

Media Release

Kyoto refusal knee-caps Australian businesses

The Howard Government's confirmation that it will not ratify the Kyoto Protocol will see Australian firms locked out of the huge world market for greenhouse gas emission credits, according to Australia Institute Executive Director Dr Clive Hamilton.

"Australian investors, encouraged by the Government to invest in emission-reduction activities in developing countries, have been left holding worthless greenhouse gas credits. Their only recourse is to move off-shore", said Dr Hamilton.

The Howard Government has helped fund Australian companies to invest in clean energy and emission reduction projects in developing countries through its International Greenhouse Partnerships Program, but that program is now being closed down.

European Union officials have recently confirmed that emission credits generated by Australian companies will not be saleable in countries that have ratified. Japan and EU countries have now ratified and the Protocol is expected to enter into force in the next few months.

"The Government seems terminally confused," said Dr Hamilton. "The Prime Minister yesterday told Parliament that ratification of the Kyoto Protocol would come at great cost to the economy. Yet the Government has repeatedly maintained that Australia will meet the 108% target anyway."

Press reports indicate that several Australian firms are making plans to move offshore and at least one company is considering suing the Government for breach of contract.

The businesses in question are leading-edge energy companies and include AGL, FCT Combustion Pty Ltd, Advanced Energy Systems Ltd, Landfill Management Services (owned by Simsmetal) and Fuel Technology Pty Ltd.

"While the Government has frequently talked up the costs to Australian business of ratification of the Kyoto Protocol, the real issue now is the costs to Australian business of the Government's refusal to ratify," said Dr Hamilton.

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