

## **World Makes \$1.2 Billion Greenhouse Gift to Australia**

Australia's greenhouse gas target agreed at Kyoto is so generous that we will need to do almost nothing to reduce our energy emissions and could actually *increase* the rate of land clearing, according to analysis by the Australia Institute.

Moreover, if rates of land clearing continue their natural decline Australia will be left with a surplus of emission credits it can sell to countries like Japan that have more stringent targets.

According to the official inventory, Australia's greenhouse gas emissions in 1990 totalled 496 million tonnes (Mt) of carbon dioxide equivalent, of which emissions from land use change were 116 Mt (23%) and from energy and other sources 380 Mt.

The 8% increase in total emissions allowed by the Kyoto Protocol permits Australia's total emissions to reach 536 Mt by 2010 (or, to be precise, to average this figure in the budget period 2008-2012). The package of energy measures announced last month by the Howard Government would limit emissions excluding land clearing to an 18% increase over 1990 to 2010. Thus energy emissions are expected to rise to 448 Mt by 2010, a level even the Government concedes could be improved on.

This leaves room for at least 88 Mt to come from land clearing in 2010. However, according to the official inventory, emissions from land use change had by 1995 already fallen to 78 Mt. Thus Australia could **increase** emissions from land clearing and still meet the Kyoto target.

If emissions from land clearing continue their natural decline and stabilise at around 48 Mt then Australia will have 40 Mt of surplus emissions. Under the emissions trading system established by the Kyoto Protocol, these emission credits can be sold to other signatory countries.

At an expected world price of around \$30 per tonne of CO<sub>2</sub>, these credits will be worth approximately \$1.2 billion. If energy emissions grow by less than 18% this will provide another source of emission credits.

Commenting on the decision on his return from the Kyoto Conference, Institute Executive Director Dr Clive Hamilton said: "The Kyoto agreement means that the world community may end up paying Australia \$1.2 billion to do nothing."

"When land use change is included, Australia has by far the highest emissions per person of any country in the world. In a state of exhausted confusion, the world's negotiators have agreed to actually pay the worst polluter in the world to continue to pollute at record levels."

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