy options that are ready to roll out now were allocated precisely zero for the coming year, with only \$125 million in this term of government. Next to that, the pipedream that is "clean coal" received \$35 million this year and \$250 million this term.'

For the business sector the Budget delivered a \$240-million 'Clean Business Australia' initiative comprising:

- \$75 million for grants to boost development of new products and services that save energy and water, reduce pollution and recycle waste
- \$75 million for manufacturers to improve production processes, reduce energy use and cut carbon emissions
- \$90 million for a 'Green Building Fund' to support energy-efficient retrofitting of existing buildings and training of building operators.

The most vocal criticism of the Budget's sustainability component came from the Greens and the solar energy sector, which claimed that Australia's photovoltaic supply industry will collapse now that the \$8000 rebate for domestic solar power panels is only available to households earning less than \$100 000 a year.

Senator Milne said low socio-economic earners are unlikely to install solar panels and that the full rebate 'must be restored until such time as the government introduces a comprehensive feed-in tariff to guarantee a market for renewable energy'.

Environment Minister Peter Garrett pointed out to critics that the government was doubling the solar rebate program from 3000 to 6000 households a year, and that the Green Loans program can be accessed for rooftop solar installations.

While some were disappointed with specific funding allocations, others were generally supportive. Professor Barry Brook, a climate change expert from the University of Adelaide, said the \$2.3 billion allocated to climate change action provides a solid foundation for the government's next big challenge in tackling the issue.

'For instance, there is a strong emphasis [in this Budget] on initiatives to encourage energy efficiency,' he said. 'These are initiatives that help people or businesses overcome the short-term higher costs of investing in more efficient power systems and appliances, and then cumulatively save power, year in, year out – eventuating in massive reductions in greenhouse gas emissions over the long term, and big savings.'

'The upcoming emissions trading scheme will need to build significantly upon the 2008 Budget, to get Australia on track to halting growth in our emissions and starting the rapid path towards a largely de-carbonised economy.'

● **Mary-Lou Considine**