

Submission to the Senate Standing Committees on Economics from Doctors for the Environment Australia

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67 Payneham Road
College Park SA 5069
P 0422 974 857
E admin@dea.org.au
W www.dea.org.au

Healthy planet, healthy people.

DEA Scientific Committee

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Prof Stephen Leeder AO
Prof Lidia Morawska
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Summary

Doctors for the Environment Australia recommends that the present budget for ARENA be maintained as a preventative health measure.

The human health costs of pollution caused by fossil fuels are such that an urgent transition to renewable energy is vital in the medical quest to reduce human suffering.

Doctors for the Environment Australia commends the Economic Committee for examining this issue. In this submission we explain the importance of unchanged funding of ARENA as important to human health in Australia, indeed we regard it an important public health measure.

Economic judgement pervades all government decisions and health costs are relevant to continuation of ARENA.

The health imperative

We see ARENA as one of the important mechanisms in the rapid delivery of renewable energy to Australia to aid our transition from fossil fuels. This has implications for an effective climate policy and for allowing Australia to regain some momentum in the world wide technological revolution so essential to our economic future.

The mining, transport, and combustion of fossil fuels leads to air pollution which causes 3000 deaths p.a. in Australia from cardio respiratory diseases.

This death toll is greater than that from road accidents. In addition thousands suffer from illness due to this pollution, ranging from asthma in children to obstructive airways disease in adults. The health costs are enormous. To us these are not just costs but they are human suffering which is preventable. As doctors, it distresses us to see it happening in our patients even more so because it is preventable. It distresses us to see the re-emergence of Black Lung disease in young men in their quest to serve an industry that has to be replaced. This disease has a limited prognosis and the suffering can be extreme like the suffocation in Asbestosis.

Your Committee will be aware of the work of William Nordhaus one of the most respected economists in the US. His study of full cost accounting of the coal industry in the USA was published in 2011 in the American Economic Review, the leading economics publication. These findings have been confirmed by other US studies. Coal fired power generation was found to produce damages from 0.8 to 5.6 times its value added. In other words, the damage caused is worth at best 80 per cent of the net value of the industry and at worst 5.6 times greater. pubs.aeaweb.org/doi/pdfplus/10.1257/aer.101.5.1649

These are remarkable findings which indicate at best that coal fired power generation has no economic value to the community. At worst the industry is a huge economic burden.

The costs that make the industry an economic burden in the US are health costs. Those studies carried out in Australia show a similar picture and we recommend you look at the social cost of Hazelwood, a study produced in Australia with the help of the Harvard Kennedy School of Government https://issuu.com/environmentvictoria/docs/social_cost_of_victorian_coal_plant

In 1854 John Snow a London surgeon surrounded by thousands of people dying from cholera ripped off the handle for the Broad Street Pump because his research indicated the water must be contaminated. It was illegal but the epidemic stopped and lives saved.

Doctors cannot raid the Latrobe valley and turn off the power stations because there is nothing that can immediately replace them but we believe you have a responsibility to turn them off as quickly as possible by supporting the alternative - clean energy. Your support for ARENA as a public health measure is like the pharmaceutical benefits to prescribe statins to prevent heart disease.

Therefore we do not support ARENA in its current role of providing loans, a system which will not drive the research, development and ultimately, commercialisation which was so successful in ARENA's short earlier existence. The relatively modest grants allocated so far have attracted \$1.2 billion in outside funding with 60 projects completed and another 200 under management, now under threat. In contrast, fossil fuel projects receive an estimated \$5.6 billion in subsidies p.a. despite an urgent need to transition to a clean energy future. Australia is a leader in photo-voltaics and other energy technologies but without ARENA's backing many projects will not see the light of day. This is at odds with the government's claims to be innovative and support jobs and growth. The savings to the Health System from a transition to clean energy justify ARENA's ongoing funding and we do not understand the logic behind a budget saving which will result in increased health costs.

Port Augusta and other transition towns need ARENA

Let us explain the need for ARENA with an example where we have been involved for 5 years, the replacement of coal combustion with new solar technology in Port Augusta.

We researched the cause of cardio-respiratory ill health in Port Augusta. It was air pollution from coal combustion
http://www.dea.org.au/news/article/illness_and_pollution_at_port_augusta_dea_speaks_at_the_parliament_of_south

The community recognised this and the power station was recently closed. The Australian Medical Association, The Royal Australasian College of Physicians, local businesses and unions all supported this.

The town urgently needs replacement jobs and power; feasibility studies indicate the suitability of concentrated solar thermal with storage.

Port Augusta will move into a future of reduced health costs and this economic saving should be recognised in the need to fund a clean energy future which will provide many economic spin offs as satellite developments accumulate around it as illustrated in similar developments overseas. At present Port Augusta suffers from another health impact – the social and health disabilities that result from unnecessary unemployment. The treatment is in the hands of your Committee.

In this week when doctors will celebrate the controlled demolition of a Port Augusta power station we ask your committee to celebrate technological innovation and the future economic success of Australia by maintaining ARENA's budget.

Doctors for the Environment Australia

Doctors for the Environment Australia (DEA) is an independent, self-funded, non-government organisation of medical doctors in all Australian States and Territories. Our members work across all specialties in community, hospital, private practices and public health.

DEA works to prevent and address the diseases - local, national and global - caused by damage to our natural environment. We are a public health voice in the sphere of environmental health with a primary focus on the health harms from pollution and climate change.