

Senate Inquiry into the Carbon Pollution Reduction Scheme Bill 2009 and related bills

The Government's rationale for introducing the Carbon Pollution Reduction Scheme Bill 2009 (CPRS) is based on misinformation, and consequently is seriously flawed. It is against the national interest, and therefore cannot be supported in any way.

The Senate Committee should be aware that:

- . the CPRS Bill title gives the misleading impression that it deals with the reduction of carbon pollution, whereas it is neither about carbon nor pollution. There appears to be no logical reason for this, other than a deliberate attempt to misinform the electorate and political representatives. The Bill goes on to say that it is aimed at reducing pollution caused by emissions of carbon dioxide (CO₂) and other greenhouse gases. In fact, carbon dioxide is not a pollutant, but an invisible gas, which is an essential nutrient for plants. Without CO₂ there would be no complex life on earth.

- . apart from environmental activists who unquestionably accept anthropogenic global warming, the resources of government, the CSIRO and other agencies have all been influenced heavily by the reports of the IPCC. As nearly all the scientists who work for the IPCC support the greenhouse theory, it is not surprising that IPCC reports are biased in favour of accepting the theory.

- . the IPCC was set up for the purpose of finding scientific evidence to support the adoption of the greenhouse theory. After 20 years of searching, the IPCC has been unable to come up with any convincing evidence. In fact, the strongest endorsement that the IPCC can give in its 2007 Report, is the assertion: "Most of the observed increase in globally averaged temperature since the mid-20th century is very likely due to the observed increase in anthropogenic greenhouse gas concentrations".

(The IPCC Reports have all been prepared in order to influence the successive Conferences of Parties (COP) meetings, the next one of which is to be held in Copenhagen in December. So as to assert man-made global warming, the IPCC reports have been tainted with essentially false statements, e.g. the inclusion in the 1990 Assessment Report of a special aerosol factor (later abandoned in the 2001 Report) to explain a cooling trend from 1940 to 1975; the deletion of a key consulting scientific reviewer approved statement, "none of the studies cited above has shown clear evidence that we can attribute the observed climate changes to the specific cause of increases in greenhouse gases" from the final draft of the 1995 Report, and the insertion in its place of strong endorsements of man-made warming; the valid inclusion in the 1995 Report of a 1000-year climate history graph showing a warm period from 1000 to 1400 AD with warmer temperatures than today, and its replacement in the 2001 Report with a 'hockey-stick' shaped graph (subsequently shown to be derived erroneously) showing 900 years of stable global temperatures until about 1910 and then sharply rising temperatures thereafter, and the omission of the 'hockey stick' without explanation from the next IPCC report. It is ironical that

the climate science statement reversal in the 1995 Report, which falsely suggested that the science was settled, led to the adoption of the Kyoto Protocol in 1997.)

- . the alarmist climate change projections that are made by the IPCC and quoted widely in the media, are derived with the use of computer climate models and scenarios of what might happen in the future. It is pertinent that none of these models has ever been validated. Consequently, its models cannot be relied on for prediction purposes, and the projections can be regarded only as speculative.

- . climate science is not settled. The available observations do not support the mathematical models that predict a substantial global warming and form the basis for a control policy on greenhouse gas emissions. Whereas CO₂ emissions have continued to increase, global temperatures have not risen in the past 10 years. In fact, there is no convincing scientific evidence that global warming or climate change is man-caused.

- . climate history observations point to global warming being a natural process, with celestial phenomena being the principal driver of climate. There is considerable evidence of 1,500 year climate cycles, and that this is responsible for most of the Earth's warming since 1850. Solar variability is considered as the leading hypothesis to explain the roughly 1,500-year oscillation of the climate since the last Ice Age.

- . having been subjected to 20 years of climate change propaganda from the IPCC, the media and school educators, and the extreme alarmism of Al Gore, Australians have been conditioned to believe in man-caused global warming. Therefore, it is not surprising that Australians generally are misinformed about it. Sadly, the political parties are opportunistic in exploiting this misinformation of constituents, by proposing greenhouse gas reduction policies.

- . the Government is persisting with exploitation of the misinformed as the principal means of influencing passage of the CPRS legislation.

- . given that the Government has declared that the CPRS is one of the most significant environmental and economic reforms in the history of the nation, economic policy consideration of the legislation should include a rigorous cost-benefit analysis, at the very least. If the Government has done such an analysis, but chosen not to make it public, it suggests that it is aware that CPRS implementation costs would far exceed the benefits.

- . CPRS implementation would raise electric power prices by at least 40% to achieve renewable energy targets of 5 to 15% by 2020. Such a substantial increase would be deemed necessary to encourage investment in renewable energy sources, so that electricity supply retailers could meet the regulated renewable energy component. This means that the renewable energy generators require a subsidy of at least 40% to compete with efficient coal-derived energy at present prices. With the CPRS, carbon taxes would be levied on the coal-derived energy producers to enforce the 40% price increase and reduce their overall capacity. Of course, should the 2020 renewable energy target need to be raised as demanded by the environmental activists, present electricity power prices would need to increase much more than 40%.

. the 40% increase in power charges would impact on all areas of the economy. High energy prices would flow through to all Australian industries, and consequently cause substantial restructuring and loss of employment, e.g. the mining industry alone would lose some 23,000 jobs. Australia's comparative advantage in low-cost efficient energy for export-oriented industries would be destroyed. The Australian cost of living would rise significantly.

. farmers could lose up to a quarter of their income in 2015 under a CPRS, with beef and sheep producers hardest hit, according to a recent report by the Australian Bureau of Agricultural and Resource Economics. With higher power and transport costs, small farmers on tight margins would go out of business.

. claims that substantial numbers of green jobs would be created, need to be qualified. Although it has been argued that clean energy development and generation may employ many more jobs than in fossil-fuelled energy development (thanks to the former's low productivity), this appears to completely miss the vital point that it is the impact of the much higher costs of carbon policy on mining and manufacturing industries that has the potential for big job losses.

. CPRS implementation would result in little, if any, benefit. So-called clean energy could be regarded as a benefit only if its production technology were to be developed to a level of efficiency commensurate with that of coal-fuelled energy. Based on the history of major product research and development projects, it can be expected to take much longer to reach that capability, if at all, and require much larger investment than anticipated.

. from an overall economic policy viewpoint, it is evident that the costs of CPRS implementation would far exceed the benefits. Australia's exporting comparative advantage would be affected severely, if not destroyed; its rate of economic growth reduced; and the cost of living increased.

Conclusion: CPRS implementation is being driven on dubious political grounds. It cannot be justified on either scientific or economic grounds.

Global warming, if any, is due to natural processes, and consequently there is no valid rationale for proceeding with the implementation of a CPRS. It follows that it is in the national interest to adopt a do-nothing policy and adapt to whatever global warming eventuates. To do otherwise would be an absolute waste of resources, and would cause irreparable economic damage in the process.

If the Government is serious about acting honestly and responsibly in international climate change deliberations, it should be courageous and pronounce that it is pointless to proceed with policies that call for reduction of greenhouse gases.

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