

# THE AUSTRALIAN GREENHOUSE STORY

(In 7 papers)

## Paper No. 2. What Went Wrong

All this seemed perfectly reasonable to the Australian Government in 1997, and well it might. Australia had also secured a special benefit from Kyoto that no other nation enjoyed. At an earlier conference Australia pointed out that what is called 'land use change' caused the emission of huge quantities of CO<sub>2</sub> particularly if the land use change was forest clearing. This is because carbon in the soil, once uncovered and subsequently cultivated, is exposed to the heat of the sun and this converts the carbon into gaseous CO<sub>2</sub>. Australia said that of all the industrialised nations, it alone still had land clearing to complete and, in fairness, should receive a special dispensation. The others agreed, albeit reluctantly. What is called the 'Australian Clause' found its way into the eventual Kyoto Treaty and in 1997 instead of having to reduce its emissions by the first commitment period (2008–2012), Australia was permitted to increase them to 108% of the 1990 level so as to give it a break in completing forest clearing. In the result, Queensland became a forest clearer's paradise.

In fairness, Australia was not the only nation to obtain preferential treatment. The former Eastern Bloc nations whose industries were very largely based on coal, experienced economic free fall during the 1990s due to their inefficiencies and the level of energy use declined. As a result, their emissions dropped well below the baseline of 1990, giving those nations involved a huge bank of carbon credits for trading. Had a later baseline year been selected that advantage would have been considerably diminished.

The European Union also did well. It had already largely switched to nuclear energy (producing no



greenhouse emissions) and natural gas (producing less greenhouse emissions). European vehicles were already smaller and more fuel efficient. Its new members from the former Eastern Bloc had surplus carbon credits. The EU was therefore in far better shape to enter the greenhouse abatement era, and gain any resultant trading advantage, than most other countries. At conferences it operated as a single bloc and adopted a fairly radical stance.

On the other hand, some nations were particularly disadvantaged. The US, Japan and Australia, for example, were all, as they still are, heavily coal dependent. Each had come to reject nuclear energy, although for different reasons. Japan because of Hiroshima, Australia because of the perceived potential for nuclear weaponry and the US due to a change in public sentiment resulting from a number of books and films on the dangers of nuclear power plants.

The US, in particular, found itself between a rock and a hard place under Kyoto. General feeling was that the US should lead the way into the Greenhouse Abatement Era. The EU and particularly the Green political movement pressed hard for tougher measures. The treaty therefore required Uncle Sam to reduce greenhouse emissions to 93% of 1990

levels by 2008-2012. This was only fractionally better than the 92% level allocated to most industrialised European nations who were far better placed to meet their obligations than was the US. But as a coal dependent nation, used to having large vehicles and cheap fuel, the US simply wasn't politically able to move that far. This was a tactical blunder that should have been foreseen and an appropriate allowance made. We still have the best part of 2 years before Kyoto is implemented, there may yet be time to make another approach involving concessions to the US.

Australia shared the US's problems although not to the same extent because of its generous target of 108%. In fact the Australian Government sat back and let land clearing (which is a state matter) continue unabated until 2004 in the correct anticipation that Queenslanders who wanted to clear their land would do so and the effects of terminating forest clearing would therefore hardly be felt. It would, however, reduce greenhouse emissions, albeit temporarily, and enable Australia to get somewhere near its first commitment period target without in fact commencing the process of permanently reducing its greenhouse emissions. This has been described as a technical compliance without any attempt being made to come to grips with the problem.

Many people ask why governments can be reluctant to accept Kyoto and its regime of Cap and Trade with an Emissions Trading Market. Why have Australia and the United States refused to ratify the treaty even after it has become international law. The reason

can be found in the final paragraph of Paper 1 of this series. The system outlined in Paper 1 affects the cost of everything; that is all goods, all services, and all property and assets. Consequently the imposition of such a system could upset a nation's balance of trade by increasing the cost of its exports, even making them unsaleable. Those nations like Australia that rely heavily on fossil fuels, who depend on international trade and who are enjoying buoyant trading conditions regard the imposition of the system as a risk they could well do without even though many reject this view as, unrealistically negative.

But governments are not solely to blame. We, the public, have not so far commenced to demand the remedial action a problem of this magnitude warrants – we are in fact equally to blame. There is, I believe, in the making of most great public decisions a moment at which the public, often with very little information in its possession, concludes that whatever is occurring isn't right and therefore that something must be done about it. That moment has yet to arrive. Such a move from inertia to a demand for action can occur very swiftly indeed given the right circumstances. It will come, I believe, when realisation begins to strike home of the sheer enormity of the problem and its possible effect upon the future of the human race. When we start to realise that massive storms are going to get much much bigger and long dry spells deteriorate into permanent drought.

ROSS BLAIR