

## 6. The environment

The economy is a wholly-owned subsidiary of the environment.  
All economic activity is dependent upon the environment ....  
The economy, in reality, is just a subset of the ecological  
system. (Gaylord Nelson, 1994)<sup>1</sup>

As we examine John Howard's record on the environment, we need to ask:

- Has he succeeded in preserving an environment able to sustain our society and economy in the years to come?
- Has he taken advice from the best independent experts in the field or from special interests?
- Whose interests is he representing?
- What can we learn from Howard's track record on the environment?

Howard's responses to key environmental issues can take us some way towards answering these questions.

### **State of the Environment report**

The Keating government commissioned a group of Australia's key scientists, academics, industry leaders and environmentalists to provide the first-ever independent nationwide assessment of the status of Australia's environment. Their report, *Australia, State of the Environment 1996*,<sup>2</sup> was presented to the incoming Howard government. The report was up-to-date, credible and comprehensive. It provided an independent scientific assessment of environmental conditions, focusing on the impacts of human activities, their

significance for the environment and the kind of remediating measures that could be taken.

The government used the dire warnings in this report as part of its sales pitch for the sell-off of one third of Telstra, arguing that the sale should be supported because it would provide money for the environment.<sup>3</sup>

As Professor Ian Lowe, President of the Australian Conservation Foundation, reported, part of Telstra was sold and a small amount of the proceeds from this sale went into the Natural Heritage Trust for the environment. A subsequent internal evaluation of how that money was used concluded that it made no significant impact upon large-scale environmental problems. In fact, the money was spread around rural electorates to help win votes for the Howard government in the 1998 election.

Let us take the example of inland water resources. The 1996 report was unambiguous: these resources were being over-exploited and were in danger of collapse. However, little of national significance was achieved in the eight years leading up to the National Water Initiative being signed in 2004, even though the National Party, representing the bush, had a voice in government. Even since then, progress has been painfully slow. The official review of governmental responses to the 1996 report criticised the Commonwealth because its spending lacked an integrated and strategic approach. It's hard to escape the conclusion that the Howard government has given low priority to the status of the environment.

Alarmingly, the *State of the Environment 2006* report makes exactly the same point. It says of the National Water Initiative:

Whether these reforms will be sufficient to restore the rivers to an acceptable level and redress the evident loss of biodiversity remains to be seen. Indeed, there is concern in some quarters that the environment may not necessarily benefit from changes such as extensive interstate water trading.<sup>4</sup>

It continues: ‘Commonwealth, State and Territory programs continue to address many of the issues, but in a fragmented manner.’<sup>5</sup> This is ten years after the initial warnings!

The environment of southern and eastern Australia—its rivers, its biodiversity, its soils, its climate, and its capacity to support human populations—continues to decline at an alarming rate. It seems that the Howard government was fiddling, while Australia dried up and its ecosystems died. Where was Commonwealth leadership when it was needed?

Among leaders of the developed world, John Howard has been the slowest, along with George Bush, to respond to climate change. Australia is a world leader in climate science, but Howard has ignored the scientific advice, even going so far as to silence our top research scientists when they attempt to analyse the crisis we face (see ‘Censorship of scientists’ below).

Malcolm Turnbull’s appointment as Minister for the Environment and Water Resources might suggest that Howard has finally understood the claims of the environment and given them some priority. But even if this is true, eleven years of inaction are proving very costly.

Eleven years of rhetoric and cynical use of environmental investment to win marginal electorates in the absence of strategic practical action on the environment and climate change suggests Howard’s agenda has not been to create a sustainable future for Australia. Does he listen to the independent researchers or does he focus on self-interest, using the environment to sell policies (such as the sale of Telstra) and using environmental dollars for his own re-election? Where is the National Party in all this?

## **Renewable energy**

Howard’s first formal response to the Kyoto negotiations was in a 1997 statement called, ‘Safeguarding the Future: Australia’s Response to Climate Change’.<sup>6</sup> Although the statement is strong on rhetoric, it nevertheless contains several positive initiatives, including

establishment of the Australian Greenhouse Office and the Mandated Renewable Energy Targets (MRETs) for Energy Suppliers.

The MRET provision obliged electricity suppliers to purchase 2 per cent of their electric power from renewable energy sources (in addition to the pre-existing hydro sources) by 2010. This gave a boost to the renewable energy sector, e.g. wind farms. The program led to innovation and change, as energy providers competed to produce the most cost-effective renewable energy.

When the program was reviewed in 2003, the Sustainable Energy Industry Association (now the Australian Business Council for Sustainable Energy) was looking for a significant increase for the next period (2010–2020). But the independent reviewers, perhaps sensing the political mood, recommended only a small increase from 2 per cent to 4 per cent.

Everyone benefited from investment in the renewable energy sector except those who were threatened by its success—especially the coal industry, what you might call ‘Big Coal’. The last thing it wanted was an increasingly competitive renewable energy sector.

There is widespread acknowledgement that Howard’s door is always open to Big Coal, one of Australia’s biggest export industries and one of the most powerful lobby groups in Canberra. Perhaps this is why Howard ignored the recommendation for even this very modest increase, and refused to lift the level of MRETs. The bottom then fell out of the renewable energy sector. Capital and jobs left our shores. Australia lost any lead it could expect to have in this industry of the future.

It is hard to believe that Howard’s refusal to lift renewable energy targets by a further 2 per cent could have been made in the national interest. It would have been a simple early step for a government that was not yet ready to put a price on carbon dioxide (CO<sub>2</sub>) emissions. Most other developed nations are lifting their targets by many times this figure.

Do the majority of Australians want our government to put the needs of a single interest group, such as Big Coal, ahead of the national interest? Or is this single industry so central to our national interest that what is good for Big Coal is good for Australia?

### **Kyoto Protocol**

In the momentous year of 1997, Australian representatives were in Kyoto. Ian Lowe was one of those present and has given a none-too-flattering description of the Howard government's performance:

There had been agreement that all countries should reduce their greenhouse gases by the same percentage from their 1990 level in the first assessment period (2008–2012).

Australia attempted to change the entire agreement by arguing that each country should have different targets to reflect their individual circumstances. Even though Australia has the highest per capita greenhouse emissions in the world, the Howard government argued that we should be able to *increase* our CO<sub>2</sub> levels while the rest of the world was decreasing theirs. The argument continued for a full day and throughout the night until the exhausted delegates finally gave in and agreed.<sup>7</sup>

Lowe reports that other governments were shocked by Australia's stance. The meeting chairman later explained that the only reason Australia had been allowed to get away with this strategy was because he was under instructions to ensure all parties agreed to the deal. Australia would have refused to sign if it did not get special treatment.<sup>8</sup>

After this, according to Lowe, delegates from China and other countries said that they 'didn't feel any responsibility to rein in their emissions if a rich country such as Australia was allowed to increase its carbon dioxide production dramatically.'<sup>9</sup>

In subsequent years, Howard and George Bush were to criticise the Kyoto Protocol for its weak standards in order to justify their stance. This is a brazen and cynical ploy, given Australia's role in weakening those standards.

As is well known, Howard refused to ratify the agreement, following George Bush's lead. In doing so, Australia bolstered the United States position, sabotaging the international consensus and delaying effective global action on climate change. Our refusal to participate has also weakened our future capacity to improve the protocol: only Kyoto signatories, not outsiders, decide its future.

George Bush's man in Kyoto had previously worked for Exxon, the world's biggest oil producer and architect of a worldwide disinformation campaign on global warming. You would have to wonder what special interests were behind Howard's position.

The planet, however, cannot be fooled. By 2006, evidence of the need for action was overwhelming, even to the climate denialists. As soon as media tycoon Rupert Murdoch changed his position on climate change in November 2006, George Bush and John Howard were forced to change their rhetoric.

Howard could no longer afford to be out of the game and recently moved to establish a Kyoto-alternative, the Asia-Pacific Partnership on Clean Development and Climate. The six founding members are Australia, China, India, Japan, Republic of Korea and the United States—all big polluters. Many have seen this initiative as a smoke screen for doing nothing, especially since the partnership has made no commitment to cuts in emissions. Others have seen it as an attempt to scuttle Kyoto.

Howard seems unable to move on the one policy that all independent research demands: a price on carbon. In whose interests is he stalling on this?

### **Censorship of scientists**

The public is becoming aware of attempts to gag scientists whose research is unwelcome to the government. The community of scholars does not take kindly to such interference, and occasionally a brave soul speaks out:

A former CSIRO senior scientist and internationally recognised expert on climate change claims he was reprimanded and encouraged to resign after he spoke out on global warming.

Graeme Pearman told *The Age* that he believed there was increasing pressure in Australia on researchers whose work or professional opinions were not in line with the Federal Government's ideology ...

Dr Pearman, who headed the CSIRO Division of Atmospheric Research for 10 years until 2002, said he was admonished by his Canberra superiors for 'making public expressions of what I believed were scientific views, on the basis that they were deemed to be political views'.

'In 33 years (with CSIRO), I don't think I had ever felt I was political in that sense. I've worked with ministers and prime ministers from both parties over a long period of time, and in all cases I think I've tried to draw a line between fearless scientific advice about issues and actual policy development, which I think is in the realm of government,' he said. (*The Age*, 13 Feb, 2006)<sup>10</sup>

Pearman provided independent scientific analysis that the government did not want to hear. Ian Lowe says that Pearman was censured about half a dozen times before being forced out. He writes that Pearman reported 'it was made very clear that management did not want him around, even banning him from entering the building in which he had worked for many decades.'<sup>11</sup>

ABC television's 'Four Corners' reported in February 2006 that the Howard government told Dr Barrie Pittock, one of our leading experts on sea-level rise, that he had to downplay his research findings on the impacts that rising sea levels might have on 'environmental refugees' who might seek shelter in Australia.

These examples suggest there may be many more cases of the Federal Government's harsh treatment of scientists and independent research. Such attempts to control knowledge have no place in a democracy and should be sounding alarm bells for anyone with a sense of history. Why is the Howard government so afraid of facing facts, and

why is it determined to sideline the best expertise available on this national crisis? In attacking climate scientists, Howard and the conservatives are attacking the courage and capacity of Australians to face the facts and to work together to make decisions that are best for our common future.

### **Developing countries and climate change**

Since 1997, Howard has argued 'We have persistently stressed the need to involve developing countries as their participation is crucial to any lasting solution to the global warming problem'.<sup>12</sup> He uses this as an argument to justify his inaction. This is dishonest for a number of reasons. Firstly, it fails to recognise that most of the greenhouse gases currently in the atmosphere have been created by the rapid development of the richest countries over the past fifty or more years. This is one of the reasons most of the rich countries of the world agreed to take the lead. They recognise that they bear the greatest responsibility.

Secondly, Howard's argument fails to recognise that the developing countries *are* involved in the next stage of the Kyoto agreement. Unlike Australia, they have signed up and Kyoto Protocol members agreed a long time ago that developing countries would consider targets in the next phase when developed countries had demonstrated their commitment to reducing greenhouse gas emissions. Thirdly, Howard's argument fails to recognise that it is the rich, developed countries with their extensive resources that have provided leadership in most international agreements over the past fifty years.

Howard also fails to acknowledge that some developing countries have already taken strong action, as exemplified by China's automobile-emission standards. The irony is that these standards are now too high for Australian and American car makers to gain access to that market.

The current failure of Australia and the United States to participate in the Kyoto Protocol demonstrates their failure to make a serious commitment. At the time of writing, the Howard government had still

not set CO<sub>2</sub> emission targets. If developing countries were to follow our lead, the world would indeed be in trouble. Australia's pollution is China's worry; China's pollution is our worry. Climate is no respecter of national boundaries, so the only way we can go forward is through international agreements.

### **Policy confusion**

The Howard government's policy on greenhouse gases is inconsistent. On one hand Howard argues that signing the Kyoto Protocol would destroy our economy; but on the other he says:

Australia remains firmly committed to achieving its Kyoto target of keeping emissions to 108 per cent of 1990 levels by 2008–12. With current policy measures, we are on track to meet this target and will continue to monitor progress.<sup>13</sup>

Howard claims he is going to meet our Kyoto targets but refuses to ratify the protocol. Why? Who benefits? If you are going to meet the targets, why not ratify?

A commentator at the Australian *Financial Review* observed:

Under these circumstances, a policy of meeting the Kyoto targets but not ratifying the protocol leaves Australia with all the costs of Kyoto and few of the benefits. Most obviously, Australian businesses are effectively excluded from international trade in emissions rights.<sup>14</sup>

We are excluded from the international trading scheme in carbon credits. Australian companies are now missing out on millions of dollars they could have earned from this trade.

Further confusion is evident in the statements of Howard and his ministers on the introduction of a carbon-trading scheme. In 2005, our government was still strenuously resisting calls to put a price on carbon, only to contradict themselves less than a year later, saying that 'carbon trading schemes are part of the policy answer (Senator Ian Campbell, 2006)<sup>15</sup>. But don't expect action any time soon: yet another study group has been formed, while the stakes get higher.

## **Economic costs of doing nothing**

The recent Stern Review on the Economics of Climate Change<sup>16</sup> is unequivocal: the economic costs of doing nothing far outweigh the costs of tackling climate change.

But Howard had already been persuaded by political allies and mining interests to reject renewable energy in favour of the polluting coal industry<sup>17</sup>. During the Howard years Australia has moved from being a leader in renewable energy research to lagging well behind (along with the United States) in its commercialisation. Meanwhile, Australian citizen and PhD graduate in solar energy, Dr Shi Zhengrong, has taken his expertise to China where he has used it to become one of that country's richest men.

And still, Howard continues his attempts to adapt yesterday's technology because he lacks the vision to recognise that a new industrial revolution is upon us. Economic arguments are still the mainstay of his resistance to change:

We have also made it plain that we are not prepared to see Australian jobs sacrificed and efficient Australian industries, particularly in the resources sector, robbed of their hard-earned, competitive advantage.<sup>18</sup>

This argument just doesn't hold up. First, Australian industries that pump out polluting greenhouse gases can hardly be regarded as 'efficient'. Nor would Australian jobs need to be sacrificed overall, since more would be created in renewable energy than would be lost by, say, phasing out coal.

Further, business does better in the long run where there are tough rather than weak environmental safeguards.<sup>19</sup> The United States implemented a tough environmental policy on ozone-depleting chemicals in the 1980s, which gave it a strong competitive advantage in the refrigerant industry. Its early adoption of remedies agreed in the Montreal Protocol forced companies to innovate, so that they achieved a significant increase in their market share as a result of being ahead of the market.<sup>20</sup>

Japan's strict energy conservation laws enacted in 1979 stimulated improvements in refrigerators, air-conditioners and automobiles, giving the Japanese a strong lead in these industries.<sup>21</sup>

Progressive environmental policies in Germany have given its industry a head start in controlling air pollution, so that it now leads the world in air-pollution control and related technologies.<sup>22</sup>

On the other hand, years of successful lobbying by United States car makers to reject air-pollution and efficiency standards for motor vehicles has turned that industry into a dinosaur that is all but extinct.

Each story reiterates that point: high local environmental standards force innovation and increase a nation's competitive advantage; being a late adopter can lead to the collapse of local industry. Far from protecting industry, Howard's formula of 'business as usual' is a distinct hazard to any industry that plans to be around in twenty years time.

Investment is likely to see this attitude as a hazard as well. A country that lacks a robust policy on emission reduction will see a decline in investment as companies build this uncertainty into their risk management budgets. The Australian Business Roundtable knows this and has spelled out the dangers of inaction repeatedly.<sup>23</sup> You would think Howard might listen to advice from this quarter, but he seems oddly distracted, tuned to some other frequency.

Whatever claims Howard might have as a good economic manager, they are negated by the liabilities he has created for future generations by his sabotage of national and international responses to climate change.

### **Greenhouse mafia**

So who is Howard getting his advice from? Who has his ear on climate change?

A shadowy group labelled the 'Greenhouse Mafia' has been exposed as the actual authors of the government's climate change

policies.<sup>24</sup> This group is made up not of Commonwealth departmental officers, elected representatives of the Australian people, or recognised experts on climate change or economics. No, this group is made up of lobbyists for the coal, oil, cement, aluminium and mining industries. The implications of this are staggering, and the light it sheds on Howard's apparently irrational denials is truly blinding. The short-term interests of polluting industries are the driving force behind Australia's response to climate change! This is a monumental scandal and dereliction of government responsibility for current and future generations.

There is little wonder that Howard opposes mandating renewable energy targets, setting caps on greenhouse gases or setting a price on carbon. He is in the clutches of these special interests.

What's more, this 'mafia' has used unprecedented and improper methods to ensure its interests are protected in policy. Reputed to be the most powerful lobbyists in Canberra, this group was not content to use its massive economic muscle in the usual way, but has managed to penetrate parliamentary and departmental security protocols that even ministers and department heads have to observe. Industry representatives, have actually been invited to work directly on cabinet papers and ministerial briefings on the issue of climate change. Leaders of Australia's worst greenhouse polluting companies have literally dictated policy; to say that their fingerprints are all over government documents may be a very precise charge in this case!

Howard Government policies of trying to scuttle international agreement on climate change, to work on behalf of the well-moneyed greenhouse polluters and to attack Australia's renewable energy industry are some of the worst policy mistakes in Australian history, on par with the decision to attack Iraq.

## **Conclusion**

Howard's response to environmental challenges merits a fail grade from beginning to end. He has ignored independent scientific and

economic advice, and chosen instead to use the environment as a pawn in the sale of Telstra, to use environmental dollars to get his government re-elected, and to listen to industries that want no curbs on their free exploitation of the natural world.

The economic hardheads from Howard's front bench seem unaware that their cherished economy depends on a healthy environment. Howard himself seems truly unable to grasp what an environmental threat might mean. Our political masters appear to have detached themselves from the natural world, forgetting that even their own bodies are part of the biosphere. Without the air, water, a hospitable climate and other living things, we will not continue to exist.

After eleven years of inaction and spoiling, Howard now wants to present himself to the electorate as environmentally responsible. This posture is not to be trusted. In the past he has used the environment as a screen for pork barrelling at election time and we cannot expect him to change his stripes. The ten billion dollars recently conjured for the Murray–Darling system may end up as yet another way for Howard to buy votes.

It would be ironic if Howard were to win the 2007 election by pulling a rabbit out of the hat on environmental management and climate change, masking the calamitous effects of his decade of stalling. We won't have long to wait to see how the conservatives try to deny their neglect, and present themselves as truly caring about the environment and our legacy to future generations. Whether or not the electorate is fooled by their rhetoric, the planet cannot be fooled. And whether it comes sooner or later, recognition will dawn on Australians that Howard has failed us monumentally through his wilful blindness to the environment. Where expertise and vision were presented to Howard, he chose instead to listen to the narrow interests of traditional resource industries. U-turns executed by the government now need to be viewed with deep scepticism, and the question always asked: whose interests are being served?