

***“Time to Clean the Stables –
the urgent need to rationalise and prune
the runaway Greenhouse Industry.”***

A Submission from:

The Carbon Sense Coalition
www.carbon-sense.com

to
the Wilkins Strategic Review of
Australian Government Climate Change Programs.

20 May 2008

(Submissions to be forwarded to the Strategic Review of Climate Change Programs at reviews@finance.gov.au)

“When heralded Canadian environmentalist Lawrence Solomon first set out two years ago — on a bet, no less — to find credible dissenters to the well-entrenched climate change dogma, he thought he might perhaps unearth enough material for a few National Post columns. Instead, like Alice passing through the looking glass, Mr. Solomon entered a world wherein it soon became clear the much-ballyhooed idea of a “scientific consensus” was as nonsensical as “Jabberwocky.”

“I had picked several of the most essential and/or most widely publicized ‘building blocks’ of the case for catastrophic global warming,” Mr. Solomon writes. “In each case, not only was I able to find a truly eminent, world-renowned leader in the field who disputed the point in question, but in each case the denier had more authority, sometimes far more authority, than those who put forward the building block in the first place.”

Shawn Macomber, “The Climate Change Deniers” The Washington Times 6 May 2008.

1. The Main Recommendations.

The Carbon Sense Coalition (Carbon Sense) recommends that all policies on global warming should be based on the science and the evidence, not on unproven computer forecasts or media scare stories. We also submit that markets and private initiatives will achieve better, quicker and cheaper results than government departments, legislative coercion, targeted subsidies, or punitive taxation.

Our main recommendations are thus:

1. **Validate the science first** before sowing the seeds of a massive upheaval in the lives of every Australian (see section 2 of this report for more details).
2. **Audit all current programs** – check the total scope, purpose and cost of every federal, state, local or subsidised activity generated by greenhouse considerations (see Section 3).
3. **Ensure there is an “Easy-Exit” strategy** – make sure that Australia is not locked forever with the costs of a failed and unnecessary program (see section 4).
4. **Do NOT support an Emissions Trading Scheme** – even if it is decided to do something to reduce CO2 emissions, an ETS is a very bad way to do it (see section 5).
5. **Abolish all state and local duplications** – all programs, laws, regulations and authorities that duplicate or complicate federal greenhouse initiatives should be abolished (see section 6).
6. **Keep it in the Family** – an Emissions Trading System will create big winners and big losers. We should ensure that Australians, not foreigners, win all ETS lotteries (see section 7)
7. **Let the Markets Work** – no price control, no subsidies, no mandated market shares, no tax exemptions and no government selected research programs – the same rules for every market participant. Exposing all participants to full market pricing is the only efficient rationing method (see section 8).
8. **However**, we do support moves that encourage energy efficiency or discourage real pollution of land, air and waters (see section 9).
9. **Supporting Documents** – more information is provided in the Appendix and on our web site: www.carbon-sense.com

2. The Need to Validate the Science and Examine the Empirical Evidence

Before we embark on a path which will cause massive cost and dislocation for our whole way of life and trigger more severe shortages and price surges for all food and energy related products, we need to ensure there is no doubt that the sacrifices are not in vain. That is, we need to look at the science and the evidence.

To date, the Global Warming story has been a political campaign, generated by a small self-selected group with access to never ending government funding who have built and manipulated some massive and complex computer models to produce scary scenarios of future climate. This process aims to control and ration every aspect of our lives no matter what inconvenient facts get in the way during the process. Their story, with daily pictures of storms, floods, droughts, marooned polar bears, empty dams and polluted cities has caught the imagination of an army of disciples motivated by guilt and a missionary zeal to “put things right”.

However, they are about to lynch an innocent bystander, carbon dioxide, while ignoring real physical degradation and pollution of our land, cities, atmosphere and water.

Just five undisputed and inconvenient facts would surely suggest to any reasonable man that we should not embark on a hopeless crusade to destroy our carbon dependent world:

- There has been no increase in global average temperatures for at least a decade.
- Current weather patterns are not unusual and have been repeated many times in the past, well before man started burning carbon fuels.
- Carbon dioxide is just a tiny trace in the atmosphere, but this small amount is crucial to the health of all plants and is the source of all plant and animal food on earth. It is not dangerous to life and not a pollutant.
- All life on earth fares better in the rare warmer periods when the oceans supply more carbon dioxide and moisture (the gases of life) to the atmosphere. During the regular cold barren ice ages, water gets locked up in ice, snow and cold surface waters; then carbon dioxide gets re-absorbed by the oceans; and finally famines, migrations and wars become the lot of mankind. These natural processes of alternating warming and cooling completely swamp man's puny activities.
- The General Circulation Models relied on by the IPCC have never been successful in forecasting global temperatures – they are only successful in retrospect ie the models are tweaked after the event to reproduce past temperature variations, but for future events, natural variations always beat them.

Recommendation: Before any Emissions Trading Scheme is established, an independent Royal Commission should be set up to enquire into the science and the evidence supporting the arguments of those who blame carbon dioxide for all the world's ills.

“Are Australians really willing to sacrifice their standard of living to support massive spending for dubious ends?”

If so, then perhaps we have a new definition for insanity.”

This quote was submitted by Svend, Santa's neighbour, who lives in Kangerlussuaq, Greenland, and who hopes that it warms up soon.

Global Cooling – the New Warming?

3. The Need to Measure the Greenhouse Monster.

There is no doubt that the Greenhouse Industry is the hidden growth sector in Australia. Undeterred by droughts which throttle rural industry, indifferent to infrastructure bottlenecks that strangle the resource industry and insulated from foreign competition that squeezes Australian manufacturers, the Greenhouse Industry has been the steady growth sector of Australia for at least a decade.

But it is a parasitic industry and no one knows how big and expensive this greedy monster has become. Therefore the first job of the Wilkins Review must be to list and quantify the costs of every Greenhouse money sink that has been created by Federal, State and Local governments. It should start, of course, with the cost and purpose of the office of the Federal Minister for Climate Change. Like an Enquiry into Quangos many years ago, the next reference may need to be the phone book, leading to requests for every government department and authority to list all Greenhouse related programs, laws and regulations. The job should probably be contracted out to a nose-y investigative journalist who will not conveniently overlook some sacred cows. This review should list every program, its supporting legislation, its purpose and its annual cost, both direct and indirect. Until this is done by a competent independent researcher with powers to demand answers, no one will know what is the size, cost or purpose of the monster we have created.

Recommendation: Before any new initiatives are taken we need to “Measure the Monster” - assess the size, scope, goals and cost of every existing federal, state, local and subsidised greenhouse initiative.

“When metro-media-anti-business folk twitter on incessantly about the imponderables of “global warming”, I get a queasy, sinking feeling. We are sailing blindly into an economic iceberg. We are unthinkingly blunting our competitive edge in the world; we are imposing more and more burdens on industry and on business, especially on small business, while others do not; we are forcing retrogressive costs and taxes onto the poorer of society; we are neo-colonially hindering development; and we are losing power and influence in the world.”

Philip Stott, Global Warming Politics, 15 May 2008.

4. The Justification for Greenhouse Alarmism, and the Need for an Exit Strategy.

“Isn’t the only hope for the planet that the industrial civilisations collapse? Isn’t it our responsibility to bring that about?”

Maurice Strong, one of the world’s leading environmental campaigners and senior adviser to various UN Secretaries-General.

Before we can begin to assess whether certain programs or expenditure should be continued, we need to ensure we understand the objectives and beliefs supporting the whole Greenhouse Industry. The alarmist gospel could be summarised as:

- The Earth’s global temperature is rising un-naturally and has reached alarming levels.
- Man’s emissions of carbon dioxide (CO₂) are the chief cause of this.
- CO₂ is the chief greenhouse gas and global temperature is controlled by it.
- More warming and more CO₂ in the atmosphere are dangerous to all life on earth.
- Reducing man’s emissions of CO₂ will have beneficial effects for future climate and life on earth.
- CO₂ is a dangerous pollutant which should be removed from our environment.
- It is possible to make significant reductions in man’s emissions of CO₂ without causing severe damage to the world economy.
- It is possible to provide our electricity and transport fuels without using carbon or nuclear fuels.
- There will be no perverse consequences and in fact robust new industries will be created.
- The majority of consumers and taxpayers can be insulated from the costs of all these de-carbonisation programs.

The Carbon Sense Coalition contends, with good reasons, that EVERY ONE OF THE ABOVE STATEMENTS IS NOT ONLY WRONG, BUT IS LIKELY TO LEAD TO FOOLISH POLICIES. This conclusion was not reached casually.

Moreover, a growing number of climatologists, meteorologists, geologists, astro-physicists, cycles analysts, economists, journalists, politicians, soil scientists, epidemiologists and plant biologists have also publicly disputed the alarmist conclusions and recommendations. In fact, even when just relevant scientists are included, the greenhouse sceptics greatly outnumber the alarmists who are prepared to identify themselves. The most recent report on dissident scientists (to be issued on May 19, 2008) lists over 31,000 scientists who have signed a petition urging the US Government to reject all Kyoto style proposals –

<http://network.nationalpost.com/np/blogs/fpcomment/archive/2008/05/17/32-000-deniers.aspx>)

(Counting heads does not prove anything in the scientific world, but it does suggest that there is a significant debate about the science and the evidence which is not reflected in the confident tone that accompanies every costly and disruptive new greenhouse policy.)

The main pieces of evidence tendered in support of the above statement of alarmist beliefs are complex Global Circulation Models which are manipulated continually to reflect the climate record as it unfolds. They have marvelous hind sight, but they have never yet successfully forecast even a few years ahead, let alone the 50 or 100 years that these de-carbonisation programs are supposed to be needed.

“It is, we are told, as inevitable as night follows day that, as the amount of carbon dioxide in the atmosphere goes up, so too does the temperature of the world. Inconveniently for this axiomatic truth, however, while carbon dioxide has continued to increase, the temperature of the planet has stayed flat over the past decade and even recently dropped like a stone. Never mind: man-made global warming turns out to be the most obliging of theories because we are told that this inexorable process of heating is now to take a ten-year pause.”

Melanie Phillips. The Spectator, 1 May 2008.

Recommendation: Ensure that all policies introduced have an inexpensive exit strategy and a sunset clause. We are sure to need them as soon as the climate trends and the political environment erodes all support for greenhouse ideology.

“POLITICIANS seem to think that the science is a done deal,” says Tim Palmer. “I don’t want to undermine the IPCC but the forecasts, especially of regional climate change, are immensely uncertain.”

Palmer is a leading climate modeler at the European Centre for Medium-Range Weather Forecasts in Reading, UK, and he does not doubt that the Intergovernmental Panel on Climate Change (IPCC) has done a good job alerting the world to the problem of global climate change. But he and his fellow scientists are acutely aware that the IPCC’s predictions of how the global change will affect local climates is little more than guesswork.

Fred Pearce, “We need better forecasts – and fast” The New Scientist 3 May 2008

5. *Emissions Trading does not offer a safe Exit Strategy.*

When embarking on a risky venture, any prudent person would ensure they have an exit strategy in case something does not work out as planned.

“Jeroen van der Veer, the chief executive of Royal Dutch Shell, has warned that forcing companies to pay for emissions permits threatens to destroy Europe’s petrochemicals and refining industry.”

The Times, 15th April 2008

The Wilkins Review should not accept the assumption that Emissions Trading is the best or the only way to control or reduce carbon emissions. It is a complex system with no predictable outcome, which encourages the development of a large artificial industry trading hot air, and it will create assets and vested interests which will make it costly to demolish the whole system when the inevitable roll back of all this occurs.

“India rejected a proposal to place national limits on carbon-dioxide pollution with targets for individual industries, taking sides against Japan and the US in how to curb global warming.”

Subramaniam Sharma, Bloomberg, 21 April 2008.

The Carbon Sense Coalition submits that it is certain that the whole edifice of Greenhouse policies will collapse because of one or more of the following developments:

- Natural global cooling replaces natural global warming and makes it clear we have been scammed.
- The lack of a scientific basis for de-carbonisation becomes obvious to the general population.
- The costs of the carbon bashing policies become politically unbearable.
- Painful perverse consequences appear - such as increasingly severe shortages and soaring prices for food, energy, transport, metal products, cement, uranium and natural gas.
- Politicians start losing office and reversing direction.
- The media takes the telescope from their blind eye.
- Closures and capital losses disrupt power supplies and energy intensive plants.
- Several big global emitters refuse to participate in the west’s industrial suicide pact.

Thus the Wilkins Review should assess various carbon taxing options for the ease of abolition. This will clearly demolish any appetite for an Emissions Trading System. Any option chosen should be simple, predictable, easily quantifiable and immediately reversible. Only two options fulfil these criteria – the do nothing option (the preferred option) or a simple low carbon tax.

“Russia will not accept binding caps on its greenhouse gas emissions under a new climate regime currently being negotiated to succeed the Kyoto Protocol after 2012, top officials said on Monday.”

Simon Shuster, Reuters, 28 April, 2008.

Recommendation: If, after the above recommendations have been carried out, there is still a perverse appetite to “do something about global warming” the recommended option is a simple, direct carbon tax on net emissions, introduced at a low-low rate. No permits, no trading, no overseas transfers, no offset credits, no uncertain prices and easy to abolish when the science, the climate and public opinion laugh the CO2 act off the stage.

And if a tax is imposed on CO2 emissions, the tax rate should be related to measured global warming – no warming last year? - No tax this year.

6. No Duplications between Federal, State and Local Governments.

There is already a confusing multitude of ineffective and costly federal, state and local taxes, subsidies, mandates and trading systems. Even this week, the federal government announced a greenola of handouts for local governments. If there is to be any “Greenhouse Policy” it should be a uniform federal system. Individual states should have the right to opt out of any federal system, but should have no right to introduce their own or additional restrictions.

Recommendation: As a matter of principle, all state and local greenhouse playthings should be abandoned immediately any federal system is instituted (and preferably sooner).

7. No Open Doors to International Rorts – Keep it in the Family.

There are two possible versions of an emissions trading scheme. One would confine trading and offsets to Australia so we know that the costs imposed on one group of Australians are at least providing un-earned windfalls for other Australians. But if we allow integration with an international scheme, the whole system will probably result in zero reduction in global carbon emissions but would result in the transfer of large funds overseas to pay for “offsets”, many of dubious reality or value to anyone.

It works like this:

To get a permit to operate, an Australian power station offers to pay an Indonesian landowner to promise not to clear a piece of forest he had intended to clear. The landowner gets paid and makes the promise, providing an “offset credit” to the power station. The power station keeps emitting. Nothing real changes except a heap of money went from Australia to Indonesia. The process is repeated with an adjacent piece of land next year. Consumers and shareholders will pick up the bills.

Recommendation: Avoid International Carbon Trading Schemes. Common sense suggests that we should make sure it is our own people who win the ETS lotteries.

“A recent Stanford study found that up to two-thirds of the carbon offsets under the Kyoto Protocol’s Clean Development Mechanism may well be worthless.”

Bradford Plumer, The New Republic, 13 May 2008

8. *Let the Markets Work*

It is no accident or coincidence that the countries which allow their people the maximum freedom in their lives and the maximum security in their assets are the most prosperous, the most concerned about their environment and the most able to adapt to whatever changes or disasters nature delivers to them.

Recommendation: Let the Markets Work.

Governments should not be in the business of changing light bulbs, banning electric stoves, subsidizing wind towers, designing energy master plans, imposing discriminatory taxes, backing research gambles, controlling prices or mandating shares in any market. They should look to the energy efficiency of their own activities and businesses and let private people work things out according to their own value judgments.

Elaboration on some specific policies which would flow from this recommendation appears below:

8.1 *No Mandated Shares for particular Energy sources or technologies.*

The requirement to buy Emissions Permits has the same effect as a carbon tax – it discourages the use of carbon products and encourages all of their competitors. There can be no picking of winners, no foolish attempts to predict or control market shares. Mandating shares for renewables is not a way of correcting market failures – IT IS A MARKET FAILURE. Therefore all state mandates for market sharing in the energy supply industry must be immediately abolished.

“Royal Dutch Shell has announced that it plans to sell its 33% stake in the London Array, the world’s biggest sea-based wind park”.

And

“It’s been more difficult to build offshore projects than everyone thought” said the head of Nordic power generation, Vattenfall AB, which has put a 640 megawatt wind farm in the Baltic Sea on hold.”

Lars Paulsson and Paul Dobson, Bloomberg, 14 May 2008.

8.2 *No Subsidies or Exemptions for Renewable Darlings*

A carbon tax immediately gives an effective subsidy to all non-carbon competitors. That should be the end of the tax and subsidise game. NO MORE SUBSIDIES for any energy source and the same tax and royalty policy for them all. We support the move in the recent budget to ration applicants for solar subsidies, but it should have gone further and abolished them all.

8.3 *No Duplicated Reporting Requirements*

Already there are state and federal requirements to report to Energy Departments, Resource Departments, Greenhouse Authorities, Environmental Protection Authorities, the National Pollution Inventory and probably several more. There should be only one data collecting department, probably the tax department collecting the taxes and permit fees.

8.4 *No Subsidies for Carbon Cemeteries (Carbon Capture and Storage).*

Perhaps the most silly and destructive of the greenhouse policies is the devotion of taxpayer and shareholder funds to finding methods to entomb CO₂ deep within the earth. CO₂ is the source of every bit of organic matter on earth. Plants extract it to form organic carbohydrates and proteins which then feed the whole animal kingdom. There is no doubt that extra CO₂ in the atmosphere will encourage plant growth and food production, so anyone who wants to eat, or who supports a green agenda, should oppose this silly policy. Not only does CCS sterilise valuable carbon, but for every carbon atom interred, two oxygen atoms are buried. This valuable oxygen would have been released by plants back to the atmosphere. To subsidise the removal of the two essential gases of life from the biosphere is a suicidal policy. Governments should not encourage it.

“BP has abandoned plans to build a pioneering plant to capture and store carbon dioxide in Australia, the second such project the company has axed. BP pulled out of a similar project last year, at Peterhead in Scotland, in which it had invested \$60M. The company said the Peterhead plant was not viable without greater government subsidies”.

Fiona Harvey, Financial Times, 12 May 2008

8.5 *No Underhand De-carbonisation Regulations*

There will be people who will use any tactics to achieve their aims of destruction of the carbon industry. They will not be satisfied until they have destroyed the coal and oil industries and everything that depends on them. So they will attempt to misuse project approval processes, environmental permits, endangered species legislation, cultural heritage regulations or greenhouse arguments to block the opening or expansion of any new carbon project. Thus any emissions control legislation should make it clear that every project that pays its tax or buys its permits need not face any further greenhouse harassment or barriers.

8.6 *No Gambling of Public Funds on Research*

The political process is not the place for betting on which new technology will “save the world from global warming”. The history of discoveries shows that the real breakthroughs are not made by learned professors in well equipped government laboratories - they are usually made by some unqualified maverick working in a tin shed. Such people seldom score well in making an application to the Government Research Grants Commission. Leaving the maximum of research funds in private hands will maximise the chances of a break-through success (See Note 1 below).

Therefore, Carbon Sense calls for a phase out of all government funded research programs with the magic words “Climate Change” or “Global Warming” in the scope or project description. Even in the field of weather forecasting, private operators are out-performing the monster models run by governments.

Note 1. See: *“The Economic Laws of Scientific Research”* by Dr Terence Kealey, Macmillan Press, London. Professor Kealey is former Wellcome Senior Research Fellow in Clinical Biochemistry at the University of Oxford, former lecturer in Clinical Biochemistry at Cambridge University and is now Vice-Chancellor of the University of Buckingham. *“This book is a brilliant history of the roots of scientific progress and one of the best exposures of the destructiveness of Big Government yet. Anyone who thinks that the free market is OK for making shoes and pizzas but that the really “serious stuff” like scientific research won’t happen unless paid for by government should get a load of this book. From Roman times, through the Industrial Revolution to the present, the author shows that nearly all the important scientific and technological advances in history have come from private sources, from tradesmen or industrialists who had a “problem” and needed to fix it, and not from tax-funded laboratories.”*

“A recent opinion poll in Britain found that 72% of respondents oppose paying higher taxes to fight climate change.”

Lorrie Goldstein, Edmonton Sun, 14 May 2008.

9. What about Energy Efficiency and Pollution?

Carbon Sense supports improving energy efficiency and opposes pollution. Nothing in the above submission should be interpreted to mean otherwise. We do support any action that encourages efficiency in the use of any natural resource, and we oppose all activities that pollute the land, air, water or property of other people without their consent.

If the prices are left alone, with no price control and no subsidies, every consumer, in his own interest will ration expensive resources such as electricity, petrol, food and water. Only when these goods appear “free” or “cheap” to the ultimate consumer will there be waste of the resource. The high prices will have another beneficial result – they will encourage more supply and alternative ways of obtaining the same consumer satisfaction.

Because the atmosphere, most waterways and all public lands are treated as “public property” they will always be used by unscrupulous people as rubbish dumps – just compare the rubbish along all public roads with the tidiness of most private yards. Controlling pollution is thus a legitimate role for governments, but they should ensure that pollution controls are not misused for other purposes, as is happening in the case of carbon dioxide, a harmless natural atmospheric gas beneficial to all life.

10. In Conclusion – it's Time to Clean the Stables.

Australia has a mishmash of unco-ordinated and overlapping greenhouse policies, taxes, subsidies, reporting systems, mandates, ministers, advisers, spin doctors, consultants, departments, offices and authorities. Any sensible policy says there should be one simple Australia-wide system. All state and local government laws, regulations, taxes, subsidies, mandates and approvals hurdles should be abolished immediately any federal carbon taxing system is introduced. (In fact, Carbon Sense submits that they should be abolished anyway.)

The Carbon Sense Coalition stands ready to appear before the Wilkins Review or to answer any questions on the points raised in this Submission.

Authorised by:

***Viv Forbes BSc App, FAIMM, FSIA
Chairman
The Carbon Sense Coalition
MS 23, Rosewood, Qld 4340***

www.carbon-sense.com

info@carbon-sense.com

Phone 07 5464 0533

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"Even a small hole can sink a big ship".

Benjamin Franklin

Appendix: Supporting Documents

Carbon Sense has already made known its views on the lack of evidence or proof that man-made CO₂ has caused or will cause dangerous global warming, and the dangers of costly and perverse consequences of precipitate legislative action on de-carbonisation. These include:

- 1** A submission to the Garnaut Review, “The Sky is not Falling”, which recommends that no action be taken on any de-carbonisation proposals until a Royal Commission is held on the Science of Global Warming:
<http://carbon-sense.com/wp-content/uploads/2008/01/garnaut-submission.pdf>
- 2** A specific proposal from a group of Australian and New Zealand organisations and scientists to set up such a Royal Commission (the ANZIG Enquiry):
<http://carbon-sense.com/2008/02/05/time-for-an-australia-new-zealand-royal-commission-on-global-warming/>
- 3** A Submission to the Queensland Government, “Look before you Leap”, on their Proposed Energy and Climate Policies. In it, The Carbon Sense Coalition accuses the Queensland Government of proposing draconian policies which will have no effect whatsoever on global temperature, but will, if pursued, do tremendous damage to most Queenslanders:
<http://carbon-sense.com/wp-content/uploads/2007/06/look.pdf>
- 4** A submission to the Garnaut Review, on reporting, “Keep it Simple, Stupid”, which recommends that if any reporting system is mandated, it should be the very simplest system.

<http://carbon-sense.com/2008/02/17/keep-it-simple-stupid/>
- 5** A submission to the Garnaut Review, on low emission options, “The Climate is Changing, naturally”, which concludes that there are no near term “low emissions” energy options (apart from politically incorrect nuclear power) to replace coal and oil for electricity and motor vehicles.

<http://carbon-sense.com/2008/04/12/submission-to-garnaut-review-the-climate-is-changing-naturally/>
- 6** A submission to the Garnaut Review entitled “Emissions Trading - a Weapon of Mass Taxation”, which warns of the huge costs and disruptions caused by a cavalier introduction of an Emissions Trading Scheme.

<http://carbon-sense.com/2008/04/18/garnaut-review-emissions-trading/>

The above reports should be treated as part of and complementary to this submission.

END