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## News release

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# Compensate Queensland Landholders for Not Clearing, Says The Australia Institute

## **\$100 million greenhouse fund in limbo while bulldozers work 24 hours a day**

The Federal Government should immediately compensate Queensland landholders for not clearing their land as the cheapest and most effective way of contributing to greenhouse gas reduction, The Australia Institute said today.

Environment Minister Senator Hill should immediately release up to \$100 million from the \$400 million greenhouse gas reduction fund agreed between the Government and the Australian Democrats as part of the GST deal, argues a new analysis by the Institute.

This appropriation would be welcomed by the energy sector and other users of fossil fuels since, according to the provisions of the Kyoto greenhouse protocol, the more emissions from land clearing can be reduced, the greater emissions from fossil fuels can be increased.

The paper, *Land-use change and Australia's Kyoto target*, was originally submitted in December to the Senate Environment References Committee inquiry into Australia's response to global warming. It was released today in response to the growing controversy over land clearing in Queensland.

The analysis shows that the economic value of cleared land is around \$40 per hectare so ending land clearing over the 350,000 hectares cleared annually in Queensland would cost around \$14 million.

On average, each hectare of land cleared results in the release of some 87 tonnes of greenhouse gases valued at between \$1500 and \$2000 in emission permits.

### **The problem is confined to Queensland**

The paper observes that in 1990 70 per cent of all Australian land clearing was in Queensland, a figure which by 1997 had increased by 93 per cent.

Emissions from land clearing in Australia totalled 103 million tonnes of carbon dioxide equivalent in 1990 (the base year on which the Kyoto targets have been calculated) but by 1997 had fallen to 65 million tonnes, a decline of 37 per cent over six years.

The authors, Dr Clive Hamilton and Lins Vellen, have calculated emissions in the year 2010 according to three scenarios:

- ◆ If 1997 rates of land clearing are allowed to continue, emissions by 2010 will be 54 million tonnes;
- ◆ If land clearing declines by 20,000 hectares a year - a policy announced by the Prime Minister in November 1997 - the figure will fall to 29 million tonnes;
- ◆ If no net loss of vegetation can be achieved - the objective of the Federal Government's Bushcare program - emissions will fall to eight million tonnes.

"If the last of these scenarios can be achieved, fossil fuel and other emissions can increase by 33 per cent above 1990 levels and Australia will still be able to meet its Kyoto target," says the paper.

"Such an outcome will be welcome by energy intensive industries. If they were forced to reduce their emissions by a similar magnitude, the cost would be much greater."

### **Australia clause resented by other Kyoto signatories**

The authors note that the so-called "Australia clause" on land clearing negotiated at Kyoto is arguably of greater significance than the actual target. (The agreed target is that over the period 2008-2012 Australia's greenhouse gas emissions must not exceed 108 per cent of 1990 levels.)

"This clause was included in the dying hours of the negotiations at Kyoto to keep Australia in. The world's negotiators, preoccupied with the bigger issues involving the US, Japan and European Union, were unaware of its implications.

"As these implications have become clearer, other nations have reacted with dismay. There are now officers in the EU whose duties include monitoring the issue of land-use change in Australia and who are better informed on this question than all but a handful of Australians."

"The clause opened up a large loophole which only one country – Australia – is able to exploit. Had other parties been aware of the implications, Australia would have been required to cut its emissions by considerably more than Europe, Japan and the US.

"As it stands, Australia's fossil fuel emissions will be able to increase by up to 33 per cent while other industrialised countries have to cut back. This is a situation of some irony given that Australia will find it *easier* to cut fossil emissions than most other industrialised countries.

“The opportunity to end land clearing provides a means of making a large contribution to meeting the Kyoto target at around one-tenth of the cost of other measures.

“At the same time it would meet a Federal Government policy objective unrelated to climate change.

**Policy needs to be reversed**

“But current Federal Government policies appear to be working in the opposite direction, especially in pursuit of the Bushcare program objective of no net clearing of land by 2000.

“While the Minister for the Environment, Senator Hill, withholds \$34 million in Bushcare grants, bulldozers have been reportedly working 24 hours a day, including under floodlights at night.

“The error is in policy, and the solution is simple.

“Instead of withholding funds if landholders clear land, the money should be employed immediately to compensate landholders who agree not to clear.

“Such an approach would be a much more effective means to end land clearing and would be a godsend to the energy sector.”

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