

# THE AUSTRALIAN GREENHOUSE STORY

(in 7 papers)

## Paper No. 7 – **Some Conclusions**

In the 6 earlier papers of this series the McKean & Park Future Law Team has attempted to provide an outline of occurrences in 'the Australian Greenhouse Story' over the past 10 years or so. We have tried to outline the problems and to look at solutions. We have tried to explain policies, why they have been implemented, where they have failed. The project has never been intended as more than an overview but at times like this, it seems to us important to try to capture the problem as a whole rather than to concentrate on segments of it.

So what sort of conclusions can we draw from the earlier papers and where do we go to from here?

It is our view that the problem has grown over the last two decades or so to such proportions that Australians currently find it impossible to agree on solutions capable of reducing its size and that will at the same time allow us to continue the prevailing economic conditions. In the result we are taking virtually no remedial action nor do we have any coherent plan of what to do in the future. Instead, it appears at best that our government is about to risk everything on a CCS solution. We need to re-assess this approach urgently. As an alternative for discussion we suggest the following:-

**Firstly** we must have an Emissions Trading Market commencing as soon as possible. We must have such a market in order to provide the incentives; to the fossil fuel suppliers, to progressively clean up their products; to the market to provide new and improved energy sources, materials and technology; and to the public to search out in their dealings the



most energy-efficient sources and products available and to continually demand improvements.

The market must be a controlled market. Control should be exercised by an Energy Authority which is independent but 'related' to government in exactly the same way as is the Reserve Bank; and performs much the same functions.

The task of an Energy Authority must be spelt out in the clearest possible terms. That task will include managing the market to achieve Kyoto compliance without, at the same time endangering the economy and that clearly includes keeping energy cost within reasonable bounds.

**Secondly** we must, through the Energy Authority, encourage the development of GHG solutions including geosequestration. This will occur in large part because of the incentives the market provides but will be aided by initiatives developed, promoted and/or financed (wholly or partly) by the Energy Authority from money earned as a result of market sales and other sources.

Geosequestration has unique problems associated with it that need to be monitored either by or under the control of the Energy Authority. Issues of legal

liability for leakages and blowouts need to be resolved and insurance cover maintained at all times. Compliance with safety requirements needs to be observed for centuries if need be.

An Authority will also participate in financing new energy ventures such as the development of geothermal and hydrogen energy sources and a range of other projects needing research funding and seed capital.

**Thirdly** Australia needs to turn around public perceptions. Yes, energy must certainly remain readily available. It is, after all, energy that has enabled the human species to progress from cave dwelling to our present condition. At the same time, we must now learn to respect energy as a commodity that should never be wasted. Sustainability concepts, however 'sustainability' may be defined, need to be applied to everything we do and rewarded in such a way as to make its attainment a goal to be achieved. Measurements of sustainability needs to be reviewed and put on an accurate scientific basis.

**Fourthly** the world must resolve improvements to the Kyoto Treaty that it needs in order to survive and flourish. The parties must consider whether or not those nations upon which the heavy burdens will fall should not be treated differently from those nations who are able to meet their commitments with relative ease. Possibly, in the case of the US, China and India, it would be enough to require, at least in the short term, that they do not increase their GHG emissions rather than that they reduce them.

It must be borne in mind that the world is in the process of shifting its manufacturing processes to

developing nations such as India and China and consequently offloading on to them its GHG problems. It would be manifestly inequitable therefore to require them to carry out tasks that far more financially established nations find too difficult to meet.

**Fifthly** we need an Energy Authority now. One of the great beauties of the establishment of an Energy Authority is that its position would enable it to guide Australia and Australian industries through the difficulties that will confront them over the next 100 to 200 years. At the same time, an Energy Authority itself needs to be guided by the presence and signals of a market. Surely, there is nothing different in this from the situation that applies to the Reserve Bank and its management of the Australian currency.

**Sixthly** time is running out. If present trends continue the level of atmospheric CO<sub>2</sub> will by mid century have almost doubled from its pre 1780s level when James Watt delivered us the steam engine. Over 90% of that increase will have occurred since the mid 1970s. We are already close to the temperature peaks of the last interglacial when ocean levels were between 4 and 5 metres higher than they are today. Indeed just a little warmer will see the planet hotter than at any time since the human species evolved. Keep going and we will be deliberately, and of our own volition, putting the entire human race at risk. In short, the time has arrived when humans must show their ability to collectively avoid their own self destruction.