

PM Climate Change Agenda: Mixed Reactions

Prime Minister, John Howard's 17 July climate change announcement highlighted the main points from a new government report: *Climate Change Policy: our economy, our environment, our future*.

The PM began his public address by highlighting what the government has already achieved. He said the government's 1990 policies, aimed at reducing greenhouse gas emissions, would stop about 87 million tonnes of carbon from entering the atmosphere by 2010. He went on to detail future spending on programs, aimed at tackling global warming. \$627 million would be spent on the new measures, including the allocation of green vouchers for schools to improve energy and water efficiency.

The PM also referred to the 'cap and trade' emissions trading system. Details are yet to be announced but he promised the system would help Australia substantially lower domestic greenhouse gas emissions at the lowest cost. While industry groups welcomed the announcement, environmental organisations complained the measures did not go far enough. There was also swift condemnation from the agricultural sector, with claims the government's carbon plans could leave farmers out in the cold.

NSW Farmers' Association President, Jock Laurie, has called on the government to include agriculture in its carbon emissions plans. "The Prime Minister has endorsed the carbon market design recommended by the taskforce on emissions trading. However, this design shields the energy sector. It shifts the costs of meeting emissions targets onto ordinary consumers and farmers", Laurie said. "The government can talk about reductions in emissions in Australia, but this reduction was primarily due to clearing laws that prevented farmers from developing their land. This saving was achieved at zero cost to government and a cost of billions of dollars to family farmers."

Farmers have vowed to fight for a seat at the climate change table, ensuring they are not left out of the equation.

The gas industry has voiced support for the PM's carbon reduction plans but wants the government to provide encouragement for the use of natural gas. The Australian Pipeline Industry Association (APIA) believes natural gas has a big role to play in Australia's future energy needs and is the 'cleaner alternative'. APIA Chief Executive, Cheryl Cartwright, suggests natural gas is an obvious transitional fuel, which could be considered for base-load power generation in the long term. "Natural gas has lower greenhouse gas emissions and

uses less water in energy generation than coal, it is less expensive than renewable energy and it's available now."

"Gas-fired power generation uses between 20 and 40% of the water used for coal-fired power generation. Given the public's concerns about nuclear power generation, it would seem appropriate to renew the focus on natural gas-powered generation", Cartwright said. APIA is pushing the natural gas option hard because it could be introduced almost immediately, whereas technology is still being developed in order to make renewable power generation more financially attractive and more accessible.

The Australian Petroleum Production and Exploration Association (APPEA) agrees natural gas has a role to play in a very different energy future, particularly as a transitional fuel in Australia and throughout the Asia-Pacific region.

APPEA Chief Executive, Belinda Robinson said the Australian upstream oil and gas industry is keen to work with the government in what is one of the most serious global challenges. "The report's focus on making a substantive contribution to achieving global reductions

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in emissions in a way that avoids dangerous climate change while maintaining the strength of Australia's economy is particularly welcome", Robinson said.

"The industry has long supported credible industry actions and government policies that address greenhouse concerns in an economically and commercially viable way."

Environmental groups are concerned about the Prime Minister's motives. Organisations such as Perth-based Carbon Neutral agree it is better to do something than nothing, but they want the government to go further.

Carbon Neutral CEO, Leo Kerr, views the PM's plans with some scepticism, saying the announcement is political posturing before the federal election. "I have watched this government for the last ten years and its response to climate change. Just over a year ago I saw John Howard at one of the Asian

conferences and he was almost boasting, I thought. He said 'I'm a climate sceptic'. The Prime Minister's change of direction has been poll-driven here. He realises that this is a huge issue for the Australian electorate but there hasn't really been a demonstration of leadership in this."

Criticism of the government's climate change record aside, Carbon Neutral believes the Prime Minister's announcement is a step in the right direction. "Any measures that are positive, regarding climate change, are good measures. However, we need to take big strides rather than small steps", Kerr said.

As for the 'cap and trade' system, Carbon Neutral sees enormous potential but it will depend on the detail. "With the cap and trade system, what the government will typically do is say 'here's the cap', and then let the market determine how to get to that cap through trading. What we don't know is what the cap's going to be and we also don't know what permits are for the big polluters. Now, if the big polluters are let off the hook, it'll destroy the system. It really won't have teeth", Kerr said.

He believes the government has dragged its feet on climate change and missed an opportunity for Australia to play a bigger role on the world stage. "A lot more could've been done. We could've positioned ourselves if we'd had someone of real vision about this. We could've positioned ourselves to be a leader in the world in new technology, in climate change policy. We could've done an awful lot more."

Some of the key points of the government's climate change report include;

- in 2008, a long-term aspirational goal for reducing emissions, to enhance investment certainty and contribute to international efforts;
- the introduction of an emissions trading scheme, no later than 2012, as the primary mechanism for achieving the long-term emissions reduction goal;
- the government's endorsement of the key design features of the emissions trading system set out in the report of the Prime Ministerial Task Group on Emissions Trading; and
- the introduction of legislation for mandatory energy and greenhouse gas emissions reporting by participants in the trading scheme, or entities that intend to provide offsets, before the end of 2007. ■